Proposal

This proposal is for the automated streaming of DYM tokens to RollApp founders and liquidity providers based on Endorsement voting weights. This proposal sets out to release 20,000 DYM from the incentive manager with tokens distributed linearly over one month from the passing of this proposal.

Context

Endorsements is a new onchain feature as part of the <u>3D upgrade</u> that is used to permissionlessly determine the distribution of DYM incentives based on the weighted votes of DYM stakers. Endorsements automates and further democratizes the distribution of DYM incentives to ecosystem participants.

Any registered RollApp (not required to be launched) is eligible to receive endorsement votes and DYM incentives. Additionally, all liquidity pools on Dymension's native DEX are eligible to receive incentives via endorsements.

For example, 20k DYM incentives for 30 days, streamed on a daily basis.

RollApp X Founder has received 10% of the Endorsement votes. This will yield the Founder 2K DYM (10% of the total incentive stream) directly to the Founder's wallet.

Pool XYZ/DYM has received 20% of the Endorsement votes. This will yield the bonded pool LPs 4K DYM (20% of the total incentive stream) directly to the bonded LPs wallet.

What are Endorsement weights?

Users who stake their DYM with active validators receive Endorsement voting rights proportional to their staked amount. They then choose freely how to allocate these Endorsement rights to RollApps and/or liquidity pools (up to 100 choices) they wish to support. The Dymension protocol streams the initial base amount of DYM according to the total cumulative endorsement weights.

Governance votes

The voting period for this proposal as set on genesis is 5 days beginning from the time of deposit. The following items summarize the voting options and what it means for this proposal:

- YES
- NO
- NO WITH VETO A 'NoWithVeto' vote indicates a proposal either (1) is deemed to be spam, i.e., irrelevant to Dymension, (2) disproportionately infringes on minority interests, or (3) violates or encourages violation of the rules of engagement as currently set out by Dymension governance. If the number of 'NoWithVeto' votes is greater than a third of total votes, the proposal is rejected and the deposits are burned.
- ABSTAIN You wish to contribute to guorum but you formally decline to vote either for or against the proposal.