PrimeRating

Fundamental Report

Prime Rating Report V2.1

Protocol: Loopring
Version: V2.1
Date: 20/02/2022
Previous Report: –

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Season/competition: Season 2

Scorecard

1. Value Proposition	Points
a) Novelty of the solution	11 / 15
b) Market fit/demand	12 / 15
c) Target Market Size	10 / 10
d) Competitiveness within market sector(s)	8 / 10
e) Integrations & Partnerships	12 / 15
Total Points - Value Proposition	**53 / 65**
2. Tokeneconomics	**Points**
a) Is the token sufficiently distributed?	13 / 15
b) What is the extent of the token's capabilities?	8 / 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?	5 / 5
f) Are there any extrinsic productivity use cases?	4 / 10
Total Points - Tokenomics	**48 / 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?	10 / 10
c) Does the team participate and help shape the public debate?	5 / 5

d) Is the team able to effectively attract and coordinate resources?	**9 / 10**
Total Points - Team	**38 / 40**
4. Governance	**Points**
a) Admin Keys	**15 / 20**
b) Extent of Governance capabilities	**7 / 15**
c) Active Governance contributors	**1 / 5**
d) Governance infrastructure	**4 /10**
e) Robustness of Governance process	**4 / 10**
Total Points - Governance	**31 / 60**
5. Regulatory	**Points**
a) Does the protocol have any legal accountability?	**7 / 15**
b) What is the quality of the legal jurisdiction?	**5 / 10**
Total Points - Regulatory	**12 / 25**
Total	**182 / 250**

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: Loopring is Ethereum's first (layer 2) zk-rollup protocol. It powers applications built on top of it allowing them to enjoy the security and stability of Ethereum (layer 1) but with much faster speeds (near instant swaps/transfers) and little to no gas cost. As clarified in their discord channel, it is application specific as well, meaning no other apps apart from Loopring apps will be built on the Loopring protocol.

It is also a "true layer-2" protocol and not a sidechain meaning if anything ever happened to Loopring, all your funds will remain intact and withdrawable back to ETH layer-1. It is among a few class of L2 protocols in existence as shown on this list and has one of the cheapest fees for any protocol. It is decentralised and automated, and has ring-matching and cross-chain capabilities. Also, it supports NFTs on L2.

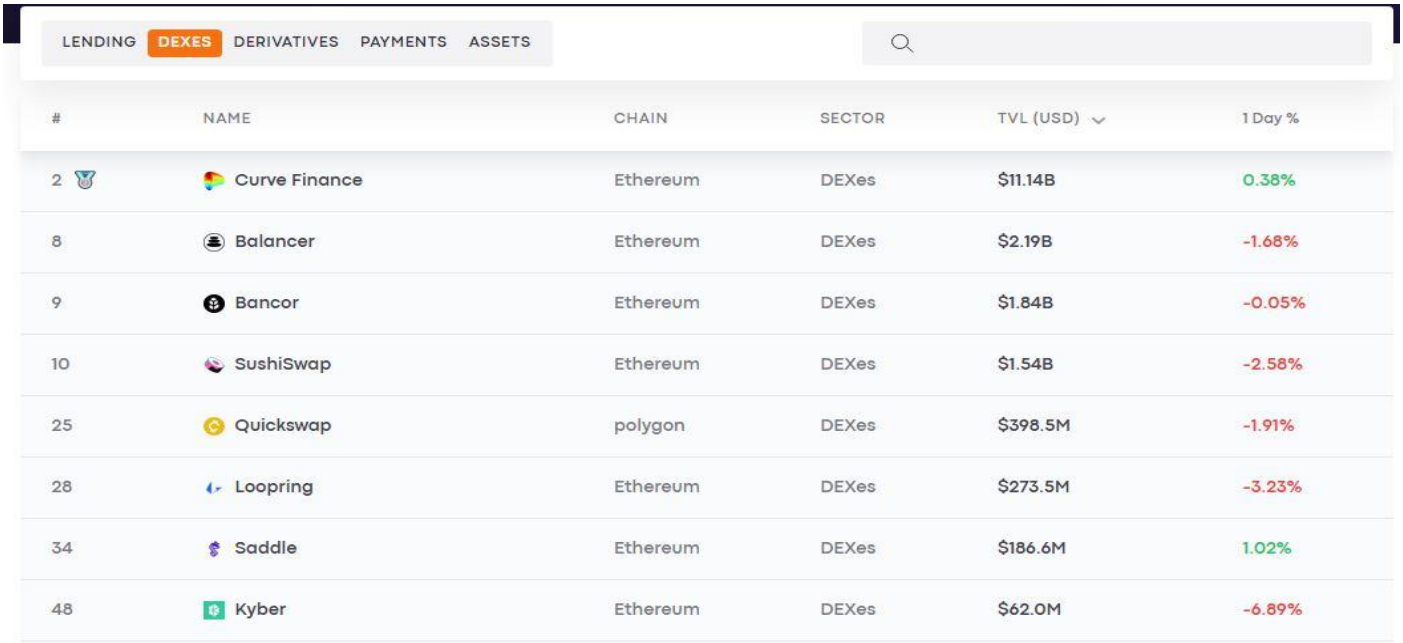
We can see that Loopring is quite unique on the technical side, but falls short on the organisational side and will therefore not get the maximum points

