

Project Name:

Biconomy

Author Name:

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Biconomy is a web3 infrastructure project that enables developers to deliver a frictionless experience to end users of their dapp. We believe that a frictionless experience is the key to onboarding the next billion users onto Web 3. By abstracting away transaction layer complexities using our products - Gasless & Hyphen - you can simplify transaction journeys, improving product love and user engagement & retention.

Number of OP tokens requested:

750,000

L2 Recipient Address:

0x31B73B0549E0151b6233C5d179580B8A840B83fb

Relevant Usage Metrics:

(As of July 4th, 2022)

Gasless:

- Total Volume relayed = \$1.77B
- Total transactions relayed = 19.54m
- Total Gas Savings to users (in Q1 & Q2 2022) = \$2.47m
- Average Transactions relayed per day (in Q1 & Q2 2022) = 35k
- Live dApp Integrations (in Q2 2022) = 186

Hyphen:

[TVL on Defillama](#)

- Total Volume = \$158m
- Total cross-chain transfers = 81k
- Total Unique Users >25k (undercounted due to aggregator data being difficult to capture)

[Hyphen](#) launched on Optimism on 20th June, 2022, and in the 14 days since has-

- Volume bridged to & from Optimism = \$800k
- No of transactions = 916
- Liquidity on Optimism ~\$575k
- No of unique users on Optimism = 139

Our relayers are waiting for the first Optimism project to delight their users with a gasless experience, and this grant will help that cause.

Optimism alignment (up to 200 word explanation):

Biconomy is already on Optimism, and shares a similar vision in scaling for mass adoption as the Optimism Collective. Hyphen, the cross chain liquidity bridge built by Biconomy, has been live on Optimism since 20th June. The meta-transaction infrastructure for Gasless is also available for the network.

Hyphen is already integrated in-dapp on Optimism's largest project, Perpetual Protocol, and we hope to help many more projects simplify user onboarding with an in-dapp bridge to Optimism. With more partnerships like Perp, Biconomy can make Optimism the most user friendly EVM chain on the planet.

Proposal for token distribution (under 1000 words):

How will the OP tokens be distributed?

Exact distribution would depend on interest and suitability for the builders, but our initial proposal is a 60/40 split between the two main stakeholders - dApp users & dApp Builders

OP tokens will be distributed for liquidity mining on Hyphen, to help bootstrap liquidity for the network. Since Optimism is still one of the younger chains in terms of daily transactions & volumes, maintaining the deep liquidity needed for seamless bridging will require liquidity mining incentives as usage currently doesn't generate enough fees.

Liquidity mining is a tried and tested way to bootstrap the initial liquidity needed, but another way is by incentivizing usage itself, since that drives fees higher. OP incentives will be given to users to bridge their funds over to Optimism

Gas Grants will be given to new projects looking to go gasless on Optimism. This will allow younger projects to grow rapidly while bearing the cost of paying for their users' gas fees on their dApp, as many of our partners previously have. Any project that wants to use our relayers on Optimism or seeks a gas grant to get started should reach out to our team.

In its capacity as an Infrastructure project, Biconomy will also give OP grants to Bicosystem projects (those using any part of our infra) to incentivise them to launch on Optimism. Projects building on or migrating to Optimism, and using Biconomy Infrastructure, will be eligible for these grants.

Hence we propose the following split:

Liquidity mining + User incentives = 250k (33.33%)

Ecosystem grants + Gas grants = 500k (66.67%)

The immediate distribution will start with Liquidity mining, with 12-18k tokens per month being distributed to bootstrap liquidity on Hyphen.

We are happy to work with the Optimism community, if they want, on the distribution of Ecosystem & Gas grants, as we want only deserving projects to get these.

How will this distribution incentivize usage and liquidity on Optimism?

Hyphen offers a simple token bridging mechanism to facilitate easy and cheap asset transfers to Optimism. It is the fastest bridge in the market and super gas efficient, making it the best low-cost bridge for regular users, but we need to incentivise more liquidity to make large transfers cheaper.

OP incentives will be given directly to LPs in the bootstrapping phase, and slowly phased out. Direct user incentives to bridge to Optimism will also be given to drive users to Optimism, making Hyphen the go-to bridge for the network. Bootstrapping via these methods, as adoption increases, the liquidity network will become self-sustainable.

Gasless provides Optimism developers the ability to sponsor gas fees for users, which makes onboarding to Optimism even simpler without requiring end-users to acquire native gas tokens. New users in the space often have difficulty understanding gas management, and abstracting these complexities away, making a dApp as easy to use as web2, is crucial for real adoption.

Why will the incentivized users and liquidity remain after incentives dry up?

Liquidity will remain, since the bridge fee itself will yield enough APYs to sustain the required amount of liquidity. This grant will be important for us to bootstrap enough liquidity to provide a seamless bridging service that becomes self-sustainable as adoption grows.

Gas grants will allow young projects to give users gasless transactions on their dApp and reap the benefits from a smoother UX. As they observe the growth & savings that using our gas estimation & relayer services provide, these projects will stay with Biconomy infrastructure to continue to provide the best transaction layer experiences in web3.

Over what period of time will the tokens be distributed?

The OP tokens will be distributed over a period of 12-24 months.

We're here for the long term, thus grants or incentives will only be given where they make sense for Optimism & Biconomy Communities.

How much will your project match in co-incentives?

We will match the OP contribution with 150k BICO in incentives for various initiatives on Optimism, including liquidity mining, user incentives, gas grants, and ecosystem grants to projects building on Optimism.

We're already doing BICO incentives for Hyphen liquidity on Optimism, and have committed almost 10K BICO for the first month of those incentives.

Please note that we are a Multichain project with the ambition of providing our services on all major chains; we are currently live on 9 EVM chains, expected to increase further. As a result, we will not be able to match the entire grant and propose to

match 20% of it.