Greetings dYdX Community,

In light of recent discussions and valuable feedback from key community members, including dYdX CEO [@antonio](#), we have refined our recommended starting point for initial subDAOs beyond the subOPS. We appreciate the inputs that stress the importance of a clear focus and prioritisation of core operational aspects of the protocol instead of spreading resources too thinly across multiple initiatives. We must stay mindful of the long-term trajectory of the protocol while considering the immediate necessity for key areas of development.

With this perspective in mind, we have narrowed down our initial proposed subDAO structure to focus on three key entities:

1. Risk Management subDAO

2. Treasury Management subDAO

3. Market Maker or Validator Business Development subDAO

In addition, we recognise the importance of marketing and growth activities for the protocol's future, but in alignment with the feedback received, we suggest looking into establishing a combined Marketing, Communication, and Growth subDAO

in 6-12 months from now.

Each of these proposed subDAOs focuses on a vital area of protocol operation and development, providing the targeted attention to fortify and grow dYdX effectively and sustainably.

We invite the community to delve into the specifics of these subDAOs, discussing their potential roles, responsibilities, and impact on our collective future.

In case you haven't seen the [original post](#), here are the core responsibilities these subDAOs could potentially be responsible for:

Risk Management subDAO

A Risk Management subDAO would also play a vital role in the dYdX ecosystem, ensuring the platform's financial stability and protecting users from potential market risks. Its mission is to implement effective risk management strategies that align with the platform's risk appetite and the community's expectations.

Key responsibilities and areas of focus for the Risk Management subDAO could include:

1. Market Risk Management:

The subDAO constantly monitors market conditions and volatility to evaluate and mitigate potential risks. For example, this could involve adjusting collateral ratios and leverage available.

1. Asset Listing and Delisting:

The Risk Management subDAO would oversee listing or delisting assets on the platform. It would evaluate potential assets based on various risk factors, including liquidity, volatility, and regulatory compliance. It would also monitor the performance of listed assets and recommend delisting if necessary.

1. Risk Modelling and Analytics:

The subDAO would develop and maintain sophisticated risk models to assess and quantify various risks. It would leverage advanced analytics to predict potential risk scenarios and devise effective mitigation strategies.

1. Risk Policy and Guidelines:

The Risk Management subDAO would define the platform's risk policy and guidelines. This would set the tone for how the platform perceives and handles risk, providing clear guidance to its users.

1. Risk Communication and Education:

The subDAO would communicate risk-related information to the community in a transparent and timely manner. It would also educate users about potential risks and how to manage them when using the platform.

1. Collaboration with Other subDAOs:

The Risk Management subDAO would work closely with other subDAOs, such as the Treasury Management subDAO for financial risk considerations and the Market Maker or Validator Business Development subDAO for potential market-related risks. This collaboration would ensure a comprehensive risk assessment and mitigation across different areas of the platform's operations.

1. Crisis Management and Contingency Planning:

In the event of a significant market downturn, system failure, or other crises, the Risk Management subDAO would be responsible for leading the crisis response and executing the established contingency plans. It would coordinate with other subDAOs and entities to manage the situation effectively and minimise damage to the platform and its users.

Treasury Management subDAO

The Treasury Management subDAO plays a crucial role in the financial health and sustainability of the dYdX platform. It manages the platform's financial resources and ensures that funds are allocated effectively and responsibly.

Key responsibilities and areas of focus for the Treasury Management subDAO could include:

1. Financial Strategy and Planning:

The Treasury Management subDAO would devise the financial strategy for the platform, ensuring it aligns with its long-term objectives and sustainability. This could involve planning for future expenditures, setting financial targets, and determining the optimal use of financial resources.

1. Budgeting and Financial Forecasting:

As part of its financial planning, the Treasury Management subDAO would create budgets for various platform initiatives and conduct financial forecasting. This allows for an organised and systematic allocation of financial resources and aids in predicting potential financial outcomes.

1. Management of Platform Income:

The subDAO would manage the income generated by the platform, such as trading fees or interest earned. It would ensure these funds are allocated effectively and transparently per the platform's priorities and community expectations.

1. Reward Distribution:

The Treasury Management subDAO would oversee the distribution of rewards to users, such as trading rewards, staking rewards or liquidity mining incentives. It would ensure that the reward distribution process is fair, transparent, and aligns with the platform's growth strategy.

1. Fund Allocation:

The subDAO would decide on fund allocation for various platform initiatives. This could include allocating funds for platform development, marketing campaigns, security audits, community events, or other initiatives. It would ensure that funds are distributed to maximise the platform's growth and value.

