

\$INDEX - Governance Token

The Index Coop DAO's native token.

What's the token for?

\$INDEX is a governance token used to vote on proposals for the Index Coop. \$INDEX holders may vote on new products, changes to existing products, external protocol governance, treasury allocation decisions, and more. There is a maximum supply of 10 million \$INDEX tokens.

The \$INDEX token contract is natively deployed to Ethereum main net and can be verified with the following address: [0x0954906da0Bf32d5479e25f46056d22f08464cab](#)

What is the initial distribution of the \$INDEX token?

Here is a breakdown of the initial token distribution at launch:

- 1% allocated to the historical airdrop for [\\$DPI](#) holders
- 7.5% allocated to the Methodologist program over 18 months (starting 60 days after launch)
- 9% allocated to the 60-day liquidity mining program
- 52.5% allocated to the [DAO treasury](#)
 - 5% available immediately
 - 47.5% vested over 3 years
- 28% allocated to Set Labs Inc
- 2% allocated to DeFi Pulse

Non-Circulating Addresses

Name	Address
Index Coop Treasury	0x9467cfadc9de245010df95ec6a585a506a8ad5fc
Index Coop Contributor Ownership Pool	0x236815b32b50cc80f5c6348396b1a9b09fd3e7f7
Index Coop Treasury Fast	0xbf14566a37D96d55485bD281f5E7c547883A54C8
Index Coop Treasury Operations	0xFaFd604d1CC8b6B3B6CC859cF80Fd902972371C1
Index Coop Treasury Investment	0x462A63D4405A6462b157341A78Fd1baBfD3F8065
Index Coop Treasury Liquidity	0x3a36b94689f303aAf9BFE761068Efb8F78912023
Contributor Vesting Contract 1	0x476cf198afac0fb13576f664cb49e5e658fd4322
Contributor Vesting Contract 2	0x1bb64af7fe05fc69c740609267d2abe3e119ef82

\$INDEX Tokenomics

Currently, \$INDEX derives value primarily from being a governance token; in practice, this takes the form of voting on improvement protocols for the Index Coop (IIPs), deciding which products to launch and maintain, and also for meta-governance proposals relating to underlying tokens held in \$DPI (and future index products).

\$INDEX should be viewed as a ‘proof-of-work’ token as it is distributed to those who contribute to the progress of Index Coop. We believe that focusing on decisions that benefit the DAO in the long term is what brings value to \$INDEX, and it is ultimately up to \$INDEX holders to determine broader value accrual for the DAO.

\$INDEX Liquidity

\$INDEX tokens can currently be bought and sold through the following exchanges:

- [Coinbase](#) (centralized)
- [Gemini](#) (centralized)
- [Uniswap v3](#) (decentralized)

For onchain buyers and sellers, DEX aggregators like [CoW Swap](#), [Matcha](#), and [LlamaSwap](#) are recommended for best execution.

Index Improvement Proposals (IIP) Overview

What is an IIP?

An IIP is a proposal to update some function or standard within the Index Coop. IIPs can vary widely from proposing new Index products to requesting funds from the Index Treasury, to performing Index Coop smart contract upgrades. The IIP proposal process largely follows the same behavior as Ethereum's EIP process.

The Index Coop GitBook (what you are reading) contains details on how to engage with the IIP Process.

An archive of all historic IIPs can be found on this [tracker](#).

Scheduled and live votes can be found on the Index Coop [snapshot](#) page.

This is a high level overview of an IIP lifecycle:

1. RECOMMENDED (optional): Informal discussion & sentiment check on the [Index Coop Discord](#) server or [forum](#). This is a good time to ensure that the relevant parties (affected, deciding, executing) are aligned on the desired outcome. **THE REMAINING STEPS ARE REQUIRED.**

2. Make a formal proposal (use the [IIP template](#) or [Product IIP template](#)) on the [Index Coop Forum](#). The proposal should be categorized under Leadership and Governance -> Proposals, with the relevant tag ('IIP' or 'Product') added.

