

State of Rari DAO

Rari DAO: Context and Progress Overview

What is Rari DAO?

Rari DAO is a DAO created to govern the **Rarible Protocol**, a prominent platform in the NFT marketplace ecosystem. Rarible allows users to create, buy, and sell NFTs, and Rari DAO was established to give the community the power to make decisions about the platform's future through a decentralized governance model.

At the heart of this governance model is the [RARI token](#), which gives holders the ability to participate in the decision-making process. Token holders can vote on proposals that affect the ecosystem and propose new changes themselves. This system ensures that no single entity has control over the protocol—Rari DAO operates independently, guided by the collective decisions of its community members.

Key Concepts: veRARI and Voting Power

- **\$RARI**: The native governance token of the Rarible ecosystem.
- **veRARI (vote-escrowed \$RARI)**: A non-transferable token representing the locked \$RARI tokens. The longer participants lock their \$RARI, the more veRARI they receive, granting them more voting power in governance.
- **Voting Power**: Determined by the amount of veRARI a user holds. The more veRARI a user has, the more influence they wield in the decision-making process.

What Are RRCs (RARI Requests for Comment)?

An essential part of the governance structure is the **RARI Request for Comment (RRC)** process. RRCs are formal documents used to propose changes, new features, or initiatives to the DAO. They are the foundation of how the DAO operates and evolves, covering everything from governance mechanics to incentives for user participation. RRCs are voted on by the community, and once approved, they are implemented as binding governance rules.

Each RRC in Rari DAO follows a structured process, starting with a community discussion:

1. **Discussion**: Proposals are first debated in the community forum, where members share feedback and refine ideas.
2. **Proposal**: Once ready, a community member with a minimum amount of veRARI formally drafts the RRC.

3. **Voting:** The community votes based on veRARI voting power, earned by locking \$RARI tokens.
 4. **Execution:** If approved, the proposal is executed on-chain via Tally, ensuring decentralized implementation.
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Analyzing Rari DAO's Progress: A Focus on RRCs

Link: <https://www.tally.xyz/gov/rari-foundation/proposals>

Since its inception, Rari DAO has followed a structured path toward decentralization and the expansion of its governance framework. To track this progress, the Rari DAO community has implemented a series of RRCs that lay out the roadmap for governance, incentives, and platform improvements. Each RRC builds on the previous, reflecting the community's evolving priorities.

RRC-0: Establishing the RARI Foundation and Governance Framework

Link: [Forum](#)

- **Date:** October 2022
- **Purpose:** RRC-0 was the foundational proposal that established the **RARI Foundation**, an independent legal entity governed entirely by \$RARI and veRARI holders. This entity was created to ensure that the DAO could function independently from any central authority, with the community taking full control of the governance process.
- **Key Components:**
 - **On-Chain Governance:** This proposal laid the groundwork for fully on-chain governance, allowing proposals to be submitted, voted on, and executed automatically through smart contracts.
 - **DAO Board:** The RARI Foundation acts as the "board" of the DAO but exists only to execute the decisions made by the community.

RRC-0 was a critical first step in decentralizing the governance of Rarible, placing the future of the platform squarely in the hands of its community.

RRC-1: Introducing veRARI and Voting Mechanisms

Link: [Forum](#)

- **Date:** October 2022
- **Purpose:** RRC-1 introduced the concept of **veRARI**, a token model based on locking \$RARI tokens for a specified period to receive voting power. This mechanism ensured that users with long-term alignment with the platform's goals were granted more influence in governance decisions.

- **Key Components:**
 - **Locking Periods:** Users can lock their \$RARI tokens for a period ranging from 3 weeks to 2 years. The longer the tokens are locked, the more veRARI is granted.
 - **Voting Power:** veRARI holders use their tokens to vote on proposals, with voting power dynamically calculated based on their locked amount and lock duration.

This system incentivized long-term commitment from the community while also ensuring that governance power remained proportional to users' vested interest in the platform.

RRC-2: \$RARI Listing & Trading Incentives

Date: October 2022

Link: [RRC-2](#)

Purpose: Introduced a \$RARI rewards program to incentivize users to list and trade NFTs on the Rarible marketplace, addressing liquidity challenges.

