

2.0 Fundamental

Prime Rating Report V2.0

Protocol: Curve CRV

Version: V2

Previous Report: [06.05.2021 by Emir Alkan](#)

This report has been created due to popular demand of writing more reports on the blue chips with V2 of Primerating. The previous report on Curve was written 1 month ago (or 2 months? Always difficult with different calendar styles), and was a good report, albeit not with a lot of sources. This report will build further upon the previous report, add sources and update it on new developments (Curve V2).

Date: 15-7-2021

Author: 🤪 a Rating Pepe

Instructions

Please go to files and make a copy of this template.

Fill in all questions with a written explainer, any relevant links and score per variable. Insert the scores in the scorecard at the end of the report. Please follow the process as laid out in the Medium announcement and submit the report through the form.

Please include your sources into the text (as a link), so others can follow your trail of thought.

1. Value Proposition

The Value Proposition section describes the value a protocol delivers to its users. Based on the proportion of the problem the protocol aims to solve and the potential of the protocol to effectively solve the problem - better than other industry solutions - a Value Proposition rating is created.

a) Novelty of the solution (15 points)

This score evaluates the novelty (uniqueness) of the protocol. Has the protocol introduced any new innovations that help solve user's problems more efficiently? Is the project a fork? To what extent did they copy/fork the original?

Answer: The previous report answered this question extensively (added whitepaper link):

Curve is an AMM exchange protocol with the primary function of allowing for similar-price token transactions with low slippage and handling fees. Curve's AMM model is an engineered version of Uniswap v2.0's constant product market maker model. Its [StableSwap algorithm](#) is explicitly designed to create more market depth by concentrating the liquidity near the ideal price for similar priced assets and minimize slippage when exchanging them, even in large volumes. Moreover, whereas Uniswap liquidity pools require token pairing, there are Curve metapools with multiple assets (such as its most

popular 3-pool of DAI, USDC and USDT) and pools that can be used as assets inside other Curve pools. However, Curve's StableSwap model introduces a unique risk: in the case where the peg of a stablecoin doesn't hold, if one of the coins in a pool were to significantly lose its peg, the liquidity providers would end up holding almost all of their liquidity in that currency. Curve governance tries to prevent such a thing from happening by carefully picking the stablecoins to add to their metapools. All in all, Curve's innovative approach to the AMM/liquidity pool model serves as a novel and innovative solution that considerably improves the cost-efficiency of stablecoin-to-stablecoin or synth-to-token transactions.

Curve has upgraded to V2 which tries to improve even further. From [CoinDesk](#) (9-6-2021):

Curve describes a model in which greater liquidity could be achieved on a pool of volatile assets by using a dynamic peg. Curve v2 proposes automating roughly the same system. Basically, it identifies an internal price peg based on trading on Curve and concentrates the liquidity around that peg. The peg can move, but it will only do so if moving doesn't cause liquidity providers to incur too much loss.

From the [whitepaper](#) of V2:

"We concentrate liquidity given by the current 'internal oracle' price but only move that price when the loss is smaller than part of the profit which the system makes. This creates 5-10 times higher liquidity than the Uniswap invariant, as well as higher profits for liquidity providers."

The project has ushered in a complete new era of trading within crypto and is being actively countered by DEXs like Uniswap, showing how special its code is. V2 however, is still losing ground to Uniswap V3, which shows it is not a lonely star. Previous scoring still stands.

Score: 13

b) Market fit/demand (15 points)

This score evaluates the degree to which the protocol satisfies a strong market demand. The market fit evaluates if the protocol is able to satisfy the needs of a specific market (can also be measured by user adoption/ #of users). To what extent has the protocol proven to meet the demand of a specific market? Is the timing of the product right for the market? Is the protocol targeting the right market?