3. After posting your proposal. There are two separate ways to proceed:

1. If you wish to queue the subsequent snapshot vote yourself (1000 INDEX is required to post on the [Index Coop Snapshot Page](#)), proceed to step 5.
2. If you do not wish to interact with snapshot, or you do not have the minimum INDEX required. Tag the [@GovNest](#) account in a comment to the post, and request that a [GovRep](#) review the post and assign an IIP number.

4. The Proposed IIP will be assigned to a GovRep:

- The @GovNest account will introduce the assigned GovRep in a subsequent post. From this point in the process you will interface directly with the assigned GovRep; tag the @GovNest account if your GovRep is unresponsive or if a request requires elevated attention.
- If there are non-material edits the GovRep will make them and notify you.
- If the proposal does not comport with the template or lacks sufficient detail to be executable upon passage, the GovRep will provide this feedback in the forum. In this case, an IIP number will not be assigned yet, and you are free to edit the post and call for a new GovRep review by tagging both the assigned GovRep and the @GovNest account.

5. There is a 48-hour minimum discussion period following the initial forum post and IIP number assignment, after the first 48 hours, the proposal may be ported over to snapshot. Any significant edits to the post reset the 48-hour discussion period.

6. Typically IIPs run starting on Mondays at 1800 UTC; however, any date that satisfies the 48-hour minimum discussion period may be chosen, it is advised however to keep the 1800 UTC start time.

7. Once the IIP is queued on Snapshot by the author of the proposal or an assigned GovRep. Voting should run for 72-hours once the snapshot vote is live. For assistance with awareness around any votes that might be live, reach out to any of the Governance Nest coordinators mentioned below.

8. After the vote ends, voting results should be posted on the forum as a comment to the original proposal.

9. The specification of the proposal should contain sufficient detail to outline execution. If execution status is unclear from the IIP tracker, tag the @GovNest account in a comment to the original post and a representative from the Governance Nest will follow up on the request.

For assistance with this process:

Operational Governance Coordinator: [@sixtykeys](#) (discord)

Governance Nest Coordinator: [@mel.eth#0001](#) (discord)

IIP Step-by-Step

This document outlines the end to end process for IIP contributors.

Context

The IIP process is not just about fulfilling Index Coop's functional duties. A streamlined and accessible IIP process can help cultivate a community which values open collaboration and ensure contributions are recognized and given a clear path to success.

Objectives

- Make the path for community contribution simple, accessible, and achievable
- Set clear guidelines for “next steps” at each stage of proposal process

Workflow

1. Discord & Forum

This is the initial fielding research + discussion on Discord, governance forum, Twitter or any other venue. This is an informal process to gauge community interest in a potential Index Coop improvement.

Here are some questions a proposer might want to answer:

- Am I able to informally get any traction for this proposal in the Discord?
- Has this proposal been tried before?
- How does this proposal get the community closer to achieving its stated goals?
- What trade-offs are implicit in this improvement's adoption?

2. Create an IIP Proposal

Once a contributor feels they have a rough consensus that their IIP is valuable, original, and achievable, they should submit an [Index Improvement Proposal](#) on the [Index Coop governance forum](#) according to [the IIP-0 guidelines](#).

They should also tag an [IIP editor](#) to review the IIP and get an IIP number assigned.

3. Editor Review & IIP Number Assignment

Once an IIP Editor has reviewed the proposal for basic adherence to IIP guidelines, the Editor will create a corresponding entry in the Index Coop GitBook, assign the IIP a number, and create a corresponding discord channel for discussion.

4. Discussion and Minimum Waiting Period

The forum is the formal area to debate the merits of each IIP. While the IIP is on the forum in 'Draft' state, the IIP author is free to make changes to the proposal. Once the IIP author is satisfied with the proposal, they should change the proposal status from 'Draft' to 'Proposed', and contact an IIP editor to schedule a snapshot vote.