Key Components:

- **Listing Rewards:** Users earned points for listing NFTs at competitive prices close to the collection's floor. The lower the price relative to the floor, the more points they accumulated. Points were calculated every 10 minutes.
 - **Purchase Rewards (Royalties Cashback):** Buyers received cashback proportional to the royalties paid during the transaction, incentivizing purchases.
 - **RARI Prime Benefits:** Users who locked 100 \$RARI for at least one month were granted RARI Prime status, which provided 0% marketplace fees and exclusive perks, such as a marketplace badge and access to a private Discord channel.
Impact: Successfully boosted liquidity in the Rarible marketplace by incentivizing more listings and purchases.
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RRC-3: \$RARI Allocation for Rarible 2 Brand Partners

Date: October 2022

Link: [RRC-3](#)

Purpose: Allocated 20,000 \$RARI to onboard brand partners and influencers for the launch of **Rarible 2**, an aggregated NFT marketplace that enables users to purchase NFTs across multiple platforms (Rarible, OpenSea, LooksRare, etc.).

Key Components:

- **Partner Marketing:** Selected influencers with at least 10K followers in the Web3 and NFT communities to promote Rarible 2 through two weekly Twitter posts using hashtags like #RariPartner.
- **Compensation:** Each partner received 1,000 \$RARI locked for one month, with a 12-week vesting schedule.

Impact: Increased brand visibility and user engagement for Rarible 2 by leveraging influencers' reach.

RRC-4: Retroactive \$RARI Airdrop for Rarible Users

Date: October 2022

Link: [RRC-4](#)

Purpose: Rewarded loyal Rarible users with a retroactive \$RARI airdrop, aiming to incentivize continued platform engagement during a broader market downturn.

Key Components:

- **Eligibility:** Users who bought, sold, or listed NFTs on the secondary market of Rarible.com or other community marketplaces powered by the Rarible Protocol in the previous three months were eligible.
- **Reward Distribution:** A total of 55,000 \$RARI was distributed equally among 550 eligible users. Each user received 100 \$RARI, which automatically enrolled them in RARI Prime.

Impact: Helped retain and reward active users during a challenging NFT market period, promoting further engagement.

RRC-5: Foundation Operational Budget

Date: December 2022

Link: [RRC-5](#)

Purpose: Allocated 475,000 USDC for the RARI Foundation's operational budget over six months, funding core contributors, community building, and product strategy.

Key Components:

- **Budget Breakdown:** The budget included compensation for contributors such as community and operations managers, a senior front-end engineer, a product leader, and a marketing specialist.
- **Legal & Compliance:** A portion was dedicated to legal support and regulatory compliance to ensure the DAO's smooth operations.

Impact: Provided the resources needed to maintain and grow the DAO, with a focus on governance, product development, and legal structure.

RRC-7: Rewards-2 (Resubmitted)

Date: June 2023

Link: [RRC-7](#)

Purpose: Resubmitted RRC-7 due to an initial contract error, launching a revised \$RARI rewards program to incentivize participation in community marketplaces built on Rarible's infrastructure.

Key Components:

- **Budget:** A total of 400,000 \$RARI was allocated for the program, distributed over 90 days to five community marketplaces.
 - **Rewards Structure:** Replaced the less popular royalties cashback mechanism with a bid rewards system, where users received more points for placing bids close to or above the floor price.
 - **Lock-up Period:** Introduced a 9-month lock-up for rewards, split between a 3-month full lock and a 6-month linear unlock to mitigate selling pressure.
Impact: Created long-term incentives for participation in community marketplaces, with a focus on sustainable activity post-incentive period.
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RRC-8: Retroactive Governance Airdrop

Date: April 2023

Link: [RRC-8](#)

Purpose: Aimed to reward active governance participants with a retroactive airdrop of 3,275 \$RARI, distributed to those who had locked, delegated, or voted between Q4 2022 and Q1 2023.

Key Components:

- **Eligibility:** Users who locked or delegated \$RARI and actively participated in governance activities were eligible.
 - **Lock-up Period:** Airdropped tokens were locked for nine months, with a 3-month hard lock followed by a 6-month linear unlock.
Impact: Recognized and rewarded governance participants, encouraging further engagement in the governance process.
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RRC-9: Delegate Launchpad Proposal

Date: June 2023

Link: [RRC-9](#)

Purpose: Created the Delegate Launchpad Program to onboard 15 new delegates, each receiving 2,000 veRARI for six months to encourage participation in governance.

