Summary

The dYdX Operations subDAO and Grants subDAO are proposing amendments to their respective Trust agreements that reflect the change in dYdX governance. These amendments will integrate the dYdX v4 governance module as a consent mechanism for future proposals.

Description

Following the launch of the dYdX Chain and adoption of DYDX as a governance token, we are proposing updates to the definitions of Community Consent within the governing Trust Instruments for both the dYdX Operations Trust (DOT) and the dYdX Grants Trust (DGP).

Since the Trust instruments for both the dYdX Operations Trust and dYdX Grants Trust follow the same definition for Community Consent, we propose a single vote to amend both Trusts with a new definition that includes the dYdX Chain governance module.

The original Instrument for both Trusts define "dYdX Community" and "dYdX Consent" as follows:

"dYdX Community" means those persons who have the right to propose and vote on proposals executed through any of the following (collectively, "Executor Contracts"):

(a) Ethereum contract 0x64c7d40c07EFAbec2AafdC243bF59eaF2195c6dc;

(b) Ethereum contract 0xEcaE9BF44A21d00E2350a42127A377Bf5856d84B;

(c) Ethereum contract 0xd98e7A71BacB6F11438A8271dDB2EFd7f9361F52;

(d) Ethereum contract 0xa306989BA6BcacdECCf3C0614FfF2B8C668e3CaE; or

(e) any subsequent, additional or alternative means that cause the execution of proposed changes to the dYdX protocol or its governance contracts, as either of them may exist from time to time,

PROVIDED ALWAYS that if a hard fork occurs in the blockchain (i.e., the rules of the blockchain protocol are updated or changed so that the old blockchain and the resulting blockchain are incompatible) on which the Executor Contracts exist at the time of such hardfork resulting in the blockchain industry generally recognizing such hardfork as the mainnet and consensus blockchain with material value independent of the blockchain that was hardforked, then the dYdX Community shall be only those persons who have the right to propose and vote on proposals executed through the Executor Contracts as they exist on the hardfork.

"dYdX Consent" means a vote of the dYdX Community in favor of a proposal satisfying the minimum requirements set forth at https://docs.dydx.community/dydx-governance/voting-andgovernance/dip-proposal-lifecycle (as such minimum requirements set forth therein on the date hereof may be revised from time to time with dYdX Consent) taken by any of the following means:

(a) Snapshot (or any successor thereto); or

(b) another mechanism, whether on or off a blockchain, that ensures only and all people voting hold or have been delegated blockchain-based tokens known as DYDX.

We propose amending these definitions to:

"dYdX Consent" means a vote of the dYdX Community in favour of a proposal satisfying:

(a) the requirements agreed upon by the dYdX Community for votes occurring on Snapshot (or any successor thereto); or

(b) the minimum requirements set forth by the Executor Contract used to submit the proposal; or

(c) the minimum requirements set forth in the parameters of the dYdX Chain Governance Module; or

(d) any other requirements agreed upon by the dYdX Community through the dYdX Chain Governance Module.

"dYdX Community" means those persons who have the right to propose and vote on proposals executed through any of the following (collectively, "Executor Contracts"):

1. Ethereum contract 0x64c7d40c07EFAbec2AafdC243bF59eaF2195c6dc;

2. Ethereum contract 0xEcaE9BF44A21d00E2350a42127A377Bf5856d84B;

3. Ethereum contract 0xd98e7A71BacB6F11438A8271dDB2EFd7f9361F52;

4. Ethereum contract 0xa306989BA6BcacdECCf3C0614FfF2B8C668e3CaE;

5. dYdX Chain Governance Module using any of the messages set forth at [v4-chain/protocol/app/msgs/all_msgs.go at 189a061bc93af97140b91b9e4d8ac70bbda6c480 · dydxprotocol/v4-chain · GitHub](#); or

6. any subsequent, additional or alternative means that cause the execution of proposed changes to the dYdX protocol or its governance contracts, as either of them may exist from time to time,

As well as adding the following definitions to further clarify the definitions of the dYdX Chain and its Governance Module:

"dYdX Chain" means the open-source software set forth at [GitHub - dydxprotocol/v4-chain](#) and deployed as a standalone blockchain network with the Genesis File and whose genesis block is available here: [Mintscan](#)

"Genesis File" means the file set forth at [networks/dydx-mainnet-1/genesis.json at main · dydxopsdao/networks · GitHub](#), which defines the initial state and parameters for the dYdX Chain.

"Messages" means objects sent through transactions on the dYdX Chain that trigger state-transitions.

"Module" means the logic used to define Messages on the dYdX Chain.

"dYdX Chain Governance Module" - means the minimum requirements set forth in the parameters at [networks/dydx-mainnet-1/genesis.json at fd7ee6e63e7e4b3ffab4fe600ac7cdb77c28d88d · dydxopsdao/networks · GitHub](#)

any of the Messages set forth at [v4-chain/protocol/app/msgs/all_msgs.go at 189a061bc93af97140b91b9e4d8ac70bbda6c480 · dydxprotocol/v4-chain · GitHub](#)

and any subsequent changes or additions to the minimum requirements or Messages by the dYdX Community."

Implementation

As described in the both ([Ops](#), [Grants](#)) Trust instruments, this proposal requires consent from the dYdX Community in the form of a Snapshot vote (to be precise this needs to pass through the Ethereum based, off-chain governance process).

If the Snapshot vote is successful, both Trusts will be ratified through supplemental instruments that outline these changes…

Next Steps

Your input is invaluable to us. We are scheduling a Snapshot vote and invite your perspectives and discussions on this matter. The intended date for the vote initiation is December 18th, 2023.

The Snapshot vote will be a binary vote, with voting options:

- Yes - Implement the proposed changes

- No - Do nothing

Your participation is crucial in shaping the future of dYdX governance.

With appreciation,

dYdX Operations subDAO & dYdX Grants subDAO