Proposal: ANVL Token Upgrade and Governance Council

Proposals

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Background

The Anvil protocol has achieved a substantial level of TVL, with multiple integrations currently in progress across the DeFi ecosystem. Sustained and broad-based governance participation is essential to ensuring the protocol's long-term resilience and stability. To address these requirements, Anvil Research Labs is developing a proposal for a comprehensive Governance Council.

The Governance Council will be constituted through formal governance elections and subject to periodic replacement. The Council will collectively operate a multi-signature account, enabling it to exercise protocol voting rights in a transparent and auditable manner. In addition to participating in governance decisions, the Council will be authorized to initiate minor protocol adjustments, consistent with practices employed 13 in established DeFi protocols. This design is intended to reduce coordination friction while maintaining accountability through community oversight.

Token Upgrade: ANVL v1 to ANVL v2

To support this intended governance architecture, the introduction of ANVL v2 is proposed as a technical upgrade for ANVL v1. The ANVL v2 token would preserve the identical economic structure and governance function of ANVL v1 while incorporating two key modifications:

1. Gas efficiency optimization to support future governance processes
2. Permanent delegation of a portion of ANVL v2 to the Governance Council

A snapshot was taken at Ethereum block height 23,461,500 75 . Distribution of ANVL v2 will occur autonomously and programmatically, requiring no user or others' action. Distribution mechanics are as follows:

- Community ANVL v2 tokens will be programmatically distributed 1:1 based on the ANVL v1 snapshot balances
- A Governance Council contract will receive ANVL v2 equal to the amount of burned 36 ANVL v1
- Claim and reward tokens will be fully vested
- Tokens originally allocated to the Foundation and partners will again be reallocated per original distribution guidelines 28
- Contributor and team tokens will be subject to a minimum 12-month lock-up period

For clarity, the designations "v1" and "v2" are employed only to denote the transition; the governance token will continue to be identified as ANVL.

Governance Parameters

The token upgrade will be accompanied by adjustments to governance parameters:

- Voting power thresholds will be increased to reflect the expanded scale of protocol governance
- The timelock delay will be temporarily reduced from seven days to one hour in order to minimize the transition period

Independent audits of the ANVL v2 token contract and the Anvil Governor contract have been completed, and the full ANVL v2 distribution schedule is publicly available.

ANVL v2 token contract audit 44

Anvil Governor contract audit 44

ANVL v2 distribution schedule 118

Onchain Proposals

The upgrade will be executed via two sequential onchain governance proposals consistent with the standard governance process:

- **Proposal** #1: Implement the ANVL v2 token upgrade and distribution, update the Governor contract, adjust quorum voting power (10 billion ANVL), update proposal voting power (1 billion ANVL), and reduce the timelock from seven days to one hour.

Conditional upon the passage of Proposal #1

- **Proposal** #2: Adopt ANVL v2 as the protocol's sole governance token and restore the timelock period from one hour to seven days.

Conclusion

This proposal seeks to support an enhanced governance structure for the Anvil protocol by combining delegated representation through a Governance Council with technical improvements in governance efficiency via the ANVL v2 upgrade. Recognition is extended to the entire community for their contributions, along with members of Open Zeppelin, Tally, Anvil Research Labs, and the Acronym Foundation for assistance with this proposal.

Executed Changes

Proposal 1

- Calls upgradeToAndCall(…) on AnvilGovernorDelegator to set the implementation to the new AnvilGovernorDelegate (0x123641b8a2063217a96ef88bf608931a43b49f49 13)
- Calls setProposalThreshold(…) on AnvilGovernorDelegator to set the threshold to 1,000,000,000
- Calls updateQuorumNumerator(…) on AnvilGovernorDelegator to set the threshold to 10 %
- Calls updateDelay(…) on AnvilTimelock to set the delay to 3600 seconds

Proposal 2

- Calls reinitializeGovernanceToken(…) to set the new Governance token to the new Anvil token address (0xAEEAa594e7dc112D67b8547fe9767a02c15B5597 24)

Calls updateDelay(…) on AnvilTimelock to set the delay to 604,800 seconds