Key Components:

- **Delegation Mechanism:** The program provided new delegates with veRARI voting power to support their participation in the DAO's governance.
 - **Eligibility & Criteria:** Applicants with experience in DAO governance, NFT, or DeFi leadership were prioritized. Delegates were required to vote on at least 60% of proposals and actively engage with the community.
Impact: Boosted governance participation by empowering new delegates with the necessary voting power and visibility.
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RRC-10: H2 2023 RARI Foundation Operational Budget

Date: July 2023

Link: [RRC-10](#)

Purpose: Allocated 611,800 USDC to cover the operational budget of the RARI Foundation for the second half of 2023, supporting governance, product development, and marketing efforts.

Key Components:

- **Team Expansion:** Included hiring new roles such as a Business Development Lead and Accountant.
 - **Marketing Initiatives:** Budgeted for event sponsorships, promotional activities, and travel for key events like ETH Global NY and Devconnect.
Impact: Ensured the continued growth and sustainability of the RARI Foundation, focusing on key strategic hires and marketing efforts.
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RRC-11: On-Chain Protocol Governance and Security Council

Date: August 2023

Link: [RRC-11](#)

Purpose: Established on-chain governance over the Rarible Protocol's core contracts and created a Security Council to handle emergency actions and veto malicious proposals.

Key Components:

- **Security Council:** A 3-member body with veto power to block malicious proposals during the cooldown period and to handle protocol emergencies.
 - **Governance Transfer:** Enabled the DAO to take full control over protocol updates and maintenance through on-chain governance.
Impact: Strengthened the DAO's governance model by enhancing security and decentralization, allowing the community to have more control over the protocol.
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RRC-12: RARI Ecosystem Growth Fund

Date: October 2023

Link: RRC-12

Purpose: Allocated 1,000,000 \$RARI to create the RARI Ecosystem Growth Fund, aimed at accelerating Rarible's ecosystem through grants, bounties, and sponsorships.

Key Components:

- **Ecosystem Grants:** Awarded grants to developers, artists, and community members building on the Rarible Protocol.
- **Sponsorship Program:** Sponsored hackathons, events, and other Web3 initiatives to drive adoption and innovation.

Impact: Fostered innovation in the Rarible ecosystem and encouraged external developers to contribute to the protocol's growth.

RRC-13: Delegation Incentives Program

Date: November 2023

Link: [RRC-13](#)

Purpose: Introduced a program to increase veRARI delegation and governance engagement by offering rewards for both delegators and delegates.

Key Components:

- **Delegate Incentives:** Delegates earn rewards based on the amount of veRARI they receive and their activity level, measured by a delegate score.
 - **Delegator Incentives:** Rewards are distributed based on how much veRARI a user delegates and the activity level of the delegate they choose.
 - **Maximum Rewards:** Each delegator could earn up to 10,000 \$RARI in rewards, with a lock-up period for rewards to prevent sell pressure.
- Impact:** Boosted voter turnout, increasing governance participation while adding utility to \$RARI and encouraging more active involvement in the DAO.
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RRC-14: Continuation of Rarible Protocol Transfer to Community

Date: December 2023

Link: [RRC-14](#)

Purpose: Continued the process of transferring key Rarible Protocol contracts to RARI DAO, including control over the Exchange contracts bundle and expansion of the Security Council.

Key Components:

- **Governance of Exchange Contracts Bundle:** Allowed the DAO to control key contracts, including the ability to set transaction fees.

- **Security Council Expansion:** Increased the Security Council from 3 to 5 members, giving the body more oversight and emergency upgrade powers.
Impact: Further decentralized the Rarible Protocol, giving the community more control over critical contracts while strengthening the DAO's security infrastructure.
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RRC-15: Glambase Integration with RARI Chain

Date: December 2023

Link: [RRC-15](#)

Purpose: Proposed integrating Glambase, an AI-generated influencer marketplace, with the RARI Chain to create a dedicated marketplace for trading AI influencers.