Per [IIP-26](#), the waiting period before a vote can be called is 48 hours.

5. Calling a Vote

All IIPs are confirmed or rejected by the Index Coop via [Snapshot Vote](#). The IIP author is responsible for deciding a snapshot vote date with the following criteria in mind:

- The snapshot voting period may not begin until at least 48 hours after the IIP has been proposed.
- The IIP has a voting period of 3 days where token holders may vote FOR or AGAINST.
- For **standard IIP** and **meta-governance** votes to pass
 - 5% of circulating INDEX tokens must participate
 - 50% or more must vote FOR.
- For a **Product Addition IIP** to pass
 - 10% of circulating INDEX tokens must participate
 - 60% or more must vote FOR.

6. Post Voting Process

After the snapshot voting period has concluded an IIP Editor will tally votes and update the GitBook IIP record with the related voting data. If a proposal has passed, the IIP is moved from proposed to approved. If a proposal is rejected the IIP may be moved to rejected or back to WIP to be revised for future consideration.

8. Implementation

In the early stages of Index Coop, approved IIPs will be executed via multisig where necessary. Otherwise, implementation of the IIP will vary on a case-by-case basis.

Resources

- [IIP-0 Guidelines](#)
- [Example IIP](#)

Governance Representatives

:

What is a GovRep?

GovReps are responsible for the facilitation of the Index Coop Governance process. Responsibilities of a GovRep include fielding requests for snapshot votes, reviewing and editing proposals, carrying out announcements for votes, and informing the community of any votes that might be short of quorum. As a GovRep, you are also expected to keep all relevant governance trackers up to date.

GovRep Process

Below is the outlined process for carrying out the GovRep role. Your two main tools will be the [Index Coop Forum](#) and the [Index Coop snapshot](#). So ensure that you have the Moderator role on the forum, and that your ethereum address has been added as an author on snapshot. An Index Coop email address is also a requirement, as this will allow you to interface with our Notion databases without issue. Votes will be assigned to you by the GovOps Pod coordinator, and will be distributed to all GovReps throughout a season to ensure each GovRep is active in the role.

GovRep Checklist

The checklist linked above is a granular step by step guide on going from Forum request to snapshot. You can make a copy, and check off each step as you go through the process each time. While using this checklist is not a requirement, it helps make sure that you don't miss any steps of the process.

Below is a high level overview of the process:

1. Call to vote

The author of a proposal will make a call to vote on the forum, usually asking for an IIP number as well as a snapshot vote on a date of their choice. You are required to read through the proposal, ensuring that it follows the [IIP Template](#), and makes technical sense.

It is the GovRep's responsibility to check the IIP for language (spelling, grammar, sentence structure, etc.) and fix any errors. Any changes that need to be made to the proposal itself must first be communicated to and approved by the author. After editing is complete, the proposal is ported over to snapshot, and queued for a vote on the day requested by the author, to be run for 72 hours.

2. Awareness

Once a vote has been queued on snapshot, GovReps are expected to communicate this information back to the author on the IC Forum post where the request was originally made. When the vote goes live, announcements are expected to be made through 3 main platforms i.e Discord, Twitter and Telegram. Discord announcements go to the 'governance' announcement channel, Twitter announcements are carried out on the 'Coop Gov' account, and Telegram announcements are made to the 'IC announcements' channel.

Follow up announcements are required for any snapshot votes that might be short of quorum, after 24 hour intervals of time. An announcement that quorum has not been reached has to be made after 24, 48 and 60 hours after the vote originally went live. Quorum announcements are expected to be made on all 3 of the main platforms i.e Discord, Twitter and Telegram.

3. Documentation

All information on IIPs is hosted on our Notion [IIP Tracker](#). As a GovRep you are expected to fill out an entry for every IIP that you attend to, this includes information such as the vote name, links to the forum and snapshot; and once the vote is closed number of INDEX participated, number of voters, etc.