Score: 11

b) Market fit/demand (15 points)

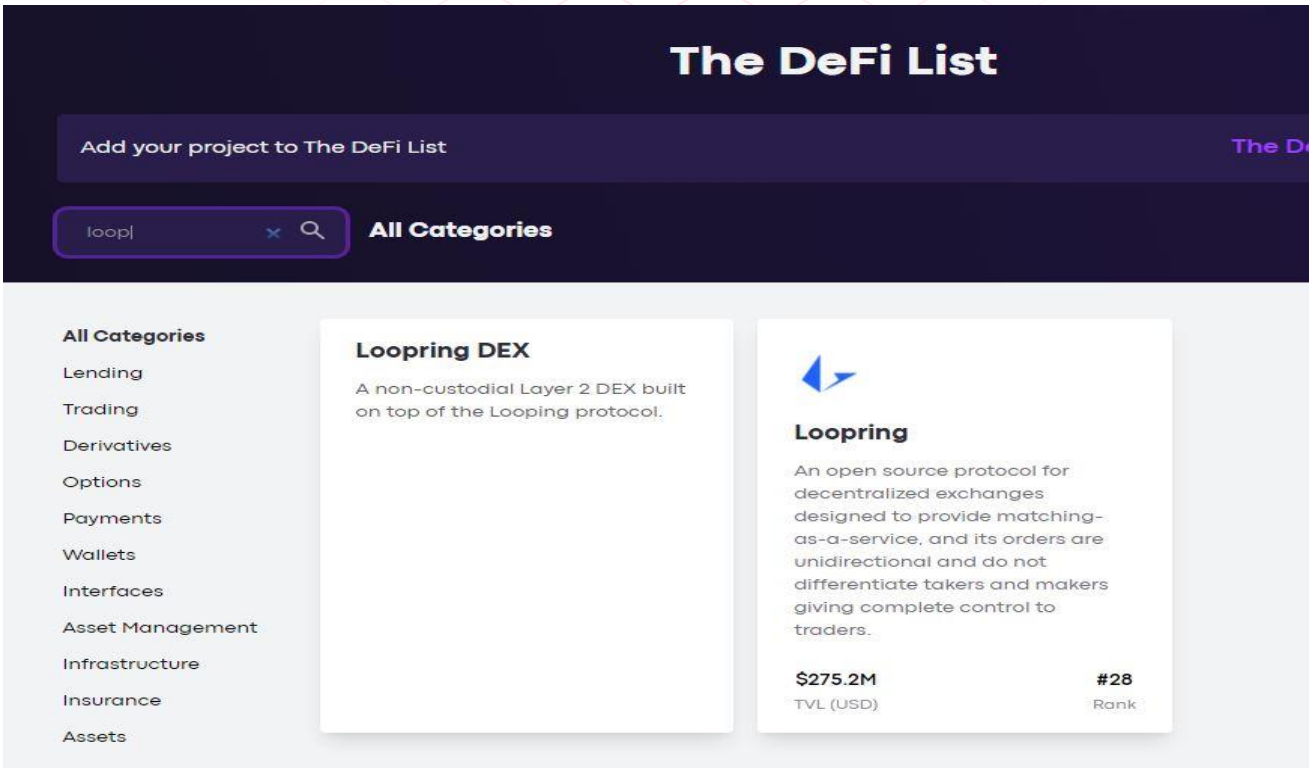
This score evaluates the degree to which the protocol satisfies a strong market demand. The market fit evaluates if the protocol is able to satisfy the needs of a specific market (can also be measured by user adoption/ #of users). To what extent has the protocol proven to meet the demand of a specific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

Answer: Loopring currently has 80.3k users and a trading volume of $246.6M at the time of writing. As seen in the image below, it is 6th on Defi Pulse's DEXs list and 28th on its all time DeFi list. Even though this isn't the best, we can say that the protocol is indeed targeting the right market and is meeting its demands.



