Openbook Community Call, March 6th.

Register: https://lu.ma/ppmm6f2o

Background Information:
OpenBook is a community-run program that represents a shared pool of liquidity for all. There are significant network effects where liquidity provided by project A is helpful to project B, and vice versa. Every team is better off by working together.

OpenBook is not a company – there are no employees, token, profit-motives, etc. In order for the project to work, we need the builders & makers to share responsibility. Is the community ready to come together to form an OpenBook Council? Ideally, the Council is made up of the teams who are building/trading on OpenBook – "skin in the game" is required to participate.

Phoenix by Ellipsis Labs has been launched in beta, a fully on-chain non-custodial, atomically composable and crankless alternative to Openbook. Ellipsis is a venture-backed entity with a dedicated team, and has the ability to hire full-time engineers to maintain or build new features for Phoenix.

Moving forward, We need to answer the key questions of:
- How important is maintaining a public good CLOB when commercial alternatives like Phoenix exist?
- What additional work needs to be done for Openbook going forward, such as basic maintenance/upkeep, or further improvements?
- Who should have the incentives to help complete the tasks stipulated above ^.

The objective of the community call is to clearly list out the required tasks that Openbook needs to undertake, and which community teams should be most dedicated to completing it.

Quick Update by Soju on Openbook's progress [5mins]
- Received a $15k + $35k grant
- Sponsored certain bounties for hackathons
- Paid for RPC servers / 3rd party UIs

Brian/Max: How Openbook looks like for now:
- Openbook is currently at an inflection point, all applications can build on it and share liquidity
- There is a clear incentive for different DeFi teams to work together in Neutral territory to drive. A community effort to build and maintain
- Openbook council that is made up of teams with skin in the game
- Council takes up the responsibility to drive openbook, share the load on things.

Max:

- What we want to have at the end of the call is
    - What are the things openbook needs going forward + what we feel (as a collective) that openbook has to achieve
    - Who are the people we need, what are the roles we need to fill
    - Projects that integrate with Openbook would like it to have deeper liquidity
    - The way for projects to help openbook achieve that is by sponsoring grants or providing manhours to drive growth/work
- This is a lot of forward-thinking, and discussing on it.

Quick Sharing by Ellipsis Labs (Either Eugene or Jarry) and how they envision the CLOB landscape (including openbook) to look like? [5mins]
- Openbook served as a really important stop-gap when it was necessary.
- Building Phoenix ~ new orderbook primitive on Solana, working on it for 6months fulltime
- Core Idea: Time for a new orderbook primitive, Serum was deployed 3 years aago. Time has gone by and we have a much better understanding to improve.
- We've rebuilt a spot orderbook (no crank + atomic settlement)
- Open source + verifiable + a tool that helps other teams do verifiable builds
- Phoenix is designed to be easy to parse, easy to read, and SDKs and stuff is easy to use.

- When it comes to openbook/phoenix co-existing, We dont have all the color on Openbook and openbook should decide
- Solana DeFi volume is way too low to have enough juice for everyone around. Important to build things that only is usable on Solana
- Copying existing products from Ethereum isnt the way to get users/TVL over.
- Market makers are permissioned ~ going to be permissionless before launch.
- The way Solana Defi looks like today, possible that margin products like Mango to utilize both.
- Fragmenting liquidity might be a problem, not sure how the demand of liquidity is looking at
- Credible to have a community-driven orderbook that has tons of community buy-in

Max: Is it worth for Openbook to come out with a v2? Set a different focus from Phoenix. Give people more options:
- Openbook's biggest differentiator is that its open and people can come and fork it to introduce new features
- However, not much materialized - what will change going forward?
- What if we put $1M on the table and get people to build it?
- Tom: We'll probably only do some $$ for PR/marketing
- No longer using openbook.

SpaceMonkey: The big things that Openbook is missing Time-In-Force.
I dont see anyone working on it, which is a big problem in my opinion.

Max: Mango is working on a solution for TIF. Should they release it as an input for Openbook or should they just release it for Mango. Lots of additional improvements that can be made to improve the trading experience.