Answer: Previous report made the case that Curve is not for retail but mainly for whales. Since most of crypto is being dominated by whales, I do not see this as a good reason for giving it less points. Curve has been getting big revenue and volume. Curve averaged **\$8m a day** in cross asset swaps after [Synthetix](#) integration (26-1-2021). But is averaging **over \$300 million** in daily volumes by June (4-6-2021). It has gone down to [167M](#) as of today. Perhaps both to the crash and due to V3 of Uniswap, but that is speculation. Showing how much potential is there. Curve is one of the few Blue Chip protocols that clearly has shown how having one focus, and excelling in this focus, can be highly successful. If a project like Curve does not score fully in this bracket, then what does?

Score: 15

c) Target market size? (10 points)

The target market size evaluates the current and future size of the problem the protocol is aiming to solve. The category of the Open Finance solution can be used as a reference to the target market (for example: Lending). Because Open Finance is by definition global, the global market for a specific problem equals the target market size.

Answer: The previous report answered this question nicely:

Stablecoins are unique to the crypto space, and there isn't such a thing as exchanging dollars for dollars in traditional finance. The closest financial entity I can think of that has a similar function to Curve is the forex money markets/exchange platforms. However, approximating a market size from these doesn't seem sensible. Curve is better seen as a crypto-native protocol that has a lot of potential because of the plentifulness of different synthetic and stable assets.

I would personally add that Curve does not only cater to fiat-stablecoins, but to liquid staked tokens or any other type of token which has a wrapped or other form of similar counterpart. I think this will grow immensely during the coming years.

Score: 10

d) Competitiveness within market sector(s) (10 points)

This score evaluates the competitiveness of the protocol within the market sector(s) it operates in. This score offers a relative comparison of the protocol and other protocols operating in the same market sector(s).

Answer: Curve has multiple competitors, [Shell Protocol](#), [mStable](#), [Swerve](#) which is a [fork](#) of Curve, but 100% community owned. [Frozen Yogurt](#) and [Ellipsis](#) are two other Curve forks. And there is Saddle, recently chosen by Alchemix for a new strategy, instead of using Curve. Their [explanation](#) was that Curve was too slow for them.

being the best known forks and V3 of Uniswap being the actual biggest competitor. Again, the previous report answers it extensively:

Curve is seen by many as a Defi primitive with significant moulds and is integrated to some of the most popular Defi protocols in the space, yet it faces considerable competition from other DEX protocols. For instance, popular general-purpose DEX's such as Uniswap and Sushiswap allow for stablecoin transactions as a part of their functionality. Even though Curve has lower fees for similar priced tokens than other DEX's, it usually ends up being more convenient for the average retail investor to do these kinds of transactions on their preferred DEX platforms as well instead of using a separate protocol. Uniswap V3's concentrated liquidity model will introduce even greater competition for Curve and can seriously eat Curve's market share. At the moment, however, Curve's unique solution for creating a deep low slippage stablecoin market gives it a significant comparative advantage over other DEX's. Moreover, Curve is increasing its scope by expanding to other layer 2 blockchains such as Polygon and Fantom. Curve has a hard fork named Swerve Finance that promotes itself as being 100% community-owned, yet its market cap is almost 1/30th of Curve at the moment. Lastly, as with any other DEX, Curve is also subject to competition from CEX's –such as Binance or Coinbase – and rely on the improvements on the scalability of the Ethereum Network for greater mainstream adoption.

Since Uniswap V3 has been out [and](#):

The top 10 most traded pairs by USD Volume for Uniswap v2 (since v3 launch) were all ETH pairs (e.g., ETH/USDT, ETH/WBTC), whereas in v3, 3 stablecoin pairs reached the top 10 by volume (USDC/USDT #4, DAI/USDC #6, DAI/USDT #9).

It has been getting the upper hand on Curve. The previous report only gave Curve a 6. Which I personally would have given a 9 or 10 at that time, since it was the reigning king among stablecoin swaps. Now it has stiff competition (perhaps this was already priced into the report?). However, Curve is still clearly the alternative benchmark and deserves an 8. One of the reasons will be explained below, in a new section, which did not exist in V1 of Primerating reports.

