Last month in

ParaSwap: Open integrations, gas refund programs, and more!

paraswap

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With all the developments constantly happening in the field of Decentralised Finance, it's sometimes hard to notice how many things happen in just a single month.

For ParaSwap, March has been an outstanding landmark month, as it was not only the month where we hit over $30 Billion in total traded volume but also a period where we have seen major developments in just about every aspect of the ecosystem.

Externally, we have seen many new partners integrate ParaSwap, such as FURUCOMBO (https://twitter.com/furucombo/status/1502539891728601089) and Symphony Finance (https://twitter.com/SymphonyFinance/status/1506661376143491072), while internally, both the ParaSwap protocol and the ParaSwap DAO have undergone some major improvements. For those that are struggling to keep up, here are some major highlights from March!

Paraswap Protocol Developments

DexLib: An open Plug & Play DEX integration system

Due to the breakneck developments in DeFi, one of the biggest challenges for aggregators is integrating new liquidity sources that allow for even more efficient rates. New Decentralised Exchanges and pools are created every day, and for them to be integrated into the ParaSwap ecosystem, they had to be manually added one by one until now.

DexLib is an open-sourced library that serves as a streamlined solution to connect new exchanges to ParaSwap. Thanks to this new collaborative approach, developers can create a pull request for their own DEX to be listed and be integrated into the ParaSwap ecosystem.

For more information about ParaSwap's Dexlib, feel free to visit the GitHub page:

https://github.com/paraswap/paraswap-dex-lib

Streamlined token approvals

When trading with a new ERC-20 token for the first time, users in the past had to use two transactions before they were able to execute the swap: An approve

function, and then the actual swap. Because of this, the first swap with a new token can be unnecessarily time-consuming, and depending on the network congestion, could even lead to delays in time and extra gas spent. This, however, is not going to be a problem for ParaSwap users anymore.

By implementing the permit() function introduced in EIP-2612 (https://eips.ethereum.org/EIPS/eip-2612), users now just have to sign a gas-less message to be able to swap their tokens in a single transaction.

New Landing Page — More than an aggregator

One major visual change worth mentioning is our new landing page, showing why ParaSwap remains the best aggregator for users, developers, and institutional partners. Now, to find an overview of our protocol, as well as our ecosystem integrations, security audits, and more, just head to paraswap.io

ParaSwap DAO Developments

Introduction of the Gas Refund Program

After much discussion in the governance forums, the first ideas proposed by PSP-IPΔ13 (https://gov.paraswap.network/t/psp-ip-13-gas-refund-for-stakers/) have finally gone live. The steps to participate in the proposal are simple: By committing a set amount of $PSP into the token's ParaSwapPools staking system, users are now

eligible to receive back up to 100% of their initial gas costs.

By incentivizing users to stake in our PMM pools, not only is the user experience of $PSP users enhanced, but this system participation strengthens the entire protocol too by driving up volume and efficiency. The increased staking allows ParaSwapPool MMs to provide even better rates, which are already so competitive that they account for around 1/3 of ParaSwap's current Ethereum volume (https://twitter.com/paraswap/status/1506587334837522437)

While the current implementation of the gas refund system is already a very exciting development, the Gas Refund Program has multiple enhancements that are planned for in the future, such as refunding other transactions made in the ParaSwap ecosystem — including $PSP staked in the ParaSwap safety module — and much more, so stay tuned!

Changes in Staking Reduction Rewards

As previously mentioned, one of the core functions of the$PSP token since its release has been to allocate some of it to different ParaSwapPools to increase the efficiency of the protocol. To incentivize people into this new staking system, generous reward allocations were introduced as a way of incentivizing participation in the system.

With the introduction of the new token emissions coming from the gas refund proposal, the Paraswap DAO has decided to reduce the amount of PSP allocated as direct staking rewards, helping the overall health of the token, and marking the maturing of the DAO as it strives to introduce new forms of utility into the token.

Transitions to Protocol-Owned Liquidity (POL)

The last major development from the ParaSwap DAO which has come into fruition over the last month has been the beginning of the transition of PSP's liquidity towards being fully protocol owned.

For a token to remain accessible, it requires a certain degree of liquidity, mostly achieved by pairing the token with another one on DEX pools. However, this pairing mechanism tends to harm pool providers through impermanent loss. Until now, Liquidity Mining was the most common solution to mitigate this problem, but this form of token emission is not sustainable and tends to lead to negative externalities for the token.

To reduce the reliance on these unsustainable emissions, the ParaSwap DAO has begun to take steps to fully own its liquidity, with two major developments happening just in March. The first one, a collaboration with Bancor, has led to the ParaSwap DAO now directly owning one of PSP's greatest liquidity sources (https://app.bancor.network/swap?from=0xcAfE001067cDEF266AfB7Eb5A286dCFD277f3dE5), while the second one is the piloting of an Olympus Pro backed bonding scheme, which is set to capture wETH used for the safety module. Were this scheme to succeed, bonds will serve as a great vehicle for slowly acquiring more liquidity for the protocol.