LENDING | DEXES | DERIVATIVES | PAYMENTS | ASSETS

#	NAME	CHAIN	SECTOR	TVL (USD)	1 Day %
2	Curve Finance	Ethereum	DEXes	$11.14B	0.38%
8	Balancer	Ethereum	DEXes	$2.19B	-1.68%
9	Bancor	Ethereum	DEXes	$1.84B	-0.05%
10	SushiSwap	Ethereum	DEXes	$1.54B	-2.58%
25	Quickswap	polygon	DEXes	$398.5M	-1.91%
28	Loopring	Ethereum	DEXes	$273.5M	-3.23%
34	Saddle	Ethereum	DEXes	$186.6M	1.02%
48	Kyber	Ethereum	DEXes	$62.0M	-6.89%



Score: 12

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: According to Coingecko, the market cap for Ethereum alone is over $300 billion. Factoring the total value of other DeFi protocols built on L1s as listed here for example, takes this figure into the trillions.

However, to be more specific, let's take a look at some L2 ecosystems and their respective market caps and TVLs.

- **Arbitrum ecosystem - market cap of $176B and TVL of $2.16B**
- **Optimism - Market cap greater than $100B and TVL of $330M**
- **Loopring - Market cap of $924.3M and TVL of $272.3M**

This is still quite huge.

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). To evaluate this, metrics to directly compare with the competition can be used (e.g. TVL, trading volume, number of users).

Answer: There are very few L2 protocols in existence. These are Loopring, zkSync, Arbitrum, Boba network, Optimism, Polygon Hermez and Starkware as shown here. In terms of trading volumes and TVL, Loopring comes next to Arbitrum and Optimism only. However, Arbitrum and Optimism are "general purpose" L2s. Loopring is the "application specific" L2 with the highest number of users and TVL in the world.

However, Loopring also competes with L1 protocols offering similar products as it, and as seen from this image from Defi Pulse and Coingecko below, other protocols like Pancakeswap, Curve, Balancer and Uniswap in the same category (DEXs) outperform it in terms of trading volume, market cap and TVL.

