# DAO & Token (GEL)

From day one, Gelato was envisioned to be an open-source and community-driven project . Gelato is designed to be a protocol owned by the people who use it the most. Making decisions in the Network should be done by all the stakeholders collaboratively giving the power back to the people.

In order to achieve this, the Gelato DAO was created. The Gelato DAO is powered by the Gelato token (GEL) . The Gelato token is the central focal point of all relevant stakeholders in the network. The token exists as a utility for effective incentive alignment amongst the protocols' participants. Token holders will be able to signal their support for or opposition to Proposals in the Gelato DAO.

1) Governance

All token holders are able to have a say in the future direction of the protocol via voting on proposals in the Gelato DAO . The goal is that in the long run, developers that use Gelato to automate their smart contracts functions will govern over the protocol in order to determine the "rules" by which the Executor bots that serve the network have to adhere by.

Decisions include setting fees for Executors, deciding on developer incentive schemes, and enforcing that Executors always execute transactions in the best interest of the end-user.

2) Staking

For Executors, in order to be able to participate in executing transactions in the Gelato Network and thus earning rewards from doing so, they will need to acquire & stake GEL. Staking will allow executors to earn the ability to reserve "slots'' which give them the exclusive right to earn fees from executing transactions in a certain period of time.

Rewards revenue comes from two sources: 1) transaction fees charged on top of each transaction and 2) market opportunities that can be taken advantage of by back running transactions.

We are currently heavily optimizing for increasing the number of transactions because this will be the most important factor determining the future success of Gelato in the long run.

Potentially slashing the stake of Executors will serve the purpose of disincentivizing bad behavior, such as censoring or front running transactions, making such actions uneconomical. The Gelato DAO will have the power to enforce these decisions and the obligation to monitor the behavior of Executors. Executors will become more accountable for their actions which will enable us to further decentralize who can run these Nodes as well as providing some interesting future functionalities such as executing transactions based on off-chain conditions.

GEL staking, similar to ETH 2.0, is done by operators of the clients as they are doing the work and are also running the risk of getting punished for being down.

For passive GEL holders, we envisage that services similar to Lido will emerge that will provide regular holders access to GEL staking rewards without having to actually do the hard work by charging a fee on the revenue earned by these GEL holders.

The control of the bots will thus be distributed to the dApps and developers that are using Gelato the most by overseeing the protocol and influencing the decisions within the infrastructure of the network. The infrastructure is designed to extract as much value out of the system to ensure that they continue to operate in the best interests of the end-user.

With the Gelato DAO, stakeholders of the network will have the power to check, verify and influence these bots continuously certifying that they are operating as intended. Having a stake in the network will allow governance to monitor and regulate the network of bots ensuring that they are playing by the rules set by the DAO to always operate in the best interests of the user.

Total Supply

The initial supply of the Gelato Token will be 420,690,000. After two years, additional tokens can be minted if the Token Holders vote in favor of such a proposal.

Head over to our Medium post for more details.

Gelato Treasury:

Treasury Address: https://etherscan.io/address/0x163407FDA1a93941358c1bfda39a868599553b6D

DAO Address: https://etherscan.io/address/0x4C64ce7C270E1316692067771bbb0DCe6Ec69B7C