Which protocols still use Openbook?
- InfraRAY: The main reliance on Openbook is the permissionless market creation of 3,000 pools. Low liquidity, and no cranks.
- Raydium isnt doing much maker volume on Openbook, potentially quote different spreads on markets. Tightening spreads more than 25bps is tough. Still cant push a public UI etc.
- Main thing we look at is Volume + Yield for LPs, when Serum was doing larger volume, it wasnt profitable for LPs. cant really outperform 25bps + 5bps
- Openbook is more of a B2B product for Raydium, users dont really care or enjoy no material benefit. But there are some teams want to have an openbook market, and we support it. Matters less for longer tail tokens.

- Tristan: dont use openbook anymore. Maintain their own fork now. Small patches, introduced TIF
- Interested to move towards a universal perps product, as it stands they cant use the liquidity as its not fungible with the spot market.
- Maybe they do spot-margin in the future.

- Barrett/Cypher: If openbook updates with anchor and get TIF.
- Derivative markets are not on openbook at all completely
- Raw number of accounts needed is way too much, cant really compose with it.
- Spot-Margin relies on Openbook, important to them.
- End of the day its important to have multiple pieces.

- DonDuala: We've built a gamma scalper. On Openbook. Wherever's best si where we center the liquidity.

- Slong: We're non-biased on which parties send liquidity to us, right now theres still liquidity coming from Openbook.
- I wouldnt say its very important to the sense that Jupiter will be affected. For us, they prefer to have multiple types of liquidity.
- Current LOs dont rely on orderbooks. Doesnt matter who sends us the liquidity.
- Openbook gives $250-500 a day, which is interesting and worth hiring 1 engineer for it. The fees are good but not material, we're looking at passing through the fees but all it does is reduce the competitiveness for other AMMs
- Jupiter is willing to donate their fees to whoever is willing to build it out. If the PR made sense to the community, feel free to send the PR over.

- Spacemonkey:
- TIF allows MMs to quote bigger size

- The fees collected/money made is worth people developing it.

"We need to go back to Why. Openbook was a stop-gap, and we have to decide whether there is a reason to keep going or transition to other projects."

Max: "Do we have enough shared interest between Mango, Cypher and Drift to decide whether they have enough drive to make stuff happen?".
- Follow up offline between the 3 to think about it more.

~~**Which protocols or individuals should be incentivized, either inherently incentivized from their current protocols or by stipends from Openbook [10mins]**~~

~~**What tasks/important areas does Openbook need to continue spending resources or man-hours on? [10mins]**~~

~~**How should a potential Council of decisionmakers and contributors look like? [10mins]**~~

~~**Any other agenda topics [20mins]**~~

Openbook Community Call, Dec 4th.

Background information:

Openbook is currently integrated with Raydium, Jupiter, Prism, etc, and does $1M average volume a day, mainly on SOL/USDC.

Spacemonkey, Dual Finance, and DanteBridger Raydium & CellFi hybrid LPs are quoting on Openbook. Currently, fees are 4bps across all markets. PR5 is a new fee schedule that aims to introduce fee tiers while also splitting fees 50/50 between Makers and UIs.

Individual contributors currently pay for cranks, RPC, and other associated costs. Mango is burning 2 SOL/day to crank markets and also using Mango's RPCs to run Solape's UI or their cranks. Contributors who build their own UIs must pay for RPCs, and Brian Long also pays for cranks. Soju is buying RPCs and lending them to new UI builders. Foundation is signaling support to assist here, but it has not been confirmed.

Serum v3 could use major refactors, such as going crank-less. However, this costs lots of developer hours + audit fees, which needs money that Open Book currently does not have. An alternative to this would be to deploy the Serum V3 program (and burn the upgrade authority) and provide Open Book as a temporary hot fix and let alternative CLOBs rein dominance in the future.

Important Considerations:
- How do we drive more UIs and Integrations or Market Makers or LPs in Hybrid AMMs?
- How do we pay contributors?
- Should we use a new token, SRM, SOL, or no token for governance, value accrual?
- Should we have a treasury or governance?
- Should there be a protocol fee?
- How do we attract liquidity providers?

