

Project Name:

Sushiswap

Author Names:

[Trudahamzik](#), [JiroOno](#), [Sarang](#)

Contact Info (Discord):

Trudahamzik#8743, JiroOno#4493, sarang#5598

I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant:

Yes

Number of OP tokens requested:

504,000

Did the project apply for or receive OP tokens through the Foundation Partner Fund?:

No

If OP tokens were requested from the Foundation Partner Fund, what was the amount?:

NIL

L2 Recipient Address:

0x1219Bfa3A499548507b4917E33F17439b67A2177

Grant category:

Governance Fund Phase 1

Is this proposal applicable to a specific committee?:

DeFi Committee Group A

Relevant Usage Metrics:

- TVL across all chains - \$1.14B (DefiLlama)
- Daily volume - \$50m to \$150m across networks

Project links:

1. [Website](#)
2. [Twitter](#)
3. [Discord](#)
4. [Discourse](#)
5. [Github](#)
6. [Docs](#)

Additional team member info:

Information about all current members of Sushi can be found [here](#).

Please link to any previous projects the team has meaningfully contributed to:

Sushi's ethos has always been about multichain expansion. We've ran various liquidity mining programs on Polygon, Fantom, Moonriver, Arbitrum etc. We've helped kick start liquidity in various ecosystems and plan to continue to do so. Recent deployments in 2022:

1. [Metis Launch](#)
2. [Kava Launch](#)

3. [Boba Launch](#)
4. [Optimism Launch](#)
5. [Arbitrum Nova](#)

Competitors, peers, or similar projects:

1. [Uniswap](#)
2. [TraderJoe](#)
3. [Spookyswap](#)

Is/will this project be open sourced?:

Yes, Sushi has always been open sourced.

Optimism native?:

Multichain

Date of deployment/expected deployment on Optimism:

Sushi got deployed on Optimism in May 2022. Check out the announcement [here](#).

Project Description, Optimism Alignment & Ecosystem Value Proposition:

Sushiswap is currently one of the leading decentralized exchanges which was launched in August 2020. The protocol adopts an AMM model and has facilitated over \$225.05B worth of trades since its inception.

Sushi products deployed on Optimism (Over the past 3 months):

1. [Trident](#)
2. [SushiXSwap](#)
3. Coming soon: Limit orders, Kashi, MISO & Permissionless Onsen Farms, Trident Stable Swap Pools

The team at Sushi plans to use this grant to help increase the liquidity of the Optimism ecosystem.

How will the OP tokens be distributed?

Similarly to [part 1](#) of our proposal

, all of the OP tokens granted to Sushi will be distributed to liquidity providers who help bootstrap the initial Optimism liquidity for Trident with cross-chain swaps via SushiXSwap still being the main focus. SushiXSwap is a unified, multichain UI for swapping tokens across any of the major chains. The team solves the liquidity crunch by plugging into our own Sushi liquidity pools which are currently deployed on over 18 different chains. Being able to use this liquidity guarantees our users to always receive the best price for any pair across all the chains. SushiXSwap can be currently used [here](#).

With cross-chain swaps in mind for the rewards, we will still continue to incentive the 3 popular pairs:

- OP-ETH 1% (500 \$OP per day for 180 days)
- ETH-USDC 0.05% (1500 \$OP per day for 180 days)
- ETH-USDT 0.05% (800 \$OP per day for 180 days)

OP rewards will still be used to bootstrap the 1% fee tier for OP-ETH, and 0.05% USDT/USDC - ETH pairs. Each of the pairs will be constant product pools (50-50), and will have TWAP oracles enabled. With the OP rewards we will be targeting around 10% APR on \$10m in TVL for ETH-USDC, \$5m for ETH-USDT, and \$3m for OP-ETH.

However, the \$OP rewards distribution percentage for the popular pairings will change slightly as we have every intention to introduce and reward new pairings e.g WBTC/OP, OP/USDC, OP/USDT etc. We're also planning to partner various protocols in the Optimism ecosystem as well e.g Synthetix to introduce synth pools.

The \$OP reward numbers for the current and new pairings will be tweaked accordingly to the analytics we collect from the first [6 months of distribution](#). We are happy to re-look and discuss the number with the OP Committee when the time comes.

With liquid ETH-USDC & ETH-USDT pools, an easy gateway will open up to allow users on other chains to easily swap tokens from the source chain to Optimism tokens. Main benefit being the ability to top up gas on Optimism wallets via swaps

on any source chain Sushi is deployed on.

For example w/ fee tiers and stargate's 0.06% bridge fee, users will be able to swap from MATIC on Polygon to ETH on Optimism with a 0.16% fee. Also with a 1% fee tier on the OP-WETH pair it will ensure that swaps from any chains on Sushi will be routed through the Optimism OP-WETH pair with all of the fees staying within the OP ecosystem.

How will this distribution incentivize usage and liquidity on Optimism?

Sushi has plans to co-incentivize these liquidity pools as well. With targeted 10% APRs on the pairs, we believe this provides enough rewards to bootstrap the main pairs enough to get things kick started for cross-chain swaps and help increase the activity & usage on Optimism. We'll also be looking to bootstrap other pairs with SUSHI as they work their way into the Onsen program. With increased liquidity on OP, it'll also open the opportunity for native projects to have a place for their token to become liquid for cross-chain swaps as well.

Added benefits in the form of BentoBox's strategies will also deploy idle capital (OP, WETH, USDC, USDT) within the Optimism ecosystem, and thus will help aid in increasing usage and liquidity across OP.

Sushi has previously run similar dual rewards for LPs on Polygon, Gnosis, MoonRiver, Fantom, etc.

Why will the incentivized users and liquidity remain after incentives dry up?

\$SUSHI rewards will still continue after \$OP rewards end (potentially also recycled Sushi from fees w/ implementation of [Meji proposal](#)). Expectations are that volume will reach levels that it continues to be profitable w/o rewards, and liquidity will be sticky enough for long-term usage of the cross-chain swap functionality.

Additionally, Sushi has plans to deploy each of our other products on Optimism and with bootstrapped liquidity it will be a good kickstart for activity from day one with the additional products like Miso, Kashi, Furo and Limit Orders.

Over what period of time will the tokens be distributed?

The rewards will be distributed over a 180 days period.

Has your project previously received an OP token grant? If yes, what's the status of these tokens?

Sushi has not received any grants from OP. This is part 2 of our proposal. Part 1 can be found [here](#).

How much will your project match in co-incentives?

Sushi will be able to reward similar rates as we do on other chains, with 100-300 SUSHI per day being the initial targets for each pair plus expansion into rewarding other pairs as they pop up or work into the onsen program.

- 300 Sushi per day for ETH-USDC
- 250 Sushi per day for ETH-USDT
- 150 Sushi per day for OP-ETH

The above are rates similar to what we incentivize on Arbitrum (700 sushi per day in total).

Please provide any additional information that will facilitate accountability:

1. Sushi's Treasury (ETH Mainnet): 0xe94B5EEC1fA96CEecbD33EF5Baa8d00E4493F4f3