Key Components:

- **Marketplace Development:** Planned to use Rarible's white-label marketplace solution to build a platform for AI influencers.
 - **Integration with RARI Chain:** Glambase would leverage the RARI Chain for transactions, helping to drive trading volume and expand Rarible's ecosystem.
Impact: Failed to meet quorum and was subsequently canceled, reflecting the need for broader community engagement and support for large-scale integrations.
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RRC-16: RARI Foundation 2024 Operational Budget

Date: January 2024

Link: [RRC-16](#)

Purpose: Proposed a \$1.65M operational budget for 2024 to support the RARI Foundation's efforts in governance, product development, and marketing.

Key Components:

- **Governance Initiatives:** Included running the Delegate Launchpad Program twice, expanding the Security Council, and supporting protocol governance.
 - **Product Development:** Focused on launching RARI Chain mainnet and ensuring all protocol contracts were owned by the community.
Impact: Ensured the resources needed for the Foundation to drive growth in 2024, focusing on decentralized governance and scaling Rarible's ecosystem.
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RRC-17: Distribute Remainder of Incentives Reward Program Budget

Date: February 2024

Link: [RRC-17](#)

Purpose: Proposed to distribute the remaining 24,338.95 \$RARI from the Incentives Rewards Program budget to delegators who participated in the program.

Key Components:

- **Proportional Distribution:** The remaining funds were distributed proportionally to delegators based on their participation during the program.
 - **Lock-up Period:** Followed the same lock-up conditions as the original program (6-month lock with a 3-month linear unlock).
- Impact:** Rewarded delegators for their engagement and maintained community trust in future incentive programs.
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RRC-18: Raise Proposal Quorum

Date: February 2024

Link: [RRC-18](#)

Purpose: Raised the proposal quorum from 10% to 15% of the total veRARI supply, increasing the security of the DAO by requiring broader participation.

Key Components:

- **Quorum Increase:** A higher quorum meant that more voting power was needed for proposals to pass, reducing the risk of governance manipulation.
- Impact:** Enhanced the security of the DAO by ensuring that more stakeholders were involved in decision-making, making it harder for concentrated voting power to dominate proposals.
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RRC-19: Rari Chain Sequencer Revenue Split

Date: February 2024

Link: [RRC-19](#)

Purpose: Proposed to split revenue generated by the Rari Chain sequencer between the RARI DAO and the RARI Foundation, with 50% going to each.

Key Components:

- **DAO Treasury:** 35% of the revenue allocated to the DAO's treasury, with 15% to a new Creator Fund.
 - **Foundation:** 30% of the revenue for the Foundation's operational costs, and 20% to repay the Arbitrum Grant.
- Impact:** Provided a sustainable source of revenue for both the DAO and the Foundation, supporting future growth initiatives and financial autonomy.
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RRC-20: Utilization of 2023 Budget Surplus

Date: March 2024

Link: [RRC-20](#)

Purpose: Utilized a \$549,933 surplus from the 2023 budget to establish a cash reserve and invest in yield-generating strategies.

Key Components:

- **Cash Reserve:** 50% of the surplus was allocated to a cash reserve for emergencies and strategic opportunities.
 - **Yield Generation:** The remaining 50% was invested in safe, yield-generating assets to support long-term financial sustainability.
Impact: Strengthened the DAO's financial security by creating a reserve and investing surplus funds, ensuring long-term sustainability.
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RRC-21: Gas Fee Rebate for Delegates on On-Chain Governance & Gasless Voting Parameters

Date: June 2024

Link: [RRC-21](#)

Purpose: Introduced a gas fee rebate program for DAO delegates and defined gasless voting parameters to increase participation in governance without the financial barrier of gas fees.

Key Components:

- **Gas Fee Rebate:** Reimbursed delegates for gas fees incurred during governance activities such as voting or submitting proposals.
 - **Gasless Voting:** Allowed wallets with at least 300 RARI delegated voting power to vote without gas fees.
Impact: Lowered the financial barrier to governance participation, encouraging more active involvement in the DAO.
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RRC-22: DAO Treasury Diversification Plan

Date: June 2024

Link: [RRC-22](#)

Purpose: Established a plan to diversify the DAO's treasury by reallocating 25% of its assets into stablecoins and generating yield through a combination of on-chain and off-chain investment vehicles.