List of proposals:
- $OPB Token + Using Call Options as reward incentivization:
  https://twitter.com/DualFinance/status/1597084272141037568
- 100% $OPB airdrop to Serum users based on volume:
  https://twitter.com/durdenwannabe/status/1597199124264148992
- Collect 20% protocol fee, use for incentives/grants/salaries + burn SOL above cap:
  https://twitter.com/0xSoju/status/1597264720016252933
- Above but favoring MMs, all protocol fee goes to burn SOL (no treasury or rewards):
  https://twitter.com/thehasheddude/status/1597410146753613825
- No protocol fee + taker pays fees and goes to MMs, UIs and crankers:
  https://twitter.com/crispheaney/status/1597655949799743488
- No protocol fees + fee tiers + 50/50 MMs/UIs:
  https://twitter.com/kirill_crypto/status/1598717942820208640
- No fee tiers, dont raise taker fees beyond 4bps:
  https://twitter.com/RealSpaceMonkey/status/1597326506073595904

Are we trying to do a quick fork and deployment and move on? Let better CLOBs take over afterwards? Burn upgrade authority? Or are we trying to make massive improvements to Serum V3 and run it as a long-term and competitive protocol? [10mins]

Michael/Brian: even if other next-generation orderbooks come up, a parallel orderbook without rent-seeking should still be maintained. A public good/utility is still helpful. Integrations/composability can reduce the fragmentation of liquidity.

Developers and teams should try to support organic development by paying for gitcoin bounties. Additionally, Openbook will submit RFPs for Foundation to sponsor during the next DeFi hackathon.

Conclusion: Maintain Open Book as a rent-free alternative to new next-generation CLOBs. Community grants and developers to organically build on Open Book. Aim to have 0 rent-seeking tendencies as a public good.

$OPB Token or SOL/no Token?: [5mins]

- Protocol revenue in SOL is pointless because it's just setting a specially high SOL fee for the open book protocol
- Focus on getting traction without a token or protocol rent fees, re-visit this conversation later.
- When full-time contributors come on, then they get to decide what tokenomics, etc to incentivize themselves to keep going.
- Michael/DropCopy: I will never want a token
- Max: There will be multiple versions of CLOB floating around.
- Max: Gitcoin grants for the future? Each team can write down what they want to see done, and other people can fund it.
- Call for proposals into the first of January for Gitcoin grants? Foundation can fund some.

Conclusion: Drive traction first, and don't bother with the token at this juncture. Revisit this conversation in the future with traction.

Solana Foundation is happy to support Open Book in the short run; in the long run, we will rely on new grants from MMs or protocols, where the entire ecosystem pays for Openbook's continued feature development and growth via gitcoin bounties.

What fees should takers pay? Should we have fee tiers? (Read [PR5](.).) [5mins]

- MMs can quote their own spread, no need to have per-market fees for liquid/illiuqid markets.

- GUIs have a space in the market, and we need to provide rebates instead of expecting them to introduce it on UIs.
- Per-market fee tiers help the GUIs out since they can't increase the spread to earn more fees for illiquid markets.
- Read Kirill's tweet thread: Binance is a good reference. 3bps on referring Binance volume.
- MMs *prefer* rebates, but not by increasing fees to takers

Conclusion:
- Reduce taker fees, have the GUI collect it all? Or stick to 4bps flat for all markets.
- Collect more research on whats ideal for fees, talk to more MMs and traders.
- Downside: Doesn't attracts MMs as much. Work on improving this with a new discord channel and a team of people dedicated to improving this.

Asia Multisigs: What's the criteria?

- What's the threshold? 7/13
- As long as it's not for profit: there is no liability for being on the multi-sig.
- Create an LLC/Limited Company to protect the liability of the multisig participants who engaged in pro-bono services for Openbook.

Conclusion:
Multisigs here: 🇹 serum reboot   in a 7/13 configuration

Do core contributors / Multisigs to Openbook get paid/rewarded? Should we run bounties for independent contributors to come in and help? [5mins]

- Grants suck; define bounties clearly for indepedent developers to come in.
- Max: Gitcoin grants for the future? Each team can write down what they want to see done, and other people can fund it.
- Call for proposals into the first of January for Gitcoin grants? Foundation can fund some.
- Other protocols and MMs can fund them as well, transition from Foundation to bootstrap to a more decentralized effort where the whole ecosystem chips in for the long run.

Conclusion:
- Use Gitcoin get bounties/prizes sponsored by DeFi protocols and Foundation
- Propose a series of RFPs for the next DeFi hackathon (submit middle of January) to be used as prizes/objectives in the next DeFi Hackathon.