

This is a draft proposal by the Rari Foundation to gather community feedback to finalize this proposal for submission to the Arbitrum DAO.

Abstract

The RARI DAO seeks to enhance its governance framework by upgrading the RARI token contract and bringing its governance from Ethereum mainnet to the Arbitrum ecosystem. This proposal requests to register a custom gateway for a new RARI L2 token contract via Arbitrum native bridge, as only the Arbitrum DAO can implement this change. The custom gateway will enable more efficient governance processes with the upgraded token, reduce user costs, and improve overall accessibility for RARI DAO.

Motivation

RARI DAO is governed by the \$RARI token, which when locked in veRARI grants voting access. The current token contract is on Ethereum mainnet and is not upgradable. The RARI DAO wishes to upgrade its governance, a part of which is a token contract upgrade with snapshots and delegations embedded. Only the Arbitrum DAO can however set up the mapping of L1 → L2 token addresses in the custom gateway (which is controlled by Arbitrum DAO) on the Arbitrum native bridge. Here is more information about the topic: [ERC-20 token bridging | Arbitrum Docs](#)

Rationale

The RARI DAO multichain governance upgrade is designed to make governance more accessible, by simplifying the UX, reducing gas fees, and enabling new token functions. This aligns with Arbitrum's commitment to user-centricity and technical inclusivity.

With a custom L2 token implementation we will be able to perform the RARI DAO governance upgrade and move our governance fully into the Arbitrum ecosystem.

Key Terms

RARI token: RARI DAO governance token ([\\$1.94 | Rarible \(RARI\) Token Tracker | Etherscan](#))

RARI DAO: body governing the Rarible Protocol and RARI chain

Custom L2 RARI token: upgraded and simplified RARI token to be used in RARI DAO multichain governance moving forward

Specifications

RARI token in question ([\\$1.94 | Rarible \(RARI\) Token Tracker | Etherscan](#)) does not have upgradability nor allows the owner to register in the Arbitrum token bridge router.

As such, we're requesting a custom L2 token implementation and using the (standard) custom gateway. Lacking the ability to upgrade / owner-register, we are seeking Arbitrum DAO's approval to register the upgraded RARI token to the custom gateway so we can proceed with the custom L2 implementation.

The upgraded token contract was fully audited and can be found here: <https://github.com/rarible/protocol-contracts/pull/305>.

Token contract was deployed to Arbitrum Sepolia, RARI testnet (which is on top of Arbitrum Sepolia) and all contracts were tested manually as well.

RARI DAO voted in favor of the upgraded token: [Tally | Rari DAO | RRC 30 - Enhancing RARI DAO Governance: Plan for upgrade](#)

Update: the executable code to create the custom gateway was prepared by Offchain Labs and can be found [HERE](#).

The code was fully audited by Trail of Bits. Findings are [HERE](#).

Steps to Implement

1. Deploy token contracts on Arbitrum and RARI chains (done)
2. Security audit of the proposed code change (in progress by Arbitrum Foundation)
3. Change mapping for L1 → L2 tokens on bridge router and custom gateway (This can be done only by Arbitrum DAO)

Timeline

Implementation upon the proposal's execution (aiming late September).

Overall costs

N/A