IIP Template

:

This is the template for new IIPs. Note that an IIP number will be assigned by a GovRep.

IIP: [to be assigned]
Status: [Discussion -> Proposed]
Author(s): [a list of author(s) names, usernames]
Discussions-to: [Create a new thread on <https://gov.indexcoop.com/> and drop the link here, or link any related threads]
Created: [date created on MM-DD-YYYY]
Quorum: [5% of [Votable Supply](#)]

Simple Summary

Simply describe the outcome the proposed change intends to achieve. This should be non-technical and accessible to a casual community member.

Abstract

A short (~200 word) description of the proposed change, the abstract should clearly describe the proposed change. This is what *will* be done if the IIP is implemented, not *why* it should be done or *how* it will be done. If the IIP proposes deploying a new contract, write, "We propose to deploy a new contract that will do x".

Motivation

This is the problem statement. This is the *why* of the IIP. It should clearly explain *why* the current state of the protocol is inadequate. It is critical that you explain *why* the change is needed, if the IIP proposes changing how something is calculated, you must address *why* the current calculation is inaccurate or wrong. This is not the place to describe how the IIP will address the issue!

Specification

Overview

This is a high-level overview of *how* the IIP will solve the problem. The overview should clearly describe how the new feature will be implemented.

Rationale

This is where you explain the reasoning behind how you propose to solve the problem. Why did you propose to implement the change in this way, what were the considerations and trade-offs. The rationale fleshes out what motivated the design and why particular design decisions were made. It should describe alternate designs that were considered and related work. The rationale may also provide evidence of consensus within the community, and should discuss important objections or concerns raised during the discussion.

Technical Specification

The technical specification should outline the public API of the changes proposed. That is, changes to any of the interfaces of the Index Coop currently exposes or the creations of new ones.

Test Cases

Test cases for implementation are mandatory for IIPs but can be included with the implementation.

Voting

FOR:

Short description of what a future voter will be voting for.

AGAINST:

Short description of what a future voter will be voting against.

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Product (DG) Template

This is the template for new Product (DG) IIPs. Note that an IIP number will be assigned by a GovRep.

IIP: [to be assigned]
Status: [Discussion -> Proposed]
Author(s): [a list of author(s) names, usernames]
Discussions-to: [Create a new thread on <https://gov.indexcoop.com/> and drop the link here]
Created: [date created on MM-DD-YYYY]
Quorum: [10% of [Votable Supply](#)]

1.0 Abstract

Provide a brief (2-3 paragraph) description of the proposed product. The first 1-2 sentences should be a simple summary for a lay reader. Specify if the proposal is seeking approval for one product or a suite.

2.0 Market information

2.1 Target customer segments & user stories

List the target customer segments in descending priority, for example, defi-native, tradfi-convert, DAO treasuries. Give a user story for each segment, eg, 'As a defi-native investor, product ABC gives me ...'

2.2 Market research

Describe the market survey results or any other hard evidence of market demand. For market survey results, give the method, date, sample size, margin of error, comparison to other products in the survey, and any potential sources of bias. References to general market trends are not sufficient market validation.

2.3 Size of opportunity

Give the predicted AUM, for example, at 6, 12, and 24 months post-launch. This can be based on the past performance of similar product launches. Also describe any limits to growth such as low underlying liquidity.

The purpose of this section is to give an approximate forecast of what the product AUM will be and not to give the total addressable market. Accordingly, do not use top-down market assessments. For example, do not say the derivatives market is \$100B and we plan to capture 1% of that market for a \$1B AUM.

2.4 Differentiation

Describe how this product is different from other products on the market and/or under development at Index Coop.

2.5 Marketing support / distribution / partnerships

Describe the role that branding partners or distribution channels will play.

2.6 Marketing risks and weaknesses

Describe the most likely reasons the product will fail to live up to its potential, for example, the concept is too early for the market, strong competition, insufficient liquidity mining incentives, etc.

