Summary

We are proposing a grant of 1k USDC/DAI per week, which will be paid out to each solver who responds to at least 90% of LP token sell quotes and 90% of LP token orders. The grant lasts for at most 5 weeks and may terminate earlier if the allocated budget of 20k USDC/DAI is fully utilized. To supplement this, the core team will ensure that a sufficient number of relevant quote requests and orders will be created.

Introduction

With the launch of Uniswap v4 and Balancer v3, we expect many people to remove/add/migrate their liquidity from various AMMs. The process of doing so can be cumbersome, and we think CoW Protocol can provide value (and capture volume) by providing a seamless way to trade LP tokens. We also would like to make it easier for liquidity providers to contribute and remove liquidity from CoW AMMs.

Improving solvers' support for LP tokens will unlock new ways for users to seamlessly move & provide liquidity, including:

- Creating a new LP position with the click of a button, without holding the requisite tokens in their wallet

- Moving existing liquidity from one pool to another (even to a different AMM) with a single transaction

- Creating "nested" pools (i.e. CoW AMM pools that hold LP tokens of other pools), allowing a user to implement a diversified, constantly rebalancing, ETF-like strategy simply by buying the LP token of a top-level nested pool

These - and other innovations we have planned - have the potential to make CoW AMM the easiest and most flexible venue for liquidity provision across all of DeFi.

To make this a reality, we want to support LP tokens not just from CoW AMM and Uniswap v2, but all main protocols.

Bounty Specifications

The bounty will start on the 8th October at 00:00 UTC and will run for 5 weeks. The bounty will end on Monday the 12th of November at 00:00 UTC or when the 20k USDC/DAI cap has been reached, whichever happens first. Eligibility for the weekly rewards will be measured by looking at all sell quote orders and orders involving the specified LP tokens for that week starting that week on Tuesday at 00:00 UTC and ending at 00:00 UTC on the Tuesday of the following week.

All solvers that respond to at least 90% of sell quote orders for the specified LP tokens during this period and who also submit solutions for at least 90% of orders involving these specified LP tokens will be eligible for a reward of 1k USDC/DAI for that week.

This reward is not dependent on competitiveness in the solver competition, meaning that all solvers are eligible for the weekly reward of 1k USDC/DAI regardless of how competitive they are or how many auctions they win.

In order to facilitate this bounty the core team will ensure that a sufficient number of relevant quote requests and orders will be created.

Scope

- All LP tokens on Uniswap V2, Balancer, SushiSwap, and PancakeSwap, Nested CoW AMM's, Curve

- Mainnet, Gnosis Chain and Arbitrum