[ARFC] Fluid Alignment with $INST Purchase

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ARFC updated to add Fluid addresses and specific details 2024-11-29

Summary

This ARFC proposes a strategic partnership between Aave DAO and Instadapp through a $4M investment in $INST tokens at a 350M FDV, aiming to strengthen collaboration and alignment between both protocols. This is a Direct to AIP Proposal.

Motivation

Instadapp has been a long-standing partner in the Aave ecosystem, providing valuable infrastructure and user interfaces. Their upcoming tokenomics reform and rebranding present an opportunity for deeper strategic alignment.

The partnership would benefit both protocols by:

- Strengthening the relationship between two major DeFi protocols

- Supporting GHO adoption through Fluid integration

- Ensuring priority support for Aave protocol integrations

- Creating mutual value through governance participation

Specification

The proposal includes the following key components:

Aave DAO will become a launch partner for Instadapp's new tokenomics and rebranding. The DAO and service providers will implement a strict standard of non-hostility policy regarding Instadapp products and team members in public communications. The DAO will also provision of support and promotion for Instadapp products that leverage the Aave protocol including GHO and Fluid integrations. This will involve priority and tailored support for Instadapp team integrations including the provision of free flashloans to the Instadapp protocol.

To further alignemnt between the two protocols, we propose a purchase of $4M worth of $INST tokens using GHO (approximately 1% of total supply at 350M FDV)

With these tokens Aave DAO will allocate up to 1/3 of acquired INST tokens to support GHO pairs on Fluid via Merit. The rest of the tokens will be set to a one-year vesting period for with delegation to Aave Protocol Embassy for active participation in Fluid governance.

Considering the time sensitive nature of the transaction, this proposal can proceed in a direct-to-AIP vote that will allow for the following:

- Allocation of $4m GHO from the treasury for purchase of $INST tokens

- AIP to whitelist InstaDapp to flash loans

Fluid Whitelist Address for Flashloans is 0x352423e2fA5D5c99343d371C9e3bC56C87723Cc7

- $INST token address: 0x6f40d4A6237C257fff2dB00FA0510DeEECd303eb

- Instadapp treasury: 0x28849D2b63fA8D361e5fc15cB8aBB13019884d09

(origin of $INST tokens) -

- Transfer amounts: 4M $GHO, 1.145M $INST

Disclamer

Some members of the ACI team own $INST tokens acquired on secondary markets and use instadapp products.

The ACI is a candidate to participate in Instadapp governance directly (via acquired tokens) and via the Aave protocol

Embassy (APE) to support Aave synergies in the Instadapp ecosystem.

Next Steps

1. Collection of community feedback during the ARFC phase.

2. If feedback is positive, implement formal AIP for on-chain execution.

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