Score: 8

e) Integrations & Partnerships (15 points)

Due to crypto's open-source nature, the code of most protocols can easily be forked. This score represents a piece of "unforkable value". Some indicators to look at are the number of applications built on top of the protocol (vertical integration), other entities integrating the protocol's services (horizontal integration) or the number of relevant partnerships (be careful of logo collections/ partnerships without much purpose).

Answer: When it comes to integrations and partnerships, Curve is one of the most used and sought after projects in the space. It is even going so far that [Curve Wars](#) are being fought over CRV in order to have more voting power and delegate better boosts to their own protocols. yEarn, StakeDAO and Convex are the main contenders here. All using Curve for their strategies. Other projects that also use it are 88mph, Alchemix, AutoFarm and DUSD, among [many others](#). Moreover it is a partner within the space.

- Curve is [part of](#) (2-3-2020) the first members of the [Ren](#) Alliance, as an Utility and Security member integrating RenVM or adding renBTC, renZEC, etc. plus running a Darknode.
- Is [part of](#) the Global DeFi Alliance, created by [Huobi](#) (15-9-2020).
- [Partners](#) with [Alpha Homora](#) (11-1-2021).
- Someone on the Curve team is [one of](#) the [multi-sig](#) holders for the [Polygon contracts](#) (15-5-2021).

This last one particularly shows their status as a trustworthy partner.

Score: 15

2. Tokenomics

The Tokenomics section of the review assesses the function of a protocol's token. This includes the token distribution, functionalities of the token, the ability of the token to incentivize positive behavior in the protocol, and the ability of the token to capture a portion of the value created.

a) Is the token sufficiently distributed? (15 points)

The token distribution can be an indicator of a healthy protocol. When the protocol tokens are widely distributed among different stakeholder groups and contributors, this genuinely improves the coordinating capability of the token and strengthens the resiliency of the protocol. Was the initial distribution balanced between relevant stakeholders? Are the tokens distributed over sufficient participants (10, 25, 100 largest addresses)?

Answer: Previous report (added links):

Curve Finance has a total amount of 3.03 billion CRV tokens and has the following [token distribution](#):

62% will be distributed to liquidity providers,

30% to shareholders (linearly unlocked within 2-4 years),

3% to team members (linearly unlocked within 2 years),

5% as a community reserve.

The initial release issuance distributed around 43% of the total CRV supply with 1 to 4 years of vest and included a liquidity mining programme that distributed 5% of the supply to early liquidity providers. A large portion of the inflation will be distributed to liquidity providers. Individuals that stake their CRV in the voting contract will receive a greater portion of the inflation (vote locking boost); the longer one locks their CRV for, the more they receive in liquidity pool fees. The 2-4 year unlock period increases the shareholder distribution credibility, yet I must note that 30% of the supply being distributed to shareholders is relatively high and may induce risk for investors. The top non-exchange CRV holding wallet hold around 3% of the supply and all others hold less than 1% of the supply. All in all, the metrics indicate a somehow even distribution among holders.

I agree with the sentiment of 30% being a large number. I would make it 33% including the team share. And it also showed, early on, that in governance, the founder had a way [too large share](#) and was able to dominate the votes.

Some additional numbers, [From Bankless](#) (17-6-2021):

"63% of the circulating CRV supply has been locked for veCRV. Of the 212 million veCRV, the two entities holding the most are [Convex](#) with 35.5 million (17.1% of the supply), and [Yearn](#) with 18.3 million (8.7% of the supply)."

CRV is being farmed mainly by big DeFi protocols, which makes all of this more complicated and means we have to go into meta-governance. yEarn is considered fairly decentralized, Convex, a bit [less so](#) (no governance live). They are, however, the power users, so it can be argued that they are the real stakeholders. There are [38k CRV](#) holders, with still the two top non-smart contract/exchange holders having around 3%. Compared to its competitors, we can say it is okay distributed. Swerve, the fork that took out the founders' tokens, has [almost all](#) of its supply in exchanges for instance. There is also a community treasury, which helps through grants. The score stands.

Score: 11

b) What is the extent of the token's capabilities? (10 points)

Is the token useful within the protocol? Does the token allow the holders to participate in governance or influence the protocol in any way? Does it serve any other purposes?