Key Components:

- **Stablecoin Allocation:** 25% of the treasury was converted to stablecoins to reduce exposure to market volatility.
- **Yield Generation:** Stablecoins were invested in safe, yield-generating assets to provide a stable financial runway for future growth.
Impact: Reduced the DAO's exposure to crypto market volatility and provided a predictable source of income through stable investments.

RRC-23: Framework for Setting Up a Working Group

Date: May 2024

Link: [RRC-23](#)

Purpose: Established a framework for creating, operating, and disbanding working groups (WG) within the RARI DAO, ensuring contributors can follow standardized procedures.

Key Components:

- **Working Group Creation:** Any verified delegate could propose a working group by outlining goals, roles, budget, and KPIs.
 - **Operational Guidelines:** Detailed the processes for managing working groups, including compensation and conflict resolution.
 - **Transparency:** Required quarterly reports and public communication to ensure accountability.
Impact: Enabled the DAO to organize tasks efficiently and ensure structured contributions toward achieving the DAO's objectives.
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RRC-24: Empowering Latin American Artists Through Art

Date: July 2024

Link: [RRC-24](#)

Purpose: Aimed to support and empower Latin American artists by incorporating them into the RARI ecosystem and fostering cultural exchange.

Key Components:

- **Ronda NFT Contest:** Organized an art contest for Latin American artists to showcase their talents in the NFT space.
 - **Educational Programs:** Provided incubation programs to teach artists how to use Rarible and the RARI Chain for displaying and monetizing their work.
 - **Partnerships:** Collaborated with Sohobiit and Happ3n XYZ to drive engagement and onboard Latin American artists.
Impact: Raised awareness of Rarible in the Latin American market and expanded the platform's reach by supporting diverse artistic communities.
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RRC-25: Lock-up Revision for Ecosystem Grants

Date: June 2024

Link: [RRC-25](#)

Purpose: Revised the 6-month lock-up for grants from the Ecosystem Growth Fund, allowing the Ecosystem Growth Fund (EGF) Committee to decide on a case-by-case basis.

Key Components:

- **Case-by-Case Lock-up:** Removed the mandatory 6-month lock-up for most grants, with the EGF Committee determining whether a lock-up was necessary.
 - **Upfront Payment Flexibility:** Allowed projects to access funds earlier based on milestones, providing more flexibility to grant recipients.
Impact: Improved the grant process by offering more flexibility and faster access to funds, attracting more mature projects to the Rarible ecosystem.
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RRC-26: Tokenomics Working Group Proposal

Date: June 2024

Link: [RRC-26](#)

Purpose: Established a Tokenomics Working Group (TokWG) to research and propose strategies for enhancing the economic sustainability of the RARI DAO.

Key Components:

- **Research on Tokenomics Models:** Focused on revising and improving the RARI tokenomics to ensure long-term growth and sustainability.
 - **Community Feedback:** Gathered input from the community to refine tokenomics strategies tailored to the DAO's needs.
Impact: Enabled the DAO to explore new tokenomics approaches, providing actionable recommendations to improve the overall economic model.
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RRC-27: Repurposing Legacy Wallet

Date: July 2024

Link: [RRC-27](#)

Purpose: Proposed the repurposing of unclaimed tokens from the Legacy Wallet into strategic investments for the growth of the RARI ecosystem.

Key Components:

- **Unclaimed Tokens:** 1.1M unclaimed \$RARI tokens were partially reserved for future claims and the rest allocated across grants, loans, and partnerships.

- **Growth Initiatives:** 75% of the unclaimed tokens were distributed to support strategic initiatives such as ecosystem grants and partnerships.
Impact: Optimized the use of idle funds by fueling strategic growth initiatives in the Rarible ecosystem, supporting long-term expansion.
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RRC-28: Implementing a RARI Protocol Fee

Date: September 2024

Link: [RRC-28](#)

Purpose: Introduced a 0.5% protocol fee within the Rarible Protocol to generate revenue for the RARI DAO treasury.

