

MIP102c2-SP29: MIP Amendment Subproposal

Preamble

MIP102c2-SP#: 29 MIP(s) to be amended: 101 Author(s): @labsGFX Contributors: General Edit or Article 1 Edit: General Edit Tags: subproposal Type: General Status: RFC Date Proposed: 2024-02-13 Date Ratified: N/A Forum URL: <https://forum.makerdao.com/t/mip102c2-sp29-mip-amendment-subproposals/23672> Ratification Poll URL:

Specification

This MIP102c2 Subproposal does not seek to amend Article 1 of a Scope Bounded Mutable Alignment Artifact. It is thus considered a General Edit. An MIP102c2 General Edit cannot modify Article 1 elements.

Motivation

This subproposal aims to clarify for MKR holders their portion of SubDAO tokens, 25%, and the vesting schedule through which they will receive them. No specific technical implementation is prescribed, allowing flexibility in implementation details.

MKR holders fund the development of the initial product a SubDAO manages, MKR holders allocate funds or governance powers to the SubDAO, and MKR holders deserve a stake in SubDAOs after bearing that risk and outlay of resources.

Simultaneously, the MKR holder vesting schedule is more conservative than the farming emissions schedule, preventing immediate selling by existing MKR holders relative to farmers. The net effect is a marginally slower rate of SuDAO token inflation, because MKR holder vesting pushes some emissions further into the future in an effort to give MKR holders longer-term incentives. This also preserves the original intent for farming rewards to dominate emissions early in the SubDAO's history, since they follow a halving-style emissions schedule.

Amended MIPs and Components

MIP101 Sections 4.3.12.2 and 4.3.13. If other MIP102c2 amendments are being voted upon in the same monthly cycle as MIP102c2-SP29, then MIP102c2-SP29 overwrites any other amendments passed concurrently for MIP101 Sections 4.3.12.2 and 4.3.13.

Amendment Pull Request

Pull Request TBD

Summary of Changes

- Clarified that 25% of SubDAO tokens are earmarked for MKR holders
- Established a 10-year linear vesting schedule upon which MKR holders may claim SubDAO tokens
- Fixed a typo in 4.3.12.2.1.3 where a space was missing
- Made Genesis

consistently capitalized, as that was the prevailing style

- Made workforce

consistently uncapitalized, as that was the prevailing style

- No change was made in total number of subDAO tokens

4.3.12.2: AllocatorDAO Genesis Emissions

The Genesis emissions of Allocators are 4.6 billion tokens over 10 years, with the following breakdown.

4.3.12.2.1: Genesis Farming Emissions

2.85 billion Allocator tokens are for Genesis farming.

4.3.12.2.1.1

For the first 2 years, the rate of Genesis farming is 712.5 million AllocatorDAO tokens per year

4.3.12.2.1.2

For the following 2 years, the rate of Genesis farming is 356.25 million AllocatorDAO tokens per year.

4.3.12.2.1.3

For the following 2 years, the rate of Genesis farming is 178.125 million AllocatorDAO tokens per year.

4.3.12.2.1.4

For the final 4 years, the rate of Genesis farming is 89.0625 million AllocatorDAO tokens per year.

4.3.12.2.2

The workforce bonus pool starts with 600 million AllocatorDAO tokens. The workforce bonus pool can be further topped up through the permanent emissions.

4.3.12.2.3

An allocation of 1.15b AllocatorDAO tokens will be reserved for MKR holders at the time of subDAO token launch. These tokens have a 10-year linear vesting schedule.

4.3.13.2: FacilitatorDAO Genesis Emissions

The Genesis emissions of Facilitators are 4.6 billion tokens over 10 years, with the following breakdown.

4.3.13.2.1: Genesis Farming Emissions

2.85 billion FacilitatorDAO tokens are for Genesis farming.

4.3.13.2.1.1

For the first 2 years, the rate of Genesis farming is 712.5 million FacilitatorDAO tokens per year

4.3.13.2.1.2

For the following 2 years, the rate of Genesis farming is 356.25 million FacilitatorDAO tokens per year.

4.3.13.2.1.3

For the following 2 years, the rate of Genesis farming is 178.125 million FacilitatorDAO tokens per year.

4.3.13.2.1.4

For the final 4 years, the rate of Genesis farming is 89.0625 million FacilitatorDAO tokens per year.

4.3.13.2.2

The workforce bonus pool starts with 600 million FacilitatorDAO tokens. The workforce bonus pool can be further topped up through the permanent emissions.

4.3.13.2.3

An allocation of 1.15b FacilitatorDAO tokens will be reserved for MKR holders at the time of subDAO token launch. These tokens have a 10-year linear vesting schedule.