Answer: Last report, rightfully so, explains its voting and locking abilities. I would add onto it a bit more. [From The Defiant](#) (5-5-2021):

"When users lock CRV in the protocol they receive governance rights, 50% of the Curve trading fees on the AMM, and the ability to "boost" their liquidity provider rewards up to 2.5 times what they would be otherwise. The recent flurry of [airdrops](#) have likely been a nice cherry on top."

The trading fees are especially not to be overlooked. [Since September](#), veCRV holders have earned half of the 0.04% trading fee the protocol levies, with the other half going to liquidity providers. This means it gets a perfect score for bringing utility (boosting), revenue (trading fee sharing) and governance rights.

Score: 10

c) Is the issuance/distribution model able to improve the coordination of the protocol? (10 points)

To what extent does the issuance of the token support the advancement and function of the protocol? Are the tokens justifiably being issued? Does the issuance model incentivize the right behavior? Are all relevant stakeholders benefiting from the issuance model?

Answer: The previous report answered this question perfectly (added a link):

The Curve token [issuance model](#) primarily incentivizes liquidity provision; this ensures the protocol continues offering low fees and low slippage – a vital element for the protocol. Moreover, staking rewards (boosted liquidity rewards) incentivize people to stake their Curve and, consecutively, take part in the governance of the protocol. Team members are rewarded 3% of the supply for their contributions and 5% of the supply is distributed to the community fund to support further innovation and acts as a safety net. The issuance model of Curve has elements that significantly improve coordination and longevity of the protocol.

It gives only an 8, even though the above clearly makes the case for good coordination in the protocol. Perhaps to add on to it, and to clarify why it is not a 10, we can look at the current way most protocols use the CRV they farm. The lock a lot of it to gain boosts, but they also [dump](#) it to improve their own yields (yEarn, Alchemix, etc.). If this turns out to be one of the main ways your token is being used, something is not perfect in the issuance model. Score stands.

Score: 8

d) Is the value capture model able to accrue and distribute value? (10 points)

A value accrual and distribution mechanism can help improve the utility of a token and its ability to be used as an effective coordination mechanism. Does the protocol have mechanisms to distribute some of the value created to the token holders?

Answer: Previous report:

The value capture model mainly distributes the value to (1) liquidity providers that serve as the operators of the protocol and (2) stakers - to incentivize users to participate in governance by rewarding them with a greater share of the daily CRV inflation. The amount of veCRV the staker receives depend on how long they lock their CRV for; long-term believers in the protocol are rewarded more than short-term stakers.

[Trading fee sharing](#) is not being clearly highlighted here, but Curve has been very profitable. Even back in December 2020. [From The Defiant](#) (1-12-2020):

"Curve passed an unanimous governance vote to distribute \$3M worth of protocol fees to CRV holders staked into the CurveDAO over the weekend."

Combine this with the community treasury allocation, the team allocation and we have a very strong score. Bumped it up one more point.

Score: 10

e) Is the token sufficiently liquid to enable active use and trade? (5 points)

Is the token widely available and is there sufficient liquidity available to facilitate all protocol functionalities?

Answer: : The token is widely available both in CEX's –such as Binance, Coinbase, Huobi and FTX with above-average liquidity for both its USDT and BTC pairs – and DEX's. Having almost [\\$100m](#) volume in the last 24 hours. Compared to other recent v2 reports, a big move upwards. The previous report only gave a 3 out of 5. But did not give good reasons, besides saying larger tx may incur high slippage. This is true across the board, and there are not many tokens with volume like CRV. I argue for a full score.

Score: 10

f) Are there any extrinsic productivity use cases for the token? (10 points)

Besides the protocol's value distribution model as described in 2. d), can the token be used productively on other protocols (e.g. as collateral, for lending, LPing, yield farming, etc.)?

Answer: CRV and more importantly, all of its crvTokens are widely used within yield chasers such as [yEarn](#), [Convex](#), [Unit Protocol](#), etc. the crv combination is one of the more often seen token tickers. If we only look at CRV itself, and not its products, then the score should be lower. So I will give an average score between both options.

