

Project Name:

Kwenta

Author Name:

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Defillama TVL (at snapshot):

\$0

Transactions/day (at snapshot):

225

Tier:

2

Optimism native:

Yes

Revisions to metrics used:

N/A

Number of OP tokens to claim:

900,000

L2 Recipient Address:

0x82d2242257115351899894eF384f779b5ba8c695

Proposal for token distribution (under 1000 words):

Kwenta will use the Optimism token to draw traders who are active on other chains to make the transition to trading on Optimism with Kwenta as well as reward DAO Contributors for existing and future contributions.

### **Proposal for token distribution (under 1000 words):**

The proposal for Kwenta's OP is as follows:

#### **Airdrop Breakdown**

- Platform Migration Incentives 66%
- Competition Prizes 14%
- DAO Contributor Incentives 20%

Platform Migration Incentives

Amount: 600,000 \$OP

Method: 1000 trader addresses who were unable to claim \$DYDX and had a minimum deposit of \$1000 USD in dYdX will be able to claim OP tokens after making 10 trades on Kwenta, generating a minimum PnL of 10%, and having a total cumulative volume of \$5000 sUSD. 1200 wallets are eligible for this reward, the first 1000 people to claim the allocation will receive their OP.

Competition Prizes

Amount: 120,000 \$OP

Method: Kwenta will be hosting 2 competitions to kickoff the launch of the Kwenta token. The OP token will be used to incentivize participation by being added to the prize pool.

DAO Contributors

Amount: 180,000 \$OP

Method: Individuals who have contributed towards governance and development within the Kwenta DAO will receive 50% of the OP based on a Core Contributor-derived assessment of the value provided by the included members. 50% of the OP would put towards Kwenta devDAO bounties, incentivizing development on top of Kwenta and Optimism.

## New Users

The above incentives will draw users to bridge to Optimism and have a meaningful experience in the ecosystem. Traders will be incentivized to experience a realistic trial of a new and competitive platform that can rival their favored perpetual futures platform. Builders will be incentivized to experiment with development on Optimism alongside a community of talented developers.

## Retention

Trader Retention:

In addition to offering users an incentive to bridge to Optimism, traders who complete trades on Kwenta to unlock their OP will receive trading incentives in the form of KWENTA which remain locked for 1 year while still being stakeable (which includes additional trader rewards) creating a sticky flywheel of incentives. This, in addition to the unique offerings unavailable elsewhere (such as gold and silver perps) will ensure we retain users who come to Kwenta to claim their OP.

Builder Retention:

The devDAO is a component of Kwenta which hosts bounties for developer work. Of the existing 20 devDAO contributors, around than 20% of members sold their SNX compensation while the remaining 80% either held or staked their SNX and became further engaged with the development community on Optimism. Many new devDAO members have gone on to contribute to Lyra, Thales, OptiPunk, and other projects in addition to Kwenta. Over \$100,000 USD worth SNX has been spent on devDAO bounties with 80 tickets being resolved by community members ranging from beginner level to advanced difficulty. We believe this trend will continue as devDAO momentum has steadily grown since its inception earlier this year.

Effectiveness Evaluation:

Kwenta's inflationary model offers the treasuryDAO an opportunity to offer multiple rounds of migration incentives should they prove beneficial for the protocol. Using OP for migration incentives will enable Kwenta to gather data regarding the effectiveness of these campaigns and refine our tactics to maximize the impact they have.

## Timeline & Requirements

Pre-Airdrop Requirements:

Once Kwenta has completed the launch of the KWENTA token, the OP Airdrop will be implemented. The KWENTA token plays a crucial role in retention, as outlined above. Audits are currently set to conclude in late June setting up the Kwenta DAO for a launch in early summer.

Airdrop Timeline:

Traders from alternative chains who meet the criteria listed above will have a period of 6 months to claim their OP tokens. Afterward, any remaining OP tokens will be clawed back and used at the treasury's discretion for future growth initiatives.

## Co-incentives

Kwenta's ongoing trading incentives will follow the mechanism defined above in an upcoming KIP.

Kwenta will be offering KWENTA in the upcoming competitions alongside OP, outlined in [KIP-10](#).

There will be no change to the existing developer compensation model, OP will be used to fuel development alongside the existing proven model.

Disclaimer:

This proposal is subject to approval by the Kwenta DAO's governing council. [KIP-16: OP Token Phase 0 Proposal](#)