

[DRAFT] [GF: Phase 1] Multichain

Grant Proposal

Project name:

Multichain

Author name and contact info

(please provide a reliable point of contact for the project):

Multichain Team | Mogglet

Tung@multichain.org

Telegram: <https://t.me/mogglet> @mogglet

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

Yes

L2 recipient address:

0x60201046eD5B6C660984b82a19205b573F5fC805

Which Voting Cycle are you applying for?:

cycle-10, season-3

Grant category:

Governance Fund Phase 1 - Partner Fund

Is this proposal applicable to a specific committee?

(If so, please link to committee)

Phase 1 Governance fund: Tooling or DeFi

Project description

(please explain how your project works):

Multichain is one of the largest DeFi bridges by TVL and volume. We provide bridging and cross-chain messaging infrastructure called Anycall for protocols to generically pass messages between different chains. Finally, we offer an NFT bridge for cross-chain NFT transfers. We currently support over 64 chains. Multichain does over 100m USD in daily bridging volume with over 1.4b in TVL. Like Optimism, we take pride that we are an open source protocol. We also have a strong belief in the principle of trust minimization. Anyone can use our cross-chain services.

Project links:

- Website: <https://multichain.org>
- Twitter: <https://twitter.com/MultichainOrg>
- Discord/Discourse/Community: <https://discord.gg/multidao>
- Telegram: <https://t.me/anyswap>
- Github: <https://github.com/anyswap>
- Medium: <https://medium.com/multichainorg>
- Gitbook: <https://docs.multichain.org/getting-started/introduction>

Additional team member info:

[Multichain](#) protocol is a globally distributed team founded by Zhaojun - CEO([Twitter Profile](#)), and Alfred Xu ([Twitter Profile](#))

Andre Cronje ([Twitter Profile](#)) is a core contributor to the project ,plays a key role in aligning the project's roadmap with the overall vision for the project, working with the rest of the team to define and execute on long-term goals.

We have dozens of protocol team members spanning the globe, including members of the MultiDAO, a subsidiary arm of Multichain. To date, we have bridged over 88 billion dollars of value and over 4.2 million bridging transactions. We provide bridging and cross chain messaging capabilities for over 70 chains.

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

:

Our team has made contributions to Fusion Chain: <https://www.fusion.org/en> and the original Anyswap protocol that eventually turned into Multichain. The Multichain protocol has worked with the largest defi protocols and chains in the space. We've worked w/ the founders of Fantom, MIM, IronBank, Alchemix, BeefyFinance, Curve, KyberSwap Andre Cronje, and many other protocols.

Andre Cronje, as a core contributor, helped develop the bridge contract <https://github.com/andrechronje/anyswap-v1-core>

) and the front-end for multichain.xyz.

Relevant usage metrics

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Multichain is one of the largest bridges by TVL at 1.4b, and at least 100m USD daily volume on a consistent basis. 3rd party DefiLlama ranks Multichain as the largest non-native bridge.

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](<https://global.discourse-cdn.com/business7/uploads/bc41dd/original/2X/e/e79ffac42e34ac143809b3051f8ddec2c0edb8bd.png>)

For Optimism, we have done close to 860m USD in bridge volume with 19k users and 36k transactions so far.

According to [this dune dashboard](#) from @optimismpbcs

, Multichain has the highest bridging volume of all OP generalized bridges

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photo_2022-11-14 22.01.30

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](<https://global.discourse-cdn.com/business7/uploads/bc41dd/original/2X/4/49872e5c30424e82d85740f8824ff3926df77442.jpeg>)

Third party dashboard defillama supports this data, ranking Multichain as the largest volume bridge, bridging more volume than all other third party bridges combined over the past month.

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In addition, Multichain provides the most gas efficient (cost effective) bridging out of all bridges, saving users money on each

transaction.

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704×443 39 KB

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Live data of the above graphs and additional information can be found at the links below.

<https://scan.multichain.org/#/dashboard>

<https://defillama.com/bridges>

<https://defillama.com/protocols/Bridge>

<https://dune.com/optimismfnd/Optimism-Bridge-Activity>

Competitors, peers, or similar projects

(please link):

Our major competitors include other cross-chain bridging and messaging solutions such as Synapse, Layer0/Stargate, Hop, Celer and others

Is/will this project be open sourced?

Yes

Optimism native?:

As a cross-chain bridging/messaging solution, we are deployed on multiple chains

Date of deployment/expected deployment on Optimism:

Nov-15-2021

Ecosystem Value Proposition:

What is the problem statement this proposal hopes to solve for the Optimism ecosystem?

For Optimism, usage and capital flows into the ecosystem is key to its success. The more users and token value flows in and stays on the chain, the more builders will build interesting apps. Many users stick with the chains that they know due to laziness and lack of time. Its important to provide an avenue and an incentive to users to bridge to Optimism in order to get them to deploy more capital and try the protocols on the platform.

How does your proposal offer a value proposition solving the above problem?

As one of the largest and lowest-cost bridges, Multichain has a diverse user base spanning over 66 different chains. We bridge over 100m USD in value every day for our users. We have already put in the hard work to build a bridge to Optimism and now we'd like to introduce our users to Optimism's ecosystem and encourage them to bridge in and explore the dapps available on chain through incentive programs.

Multichain invests heavily to continue improving our bridging technology to make it faster, cheaper and more secure. Our next generation fastMPC is in production with 3 networks and continue growing.