Score: 7

3. Team

The Team section describes the quality of the team behind the protocol. The current version of Prime Rating favors teams that are publicly identifiable. In the case of an anon team, the track record of the specific anons involved can be taken into account

a) Is the team credible and public? (15 points)

Are the identities of the core contributors and team publicly identified? In the case of anon team members, is there any way to track their background/record?

Answer: From the previous report:

The core contributors of the Curve team consist of publicly known and reputable non-anon and anon developers. Some of the core contributors are Michael Egorov (CEO of Curve Finance), Ben Hauser, Andre Cronje and Sam Werner, and anon developers such as Banteg and El De-dog-lo. On overall, the Curve team consists of some of the most well-known and respected developers of the Defi ecosystem. Added a [link](#) to Andre's github for proof. We can state that the above still holds. Curve's team is considered credible, and the founder team is public. Julien Bouteloup has also become part of the Curve community, and is a highly respected developer. They are however [criticized](#) for being VC backed and having too large of a say in the protocol. Which makes them not a perfectly 'highly' credible team.

Score: 14

b) Does the team have relevant experience? (10 points)

Are there any documents or trails available to showcase the track record of the team? Do the team members have relevant backgrounds and skill sets?

Answer: The founder, Michael Egorov used to be the NuCyber CTO and was the creator of Wave. Some of you may not know Wave, but it was basically Curve, but earlier. Let Kerman Kohli explain more. [From DeFi Weekly](#) (3-2-2020):

"TLDR: It's Uniswap but just for stable coins. Why? Help build on-chain liquidity for transferring and supporting multiple stable coin pairings. It's a great public infrastructure tool but I think precisely just that. For starters, it allows more types of stable coins to be used in DeFi without DAI or USDC having an exclusive monopoly at the moment. From a value capture perspective, a 0.3% cut for liquidity providers for a pairing which is theoretically meant to have the same price is absolutely tiny. Wave was started by the current CTO of NuCyber which I never understood the detailed value proposition for apart from "encryption as a service".

Personally I agree with his last comment, but that is for a different review. We can see Wave as the beginnings of Curve, but it is only a year ago that he started this (!). So to say he had extensive experience within stablecoin pairs, would be stretching it too far. But then again, who did?

That is also talking just about the founder. By now it has contributions from outside the team like Julien Bouteloup. This makes the score not perfect, but very high compared to other projects.

Score: 9

c) Does the team participate and help shape the public debate? (5 points)

To what extent do the protocol contributors participate in the public debate around open finance? Are the team members giving presentations, sharing their thoughts and opinions, and do they help raise the collective intelligence of the industry?

Answer: The CEO, Micheal, is actually [known](#) for not speaking out too often. Julien however is a very vocal person within the space. And in general, Curve community members transcend its own channels.

Score: 4

d) Is the team able to effectively attract and coordinate resources? (10 points)

How effective is the team at attracting and coordinating resources for the benefit of the protocol? Has the team raised sufficient funding or are there mechanisms in place to attract resources when needed?

Answer: Even though 30% of the supply goes to shareholders, it is not immediately clear who they are. Messari [mentions](#) Framework Ventures as the only investor. There is however a community treasury allocation which works. And governance has been giving out grants and has voted on revenue sharing. These are signs of efficient coordination. V2 of Curve as a launch lacked the advertising campaign Uniswap V3 had, and perhaps this does show it is not a perfect story, if it wants to stay competitive.

Score: 9

4. Governance

The Governance section evaluates how the protocol is governed and who the governors are. The different governance functionalities and processes are evaluated to determine to what extent the Protocol will be able to self-govern in a way that ensures the development of the protocols while respecting the needs of all current and future stakeholders.

a) Admin Keys (20 points)

Admin Keys allow some critical functionalities of a protocol to be controlled by an admin. This allows the developers to react to potential bugs, but also creates a risk as the developers could potentially misuse the admin keys to exploit the protocol. Does the protocol have admin keys and how are they managed?

