

[ARC] Change Admin role of Optimism and Arbitrum V3 markets

aip: TBA

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status: Proposal

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created: 20/09/2022

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Simple Summary:

Aave V3 Arbitrum & Optimism markets are currently governed by the Community Guardian, a 6/10 elected multisig of 10 Aave community members with the responsibility to enforce community decisions on snapshot on-chain.

This ARC intends to replace the community guardian in favor of Aave governance contracts for the administration of Arbitrum & Optimism V3 markets.

Motivation:

As cross-chain governance bridges received recent audits and in favor of more decentralization of Aave, this AIP intends to fade the community guardian role in Arbitrum and Optimism V3 markets in favor of Aave governance contracts.

This means that if this AIP is validated by Aave governance, every AIP concerning the Arbitrum and OP markets will require an On-chain AIP vote to directly modify the Aave V3 markets on these networks for example onboard a new asset or change an asset risk parameters.

The community guardian multisig always has been presented as a temporary solution in the wait of a cross-chain messaging solution allowing the Aave governance contracts to enforce directly onchain with no trusted intermediary for the governance decisions.

Fading the guardian role is a step forward in Aave protocol decentralization.

if this AIP gathers governance approval, the community guardian will keep an “emergency failsafe” role with the ability to freeze markets or cancel AIPs votes to protect the Aave markets in case of crisis or malicious AIPs.

The cross-chain governance bridge contract that allows more decentralization of the Aave protocol has been audited by ChainSecurity and Certora, and a report of the audit of this contract can be found in the technical link section of this AIP.

Technical specifications:

The cross-chain governance bridges is a set of smart contracts that serve as an extension of the Ethereum Aave Governance, receiving the approved actions by the community in Ethereum, and executing them in the target chain.

The details of the actions are described in a message which is passed from the L1 Aave Governance Executor contract using the native messaging mechanism of the chain:

- For Arbitrum, via [creation of a retrayable ticket](#) in the [Arbitrum Inbox contract](#) on Ethereum.
- For Optimism, via [sending a message](#) using the [OVM L1 Cross Domain Messenger contract](#) on Ethereum.

The recipient of the bridged actions are the governance bridge contracts. Once actions reach these contracts, they are registered in the execution queue so they can be executed after a delay period. Queued actions are susceptible to being canceled for a period of time (e.g. grace period) by the Guardian. This is an “emergency failsafe”, a mechanism to protect the market in the target chain in case there is malicious or illegitimate action. This is a last-resort instrument that can be used by the Community Guardian Multisig.

A detailed specification of the contracts and workflow is outlined in this [repository](#).

Technical Links

Optimism cross-chain governance bridge contract:

<https://optimistic.etherscan.io/address/0x7d9103572be58ffe99dc390e8246f02dcae6f611#code>

Arbitrum cross-chain governance bridge contract:

<https://arbiscan.io/address/0x7d9103572be58ffe99dc390e8246f02dcae6f611#code>

Cross-chain governance bridge Audit report:

https://github.com/aave/governance-crosschain-bridges/blob/master/audits/26-07-2022_ChainSecurity_AaveL2BridgeExecutors.pdf

Next steps:

If the community approves this ARC, a snapshot vote will be published after a minimum of 5 days delay. If YAE is the majority outcome of the snapshot vote, the Community Guardian will change the administration of specified Aave V3 markets.