Why will this solution be a source of growth for the Optimism ecosystem?

By providing a low cost solution to bridge into Optimism, we can offer existing and new Multichain users an easy, risk free way to bridge assets into Optimism to try the apps and ecosystem. Many users we've spoken to say that using a chain is the best "ah ha" moment for low transaction L2s, and we believe that by promoting this incentivization program to our broad base of users will encourage users to get over the 'activation hurdle' to bridge assets to the Optimism chain.

Furthermore, as the go-to place for cross-chain token bridges in our industry with over 2,000 deployed token bridges, we have helped over 50 projects onboard Optimism since launch and will continue to do so using best practices.

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Has your project previously applied for an OP grant?

This is our first application for an OP grant

Number of OP tokens requested:

1000000

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?:

N/A

How much will your project match in co-incentives?

We will commit to providing marketing, dev, business development resources to promote the incentivized OP bridging. In addition, for part 3 (see below) we will be providing co-incentives in the form of Multi or USDC.

Proposal for token distribution:

How will the OP tokens be distributed? (please include % allocated to different initiatives such as user rewards/marketing/liquidity mining. Please also include a justification as to why each of these initiatives align with the problem statement this proposal is solving.)

1. 30% To offer bridging fees on all assets going INTO the optimism ecosystem to be heavily and perhaps fully subsidized through the OP grant. In order to encourage the funds to stay in the Optimism ecosystem, assets going out of the OP chain will not have such discounts. These incentives will be advertised on the Multichain application when bridging to OP, and publicized through our marketing channels. This would also include a small "gas" airdrop into an address with no OP in order to allow users to get started without having to buy and bridge a separate transaction for gas. This is one of the biggest hurdles for users going to a new chain so it will be crucial to alleviate this issue.
2. 40% Campaign rewards for bridging campaigns that involve bridging into the Optimism chain. These are promotions we've run jointly with many chains and partners. They include events such as: Cross chain campaigns to onboard new users and bring capital to the Optimism ecosystem. Twitter campaigns. Hackathons/Workshops. Bridging incentives to try specific partner dapps on Optimism, Bridging lottery, enhancing the rewards when protocols that use multichain bridge their tokens come to the OP ecosystem and other activities.
3. 30% Additional incentive grants to projects building using Multichain tooling + Optimism. Our business development and developer guilds will double grants from Multichain with additional OP tokens for any projects approved for funding if they incorporate Optimism as a part of their project. For these projects, a core part of their functionality must reside on Optimism to get the incentive boost.

Over what period of time will the tokens be distributed for each initiative? Shorter timelines are preferable to longer timelines. Shorter timelines (on the order of weeks) allow teams to quickly demonstrate achievement of milestones, better facilitating additional grants via subsequent proposals.

Bridging users: 4-6 month incentivization program.

Anycall : a message cross-chain passing + Optimism Developer Grants: 6-9 month period. This will depend heavily on the inflow of new projects that meet our criteria for funding.

Please list the milestones/KPIs you expect to achieve for each initiative, considering how each relates to incentivizing sustainable usage and liquidity on Optimism. Please keep in mind that progress towards these milestones/KPIs should be trackable.

Milestones:

- New users bridged into OP: 50K (currently 17k)
- Number of assets bridged: 75+
- Volume of bridged assets: 2B (to date: 792m)

- Anycall+Optimism cross chain API calls. 4 projects vetted, funded and under development.
- Curve Finance—Cross-chain Gauges: <https://finance.yahoo.com/news/curve-released-cross-chain-gauges-102000478.html>
- Hundred Finance—Cross-chain Mirroring:

<https://finance.yahoo.com/news/hundred-finance-building-cross-chain-081000478.html>

1. Tranchess—Liquid Staking: <https://tranchess.medium.com/tranchess-x-multichain-empowering-tranchess-eth-liquid-staking-ef72e6fb96c0>
2. Fiver For Gas—Cross-chain Gas Swap, enabling the one-stop cross-chain gas swap to simplify transactions and lower costs.

<https://finance.yahoo.com/news/multichain-released-one-stop-cross-150800026.html>

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

Inertia and lack of time prevents people from switching from L1s to explore L2 solutions such as Optimism. But once there's an incentive to bridge assets and explore different apps, we believe Optimism's low fees, fast confirmations and def ecosystem will keep users on the chain. In addition, the bridging incentives and rebates are one way, so bridging out of Optimism will be costlier.

Please provide any additional information that will facilitate accountability:(smart contracts addresses relevant to the proposal, relevant organizational wallet addresses, etc.)

List of all tokens Multichain bridges: <https://scan.multichain.org/#/tokens>

Real time dashboard of bridging transactions: <https://scan.multichain.org/>

We continuously audit our codebase with our in house security team as well as external security firms. To date, we have 11 total third party audits available and publicly viewable. New audits will continue be posted in this github repository. In addition to the audits, we have a bug bounty program with Immunifi and our internal bounty program. 10% of fees go towards a security insurance fund to protect user funds. Please find additional information about Multichain's extensive security measures below.

Security Audits:

<https://github.com/anyswap/Anyswap-Audit>

Security Model:

<https://medium.com/multichainorg/multichain-security-model-mechanism-f7a9e4541fe7>

Security Fund:

<https://medium.com/multichainorg/multichain-security-fund-f7016aabf7ac>