Answer: Previous report explains (sadly no sources):

There are admin keys for the Curve Protocol; however, they are only for allocation escrows which can only spawn vested contracts. The admin keys cannot change or override smart contracts, the inflation structure, and DAO-related protocol issues. "The limited functionality of the keys limits maneuverer capabilities in a case of emergency but leaves users fully in control of their funds" as they put it.

From the Curve [docs](#) (9-2020, yes that old):

Admin keys allow the Curve team to pause the contract in an emergency for the first two months.

Smart contracts cannot be upgraded with the admin key. This limits actions in a case of emergency but leaves users fully in control of their funds.

Curve will be transitioning to a DAO to be fully decentralized with the help of the CRV token.

First of all, why hasn't this been updated? Second of all, the website itself also seems to have a weird old text, or a contradicting one:

Curve is fully decentralized with the launch of Curve DAO. There's an [Emergency DAO](#) which is able to pause the pools during first 2 months in existence and Curve DAO can unpause them at any time.

Curve Emergency DAO has 9 members and 59.999% support and 51% quorum Curve Emergency DAO can act when there's a danger of loss of funds and call the `kill_me` function of Curve Pool contracts which disables all functionality except for withdrawals. Curve pools can be reenabled back by either Emergency DAO or Curve DAO The Emergency DAO is controlled by Curve DAO which can add or remove Emergency members

Smart contracts **CANNOT** be upgraded. This limits actions in a case of emergency, but leaves users fully in control of their funds.

Curve will be transitioning to a DAO to be fully decentralized.

By now the DAO is in [effect](#). And votes are highly being debated on.

Score: 18

b) Extent of Governance capabilities (15 points)

Distributed governance allows the token holders to participate in the governance of open finance protocols. How much influence does the governance mechanism have? Are the votes affecting on-chain changes or do they function solely as signals to the team?

Answer: From the previous report:

Some of the most critical governance capabilities include adding new pools and tokens to the protocol, dispersing accrued fees (such as deciding on the allocation of admin fees), gauging weights of pools, website and interface changes and managing the community fund. The governance of Curve is far from de facto, and it effects on-chain changes. The governance voted on dispersing \$3M in fees to governance token holders, adding synthetic asset pools to the protocol such as the Link/sLink pool, and introducing vote locking boost.

To add onto this, and give some more insight. Curve has a whitelist for veCRV. [From Rekt](#) (8-7-2021):

For a protocol to use veCRV, they must be listed on Curve's "SmartWalletWhitelist" contract. As veCRV from smart contract addresses can be transferred between owners, smart wallets go through a whitelisting process in order to prevent abuse. Currently, only Yearn, Stake DAO, and Convex are on this [list](#). At a CRV token price of \$2, a protocol must attract around \$130 M worth of veCRV (30% of the supply) to become whitelisted on Curve. However, the whitelist is not easy to access, even if the funds are available. There have been [multiple failed proposals](#), which were turned down for not having enough direct benefit to the Curve protocol or its token holders.

Score still stands.

Score: 15

c) Active Governance contributors (5 points)

Governance is a process that can be rather resource-intensive if executed well. To ensure good governance is practiced by the protocol, it's important to have a sufficient number of governors allocate resources to the governance process of the protocol. How many individuals participate in the debate around the protocol? How active are voters?

Answer: Since the last report there are no new updates to be mentioned when it comes to activity. Recent developments around Saddle and the IP of Curve have sparked debate once again. The Curve Wars also create plenty of activity among different groups.

Score: 5

d) Governance technology/infrastructure (10 points)

The Governance infrastructure relates to the technology, software, and models used by the protocol's governance. Does the protocol have a reliable and usable voting mechanism? Are there channels for governance debate? Is there sufficient documentation available?

Answer: The project has been using its [own voting](#) page successfully. Its Discord and [forum](#) are used well. The previous report gave 8 points due to the documentation not giving enough information regarding legality. I personally do not see why this is relevant to this question. As mentioned in the previous report (as answer to the next question):

"Curve's governance process is robust; its voting app is a fork of the Aragon voting app with several additions."