3.0 Financials

3.1 Revenue

Give the streaming fee, mint/redeem fee and any other revenue sources. List any commitments to provide transparency on product costs and asset decay.

3.2 Fee splits

List any agreed or potential fee splits, eg, to branding partners. All fee splits will be post gas costs.

3.3 Product economics

Describe the expected monthly revenue, monthly costs (eg from rebalancing), profit margin, and any assumptions. All products should have >70% gross profit margin (excluding liquidity mining incentives) at launch.

3.4 Financial forecast

Give at least a 2-year financial forecast for the profit margin and cash flow. Naturally this will involve many assumptions, which is okay if they are reasonable. The purpose of the forecast is to confirm that the product team has fully thought through the product profitability rather than to provide a fully accurate forecast.

4.0 Specification

4.1 Product design

Methodology

Describe how the product will be built.

Engineering lift

Give a brief summary of the engineering lift required and any novel adaptors or integrations required. Specify the lift and new requirements for both pre-launch and post-launch.

Deployments and bridges

Describe on which chain/s the token will be natively deployed and bridged to. For example, 'deployed natively on mainnet and bridged to Polygon and Arbitrum.'

Token inclusion/exclusion criteria [if applicable]

Token inclusion / exclusion criteria, for example, minimum market cap and liquidity.

Index weight calculation [if applicable]

Formula for calculating the index weights, for example, market cap and liquidity weighted. Specify any allocation caps. Note that using multiple allocation caps can be very expensive on mainnet.

Rebalancing approach [if applicable]

For products on mainnet, we recommend no rebalancing. If rebalancing is essential for the product strategy describe the rebalancing approach including frequency. Note that rebalancing is very gas expensive on mainnet and decays the underlying assets.

Recomposition approach [if applicable]

Criteria for adding and removing tokens from the index. Note that recomposition is very gas expensive on mainnet and decays the underlying assets through slippage. We aim for <5% asset decay/year maximum.

Intrinsic productivity [if applicable]

Describe intrinsic productivity, if any

Governance [if applicable]

Describe governance model, if any.

4.2 Example composition

Give a table of the underlying composition including the weights, market cap, underlying liquidity, dex's and overallocation factor for each component (if applicable). The liquidity should be defined as the trading depth at 100 bps including the LP fee. The overallocation factor is the ratio between the component allocation for a \$1M AUM and the trading depth at 100 bps.

4.3 On-Chain liquidity analysis of underlying tokens

- For general indices, this will consider:
 - The price impact on each underlying token for a \$1 M exchange issuance / arb trade.
 - Number of trades (with price impact < 50 bp / 0.005%) to add / remove the token from the fund at \$10,000,000.
 - Trades should be on a single pool on L1 using Uniswap v2, Uniswap v3, Sushiswap or Balancer.
- For leveraged indices, this will consider:
 - Size of a trade (dollar and asset value) that will incur a 1% transaction cost on each available DEX. Transaction cost includes fees and price impact.
 - Size of available liquidity on pairs used for rebalance transactions & number of hops required to rebalance if using more than one pair
- Highlight the smallest amount of liquidity of any pair used for rebalancing. This is the weakest point in the rebalance process and can be used to stress test the product.

4.4 Backtest results [if applicable]

Give backtest results, preferably covering a market upcycle and downcycle. Compare to ETH or the most relevant comparator.

5.0 Product liquidity

Specify whether the product will be launching on a dex or exchange issuance and why.

For a dex launch, specify the LP pair (XXX:ETH) and dex (SushiSwap, Uniswap v3 etc) for the initial liquidity. Discuss whether the liquidity is expected to be self-sustaining (e.g. highly traded FLI products) or need ongoing liquidity mining incentives.

6.0 Author Background

List the authors and their roles.

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Meta-Governance



What is Meta-governance?