Key Components:

- **Fee Structure:** A 0.5% fee, split evenly between buyers and sellers, was implemented on Rarible transactions.
 - **Revenue Allocation:** All protocol fee revenue was directed to the RARI DAO treasury to enhance financial sustainability.
Impact: Provided a new revenue stream to support the DAO's operations and future growth, helping ensure financial autonomy.
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RRC-29: A Clearer Grants Committee Mandate

Date: July 2024

Link: [RRC-29](#)

Purpose: Established a more structured and transparent mandate for the Grants Committee, improving accountability and community involvement.

Key Components:

- **Clear Mandate:** Defined responsibilities, KPIs, and compensation for committee members.
 - **Transparency:** Required quarterly reports and updates to ensure the community remained informed of grant-related activities.
Impact: Enhanced the transparency and efficiency of the Grants Committee, leading to more effective management of the Ecosystem Growth Fund.
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RRC-30: Enhancing RARI DAO Governance: Plan for Upgrade

Date: August 2024

Link: [RRC-30](#)

Purpose: Proposed upgrading the RARI token contract and migrating governance to the Arbitrum ecosystem for lower fees and more accessible governance.

Key Components:

- **Arbitrum Migration:** Moved governance from Ethereum to Arbitrum to reduce gas fees and enhance accessibility.
- **Custom L2 Token Contract:** Deployed a new custom Layer 2 token to facilitate governance processes.

Impact: Reduced gas fees for governance, encouraging more participation and increasing the DAO's operational efficiency.

RRC-31: Trial Run a Governance Working Group

Date: August 2024

Link: [RRC-31](#)

Purpose: Proposed a three-month trial of a Governance Working Group (GWG) to enhance governance operations and increase execution power.

Key Components:

- **Governance Participation:** Focused on improving delegate participation and increasing the efficiency of governance processes.
- **Moderation and Documentation:** The GWG was tasked with moderating discussions and maintaining governance documentation.

Impact: Though defeated, the proposal highlighted the need for structured governance improvement and greater community engagement.

RRC-32: [Updated] Trial Run a Governance Working Group

Date: August 2024

Link: [RRC-32](#)

Purpose: A revised proposal to run a three-month trial of a Governance Working Group (GWG) to improve execution power and governance processes.

Key Components:

- **Governance Operations:** Tasked with increasing governance participation, improving onboarding, and maintaining governance tools.
- **Documentation and Moderation:** The GWG was responsible for updating governance documentation and mediating disputes.

Impact: Successfully passed, marking a step forward in improving governance through a dedicated working group focused on operational enhancements.

RRC-33: Continuation of RARI DAO Security Council

Date: October 2024

Link: [RRC-33](#)

Purpose: Extended the term of the current RARI DAO Security Council to continue performing essential governance roles.

Key Components:

- **Security Council Renewal:** Allowed the current five members to continue safeguarding the protocol and managing emergency actions.
Impact: Maintained operational stability and governance security by extending the Security Council's term, ensuring protection against governance attacks.

RRC-34: Enable RARI Staking

Date: October 2024

Link: [RRC-34](#)

Purpose: Introduced staking for \$RARI holders to earn rewards and further incentivize long-term alignment with the RARI ecosystem.

Key Components:

- **Staking Rewards:** \$RARI holders can lock their tokens for a specified duration to earn rewards in \$RARI and other ecosystem tokens.
- **Locking Mechanism:** Similar to veRARI, the longer the staking duration, the greater the rewards earned.
Impact: Encouraged long-term alignment and token retention, adding another layer of utility to \$RARI while fostering community participation in governance.

RRC-35: DAO Code of Conduct

Date: October 23, 2024

Purpose: Establishes a Code of Conduct for RARI DAO to ensure respectful, constructive governance among delegates and community members. Enforced via market dynamics and moderators.

Key Components:

- **Delegate Expectations:** Stay informed, vote responsibly, avoid conflicts of interest, and foster respectful interactions.

- **Community Engagement Policies:** Maintain civility and report misconduct; violations may lead to warnings or suspensions.

Impact: Promotes a positive, professional environment aligned with RARI DAO's values, supporting long-term community-driven governance.

Summary of Rari DAO progress

Where we come from:

Rari DAO started with a strong focus on decentralization, laying the foundation for a robust governance structure with key proposals like RRC-0 and RRC-1. These established the RARI Foundation and introduced the veRARI system, granting voting power to long-term aligned members. From the outset, the goal was to place control of the protocol in the hands of the community, ensuring that governance decisions were made collectively.

