Introducing DYDX the Layer 1 token of the dYdX Chain

DYDX once migrated has expanded utility;

Staking

Security

Governance

All fees (trading fees denominated in USDC and gas fees for DYDX-denominated transactions or USDC-denominated transactions) collected by the protocol are distributed to Validators and Stakers every time a new block is committed

Staking

- Serves a dual purpose of securing the Chain and as a reward mechanism for abiding by protocol rules

All fees generated by the dYdX Chain protocol are distributed to Validators and Stakers (trading fees denominated in USDC and gas fees for DYDX-denominated transactions or USDC-denominated transactions) every time a new block is committed.

Security

- Staking DYDX directly contributes to dYdX Chain security

The more native DYDX tokens that are staked or "bonded" and the more distributed the stake across multiple Validators, the more secure and resilient the network becomes

Governance

- Only staked DYDX may participate in governance

There is several notable changes from dYdX v3 governance, read the blog for more detail;

Proposing power is not required to create a vote

Validators inherit the voting weight of their Stakers unless a Staker decides to vote themselves

With the community adopting DYDX as the L1 token on the dYdX Chain, the DYDX token once migrated has expanded utility.

This expanded utility serves to power the dYdX Chain and reduce barriers to governance participation.

Read the blog for details

dydx.foundation

Expanded Utility of DYDX on the dYdX Chain | dYdX Foundation

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