Score: 10

e) Robustness of Governance process (10 points)

This score requires documentation specifically on the governance process that sets the basic framework in terms of agreements, norms, and language for governing the protocol and to create social consensus. Does the protocol have a formal governance process? How robust is the governance process and does it promote good governance?

Answer: Documentation is [sparse](#), but guides to the right pages. From the previous report:

There is a basic framework in terms of agreements, norms, and language. One important rule of Curve governance is; In order to be able to vote, contributors must stake CRV tokens to the protocol's voting contract, which then supplies users with veCRV creating a kind of voting escrow. Initially, one needs to lock 10000 CRV for a year (or 20000 for six months vice versa) to reach a voting weight of 2500 veCRV to be able to submit proposals. This limits the voters to be only the long-term believers and those with skin in the game."

Score stands.

Score: 8

5. Regulatory

The Regulatory section describes the extent and quality of the regulatory environment that affects the Protocol. To be able to guarantee functionality, security, and legality the protocol should comply with regulatory requirements, or limit itself to facilitating services to users who are willing to operate outside of the traditional regulatory environment.

a) Does the protocol have any legal accountability? (15 points)

Does the protocol have any form of legal accountability? Can users and partners hold the protocol accountable in case of a breach of the agreement?

Answer: This is where me and the previous report differ. Without any explanation, the previous report discounts this section. We can assume this is due to Curve being a DAO. However, its team has a clear entity behind itself, [Swiss Stake GmbH](#). This in combination with the protocol claiming [IP](#), makes it possible to get into some form of legal discourse. So far, when Curve had [exploits](#) (of which there are multiple) there were no funds lost, so it is to be guessed how this would play out. The launch of the protocol also happened [mysteriously](#) early by an anon deployer, which led people to speculate that the team did this on purpose, not to be liable. Code afterwards has been deployed on top by the team, so if this would hold, is to be seen. As the scoring goes: A legal entity is connected to the protocol and public information about the entity is available (12-15 points). Due to the previous mentioned issues, it will get a 12.

Score: 12

b) What is the quality of the legal jurisdiction? (10 points)

If the protocol has a legal entity, what is the quality of the jurisdiction the entity is established in? Will the jurisdiction be able to facilitate the legal framework for the protocol to expand while remaining accountable.

Answer: The company behind the team developing Curve is based in [Zug](#), Switzerland.

Score: 10

Scorecard

1. Value Proposition	Points
a) Novelty of the solution	13 / 15
b) Market fit/demand	15 / 15
c) Target Market Size	10 / 10
d) Competitiveness within market sector(s)	8 / 10
e) Integrations & Partnerships	15 / 15
Total Points - Value Proposition	61 / 65
2. Tokenomics	Points
a) Is the token sufficiently distributed?	11 / 15
b) What is the extent of the token's capabilities?	10 / 10
c) Is the issuance model able to improve the coordination of the protocol?	8 / 10
d) Is the value capture model able to accrue and distribute value?	10 / 10
e) Is the token sufficiently liquid to enable active use and trade?	10 / 5
f) Are there any extrinsic productivity use cases?	7 / 10
Total Points - Tokenomics	56 / 60
3. Team	Points
a) Is the team credible and public? (No, Partly, Yes & Anon , Yes & Public)	14 / 15
b) Does the team have relevant experience?	9 / 10
c) Does the team participate and help shape the public debate?	4 / 5
d) Is the team able to effectively attract and coordinate resources?	9 / 10
Total Points - Team	36 / 40
4. Governance	Points
a) Admin Keys	18 / 20
b) Extent of Governance capabilities	15 / 15
c) Active Governance contributors	5 / 5
d) Robustness of Governance process	10 / 10
e) Governance infrastructure	8 / 10

Total Points - Governance	56 / 60
5. Regulatory	Points
a) Does the protocol have any legal accountability?	12 / 15
b) What is the quality of the legal jurisdiction?	10 / 10
Total Points - Regulatory	22 / 25
Total	231 / 250

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