Early proposals, such as RRC-2 and RRC-3, focused on incentivizing participation by offering rewards for trading activity and fostering strategic partnerships to boost platform adoption. The introduction of veRARI voting (RRC-1) and listing incentives (RRC-2) demonstrated the DAO's commitment to engaging the community and aligning governance power with those who were most invested.

Where we are:

Currently, Rari DAO is at a pivotal moment of maturity. The governance framework is well-established, and the community has progressively taken more responsibility through on-chain voting, the creation of various incentive programs (like RRC-7's long-term rewards system), and the implementation of operational budgets (RRC-5 and RRC-10). The DAO has successfully decentralized much of its governance, as seen in proposals like RRC-11, which granted full control of protocol updates to the community.

Additionally, key initiatives like RRC-12's Ecosystem Growth Fund and RRC-19's revenue-sharing model are helping secure the financial sustainability of the DAO, ensuring long-term growth. The community is actively shaping the direction of the protocol through ongoing RRC proposals, with mechanisms like the Security Council (RRC-33) in place to protect against governance attacks.

Where we are going:

Looking ahead, Rari DAO is positioning itself for further decentralization and expansion of its influence in the NFT and Web3 space. Upcoming priorities include improving governance efficiency through staking mechanisms (RRC-34), enabling more seamless and cost-effective

participation through Layer 2 solutions like Arbitrum (RRC-30), and increasing participation through programs like the Delegate Launchpad (RRC-9).

The DAO's focus is shifting toward fostering more long-term engagement, expanding its ecosystem through grants and strategic partnerships (RRC-12), and building sustainable infrastructure to ensure resilience. The roadmap indicates that Rari DAO will continue evolving into a fully decentralized, community-driven entity, with enhanced tools for governance and deeper engagement from its members.

In summary, Rari DAO has transitioned from its initial setup of decentralized governance, is now in a phase of growth and solidification, and is aiming for a future where the community fully controls the protocol's evolution and ecosystem development.

Treasury Overview

<https://www.tally.xyz/gov/rari-foundation/treasury>

- **Total Balance:** \$7,957,810 USD

Assets Held

1. **Rarible (RARI):**
 - **Balance:** 4.6 million RARI tokens.
 - **Value:** Approximately \$7.96 million USD
2. **Ether (ETH):**
 - **Balance:** 0 ETH.
 - **Value:** \$0 USD (no current holdings in ETH).

Safes (Wallet Breakdown)

Rari DAO holds multiple safes with funds allocated to different purposes. These are secured by multisig wallets with multiple signers for added security.

1. **Foundation Administrative Budget:**
 - **Total Balance:** \$2.01 million USD.
 - **Network:** Ethereum.
 - **Signers:** 5 signers.
2. **Legacy Treasury:**
 - **Total Balance:** \$2.02 million USD.
 - **Network:** Ethereum.
 - **Signers:** 6 signers.
3. **Rarible Protocol Grants:**
 - **Total Balance:** \$414,150 USD.
 - **Network:** Ethereum.
 - **Signers:** 4 signers.

- **Purpose:** Likely allocated for grants and bounties to promote development and projects on the Rarible Protocol.
- 4. **Security Council – Veto:**
 - **Total Balance:** \$0 USD.
 - **Network:** Ethereum.
 - **Signers:** 5 signers.
 - **Purpose:** This is the veto authority of the Security Council, but it currently holds no funds.
- 5. **Security Council – Upgrade:**
 - **Total Balance:** \$0 USD.
 - **Network:** Ethereum.
 - **Signers:** 5 signers.
 - **Purpose:** This is for emergency upgrades and managing the protocol's critical changes, though no funds are allocated right now.
- 6. **RARI Treasury Diversification:**
 - **Total Balance:** \$2.71 million USD.
 - **Network:** Ethereum.
 - **Signers:** 5 signers.
 - **Purpose:** Likely allocated for diversification of treasury assets, helping the DAO mitigate risk by holding assets beyond just \$RARI.

Economic Structure & Usage of Funds

- The treasury is diversified between **administrative expenses, grants for ecosystem growth**, and security management via the **Security Council**.
- **Diversification strategies** (like the RARI Treasury Diversification safe)