1. Investment and Capital Management:

The Treasury Management subDAO could also manage the platform's surplus funds, deciding on investment strategies or capital management practices to grow the platform's treasury and ensure financial sustainability.

1. Risk Management Collaboration:

The Treasury Management subDAO would work closely with the Risk Management subDAO to assess and mitigate financial risks. This includes risks related to investments, cash flow, budgeting, and other financial operations.

1. Sustainability Initiatives:

The Treasury Management subDAO could also evaluate and implement sustainable financial practices. This includes practices that contribute to the financial sustainability of the platform and align with the broader principles of decentralised finance.

1. Treasury Technology and Innovation:

The subDAO would stay abreast of the latest financial technologies, blockchain innovations, and DeFi trends that could be leveraged to improve treasury management. This includes exploring new investment opportunities, yield-generating strategies, and financial instruments in the DeFi space.

1. Legal and Regulatory Compliance:

In coordination with any necessary legal advisors, the Treasury Management subDAO would ensure the platform's financial operations comply with relevant legal and regulatory standards.

1. Transparency and Reporting:

The subDAO would maintain transparency in all financial matters, providing regular financial reports to the community. It would ensure that all financial decisions are made transparently and accountably, fostering trust within the community.

Market Maker or Validator Business Development subDAO

The Market Maker or Validator BD subDAO is established to foster and manage relationships with market makers and validators in the dYdX ecosystem. It is critical in supporting liquidity and promoting efficient market operations on the platform.

Key responsibilities and areas of focus for the Market Maker or Validator BD subDAO could include:

1. Market Maker and Validator Acquisition:

The subDAO would identify and attract potential market makers and validators to the dYdX platform. This would involve developing and executing strategies to convince them of the benefits of partnering with dYdX.

1. Partnership Management:

The subDAO would handle the ongoing management of partnerships with market makers and validators. This includes handling inquiries, resolving potential disputes, and facilitating open lines of communication.

1. Onboarding and Training:

The subDAO would ensure a seamless onboarding process for new market makers and validators. It would provide training and resources to help these entities understand and navigate the dYdX platform efficiently.

1. Community Engagement:

The subDAO would be tasked with effectively communicating with the broader dYdX community about the role and value of market makers and validators in the ecosystem. It would also collect and address feedback regarding these entities from the community.

1. Strategic Planning:

To ensure the dYdX platform remains attractive to market makers and validators, the subDAO would engage in strategic planning, considering market trends, the competitive landscape, and the evolving needs of these entities.

Marketing, Communication, & Growth subDAO

(6-12 months from now)

The Marketing, Communication, & Growth subDAO is pivotal in fostering dYdX's growth and promoting its brand and offerings to users and potential partners. It's responsible for creating and executing strategies that increase user acquisition, retention, and platform adoption while maintaining a strong brand presence and an active, engaged community.

Key responsibilities and areas of focus for the Marketing, Communication, & Growth subDAO could include:

1. Market Analysis and Strategic Planning:

The subDAO would conduct market research and trend analysis to identify growth opportunities and potential roadblocks. It would use these insights to develop strategic plans to expand the user base, increase trading volume, and enhance platform recognition.

1. Marketing Strategy and Campaigns:

This subDAO would develop and implement marketing strategies to promote the platform, attract new users, and retain existing ones. It could organise marketing campaigns, leveraging various channels such as social media, blogs, newsletters, and industry events.

1. Partnerships, Affiliate Program Management, and Integrations:

The subDAO would identify and pursue partnerships with other DeFi protocols, crypto projects, or relevant organisations and manage the dYdX affiliate system. These partnerships and programs could enhance the platform's offerings, increase liquidity, and attract new users.

1. Brand Management and Public Relations:

The subDAO would manage the dYdX brand, ensuring it is consistently represented across all channels. It would also handle public relations, respond to media inquiries, manage press releases, and proactively shape public perception of the platform.

1. Community Outreach and Education:

The subDAO would actively engage with the community through various platforms, including social media and forums. It would also create educational content about the platform's features, updates, and tutorials. This could include blog posts, videos, webinars, and guides.

1. Performance Metrics and Reporting:

The subDAO would track key performance metrics related to platform growth, such as user acquisition and retention rates, trading volumes, and liquidity. It would regularly report on these metrics to the community and use them to guide strategy development.

1. Regulatory Compliance:

The subDAO would keep abreast of global regulatory developments in the crypto and DeFi sectors. It would propose strategies to ensure the platform remains compliant while pursuing growth, especially in jurisdictions with stringent regulations.