Meta-governance refers to the ability for \$INDEX token holders to vote on governance proposals for other protocols. Governance tokens held within the \$DPI index can be used to vote on their respective proposals. Currently this is limited to Uniswap, Compound, YFI, Balancer and AAVE. You can head to the [Index Coop snapshot page](#) if you hold \$INDEX to check for open proposals and cast your vote!

How does it work exactly?

Meta-governance voting is carried via the GovernanceModule in the following steps:

1. A governance vote is called for AAVE, Compound, Uniswap, Balancer, or Yearn.
2. The proposal is duplicated on Index Coop's [snapshot page](#).
3. \$INDEX holders vote on the meta governance proposal via snapshot.
4. The meta governance voting period will end 24 hours before the underlying (AAVE, Compound, Balancer, Yearn, Badger DAO or UNI) governance vote ends.
5. At the end of the voting period if a **5% quorum** is reached, the Index Coop multisig will vote according to the related snapshot proposal majority. Votes will not be split proportionally, so reaching quorum 'for' a proposal will use the full weight of tokens held by DPI in favor and likewise if majority 'against'.
6. With the implementation of [IIP-51](#), the Meta Governance Committee (MGC) will step in and vote on behalf of the community, should the 5% quorum not be reached. The MGC is a body of 5 members elected by the community (for 3-month terms). Currently community members TrotNixonLine (David), Matthew Graham, Penn Blockchain, ncitron, and Lavi form the MGC.

Delegation



How to Delegate your INDEX Votes

Guide with images

How do I delegate my \$INDEX voting power?

1. Visit the Index Coop Discord server, and head over to the #delegates channel under the governance nest category. You can find a [spreadsheet](#) pinned to the chat, with the names of all the delegates, and a brief description of the delegate, as well as a link to their voting history (You can view this manually by going to [Boardroom](#) and pasting their ethereum address in the search bar).
2. Once you have decided on a suitable candidate, you can visit the Index Coop Snapshot page. Connect your wallet to snapshot, and select the '[delegate](#)' option on the upper left side.
3. Once you are on the delegate page, simply input the address of your chosen delegate, and select 'confirm'. This will bring up a transaction that occurs on-chain that you will need to sign (this will cost gas).
4. Once the transaction is confirmed, you have successfully delegated your voting power, congratulations. If you wish to un-delegate your votes at any given time, simply go back to the 'delegate' page linked in step 2, a button will appear that allows you to un-delegate and get back your voting power (this will also cost gas).

If you wish to vote on a proposal, you can still do so yourself. Any vote you make on a given proposal will override the vote made by the delegate.

Note that your \$INDEX tokens never leave your wallet. The only thing being transferred is the voting power carried by the \$INDEX tokens.

How do I become a delegate?

Becoming a delegate is easy. Remember, though, that as a delegate, you are expected to be an active participant in Index Coop governance and metagovernance. So you should be sure that you are prepared to invest your time and energy in understanding Index Coop proposals and making informed decisions about how you will vote.

To become a delegate:

1. Visit the Index Coop Discord server, and head over to the #delegates channel under the Governance Nest category. You can find a [spreadsheet](#) pinned to the chat, input the required details, including your discord name, your ethereum wallet address that you will use for voting, and your voting history. Voting history can be found by adding your voting address at the end of this link (<https://app.boardroom.info/voter/0x....>).
2. Communicate your intention to become a delegate. Delegates are expected to make a formal introduction on the #delegates channel on Discord; as well as on the Index Coop forum. You can also use Twitter to announce your decision to become a delegate, but this step is not required.
3. Once you have become a delegate, you are expected to make a concerted effort to vote as often as you can. You should also take the time to understand what is being proposed and what effect it has on the Index Coop. It is also important to communicate how you will be voting on a proposal. This can be done by leaving a comment on the related forum post. A description of why you have made this decision is also helpful.
4. In the event your address is compromised you should communicate it via the #delegates channel, the delegates spreadsheet and in the forum so that users can un-delegate from your address.

Happy Voting!