VIP-20: VSP Bonding

Summary

This proposal creates a conditions based framework to authorize VSP bonding.

Abstract

Bonding is a mechanism made popular by Olympus that enables protocols to own their own liquidity. Bonding has proven successful in building treasuries and ensuring healthy liquidity across dexes, but suffers challenges when not properly bounded. This proposal introduces a framework for when rules and conditions for when bonding can occur. These conditions will be closely tied to the amount of liquidity supplied on DEX pairs and the health of the treasury to continue to fund further development of the Vesper platform and ecosystem.

Expectations

Bonding - A mechanism enabling users to sell assets to the Vesper DAO in exchange for newly minted VSP that will be locked in a Time Capsule. Vesper DAO will maintain functionality to sell new bonds under the following specifications:

Specification

- A **user-iterable Goal List** or mapping of (ERC20 token, target_budget, price_multiplier) which are wanted to be received into the Treasury.
- `mintFrom(erc20 address, amount)` will mint an amount of VSP, the lesser of (target_budget, amount) * VSP_price.
  - User provides any amount of a user-specified ERC20 token. Token must be in the goal list.
  - *N* = tokens * token_price * price_multiplier
  - User receives *N* newly minted-and-locked VSP (up to mint window budget)
  - DAO treasury 0x9520... receives *N* newly minted VSP
  - DAO treasury 0x9520... receives collateral tokens from user
  - target_budget starts at maximum amount, and subtracted against the amount received from user
  - price_multiplier is used to add a bonus or subtract a fee .

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