GMX Multiplier Points

Following the Snapshot vote result for 200% cap on MP, on 1st Feb 2024, the max Boost on GMX earn rate has been capped on 200%

The snapshot voting was done last year [GMX Proposal: Updating Multiple Point System[snapshot.org)](snapshot.org)

The gov proposal and discussion can be found here:- [GMX Multiplier Points - Proposals - GMX](#)

To continue the discussion above by CoinFlipCanada:-

MPs have been an integral part of the GMX bootstrap process, rewarding loyal long-term staking in the protocol with increased power in governance and fee earning. Over the last 2 years, as a protocol, GMX has continued to evolve the economic aspects and tokenomics of the protocol with emissions for esGMX, fee splits between GMX-GLP staking, and the introduction of referral/trader incentives.

During this time, MPs have continued to emit at a rate of 100% APR for GMX (and esGMX) staking and have been burned pro-rata to the amount of GMX unstaked from the platform.

MPs act as an incentive for long-term staking but also have the effect of diminishing the governance power and fee reward share of new stakers that have yet to accumulate MPs. It is essential to balance these incentives in a way that reflects the contribution of long-term stakers in guiding the protocol to this stage while ensuring that the protocol welcomes new voices and token holders into the flywheel of the GMX ecosystem.

Now that GMX is mature, perhaps it is time to adjust the APR of the growth of MP.

Benefits of reducing APR of MP

1. Better BASE yields, and

2. Devs can work on new activities for MP

1) Improvement of Base Yield APR

Overall inflation of MP and staked tokens would decrease, which in turn would slow down the reduction in base yield (assuming base yield remains constant).

Reducing emissions of MP Will improve base yield APR% and be more attractive for new investors to buy and stake GMX.

This is important as the community has feedback that the low base yield APR is not attractive.

Concurrently with efforts by contributors to increase number of tradable assets on V2, the base yield will be more attractive and attract more long term investors.

2) Addition of Activities to earn MPs in the future after APR rate is reduced

- Trading

- Providing Liquidity

- Traders Referrals / Front End Integrations

- Maybe contributors of different sorts, like dune dashboard, telegram bots.

This will encourage referrals or builders with MPs that can buy GMX tokens with instantly good yields.

Currently APR at 100%

1. Proposal One to reduce to 75% APR

2. Proposal Two to reduce to 50% APR

3. Proposal Three to stick to current 100% APR.

Proposals – MPs @ 75%, 50% or 100% APR

Adjust APR for accrual of MPs from 100% to 75%, 50% or 100%, lowering the dilution of governance power and protocol fee participation that would result from future MP distribution.

The community can vote on the specific percentage in the three votes above.

This proposal would not result in any change to the MPs already accrued before the proposal's passing. This proposal can be permanent, or until governance can make longer-term modifications to the MP program.

Next Steps

The above are simply ideas so that as a community we can evaluate if updating the MP system makes sense, and then identify proposals that can be voted on, the specific proposals above are provided as examples.