a. **Coingecko**

Top Decentralized Exchange Token (DEX) Coins by Market Capitalization

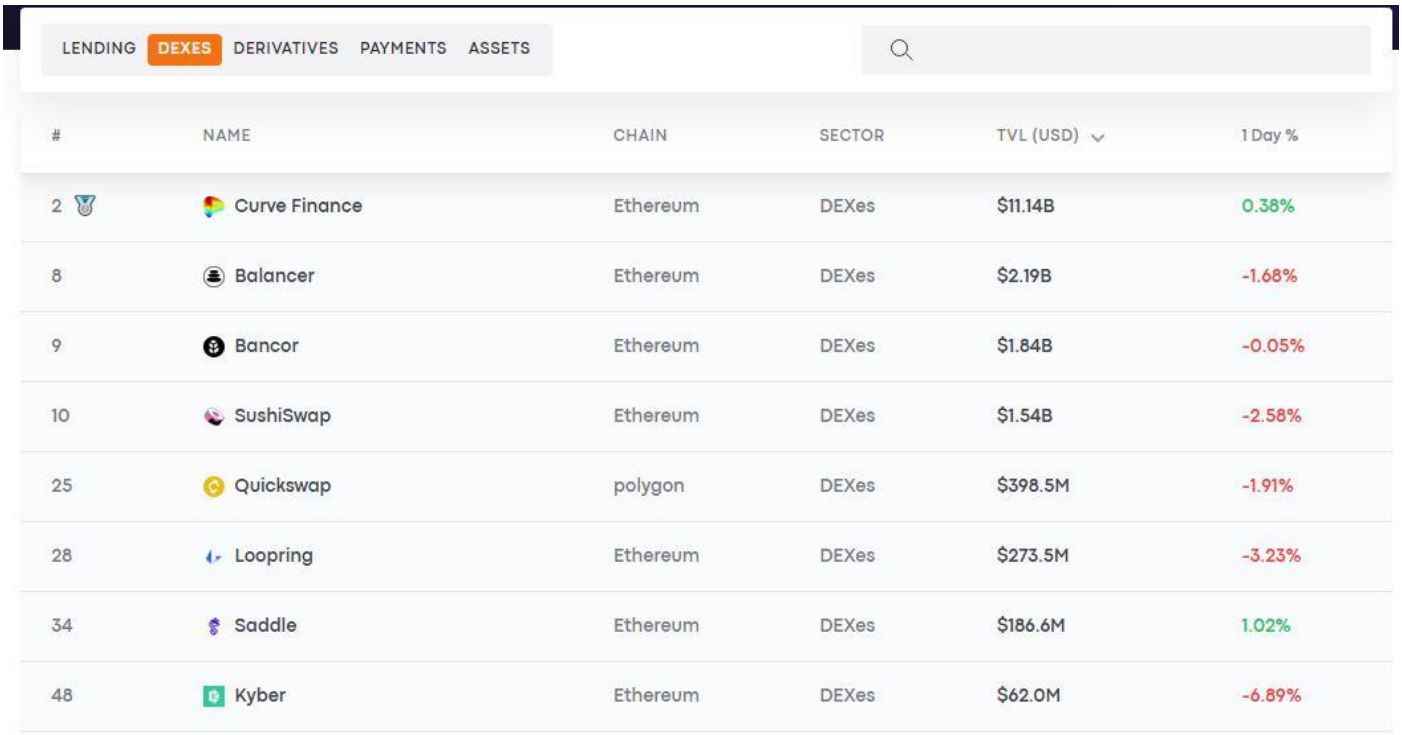
Show Stats

The Decentralized Exchange Token (DEX) market cap today is $19.2 Billion, a 6.9% change in the last 24 hours. Read More about Decentralized Exchange Token (DEX)

USD | Decentralized Exchange Token (DEX) | Filter

#	Coin		Price	1h	24h	7d	24h Volume	Mkt Cap	Last 7 Days
33	Uniswap	UNI Buy	$8.68	-0.4%	11.0%	-16.4%	$234,448,074	$3,970,539,851	
51	Osmosis	OSMO	$8.65	0.3%	12.5%	-1.1%	$141,544,646	$2,641,939,641	
61	PancakeSwap	CAKE	$6.42	0.9%	10.7%	-18.3%	$111,725,331	$1,740,450,634	
84	THORChain	RUNE	$3.54	-1.1%	14.1%	-14.5%	$58,890,131	$1,068,268,359	
96	Loopring	LRC	$0.741644	-0.4%	13.7%	-16.1%	$234,193,166	$926,607,878	
98	Curve DAO Token	CRV Buy	$2.25	-0.6%	14.2%	-22.6%	$267,455,632	$884,871,028	
100	Synthetix Network Token	SNX Buy	$3.99	0.1%	17.3%	-12.9%	$56,835,449	$843,173,442	

b. [Defi Pulse]



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It still commands a strong position and remains competitive though.

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:

- **Integrations**

Because Loopring is application specific, it doesn't allow any other apps to be built on it like general purpose L2s (Arbitrum, Optimism, etc.). Rather, it builds its own apps on the protocol. Two main products are built on the Loopring protocol: the Loopring Exchange (Web DEX) and the Loopring Smart Wallet (mobile). These products are few and actually make its integrations limited.

- **Partnerships and Collaborations**

1. **Loopring and Chainlink have collaborated on Oracles for zkRollup DEX Protocol.**
2. **Loopring is a member of the Global DeFi Alliance (Huobi's decentralised finance consortium) comprising Curve Finance, Aave, Synthetix, Balancer, Zapper, Zerion, Bitpie, Mykey and CoinGecko, that is driving collaboration between decentralized finance projects from both the Western and Eastern hemispheres.**
3. **Loopring is a member of Ren Alliance.**

4. **Loopring collaborated with dxDAO to work on Rails, a new L2 product that enables instant and gas-free ethereum transfers**
5. **Loopring is also a member of the Asia DeFi Alliance.**
6. **Loopring & DeversiFi joined forces to establish the industry's first L2-specific committee & working-group aptly titled L2 Squared.**
7. **Loopring also has strategic partnerships with WePiggy and OpenOcean**

Even though a good number of protocols aren't built on it, it compensates in terms of partnerships and collaborations.

Score: 12

2. Tokeneconomics

The Tokeneonomics section 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 behaviour 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)

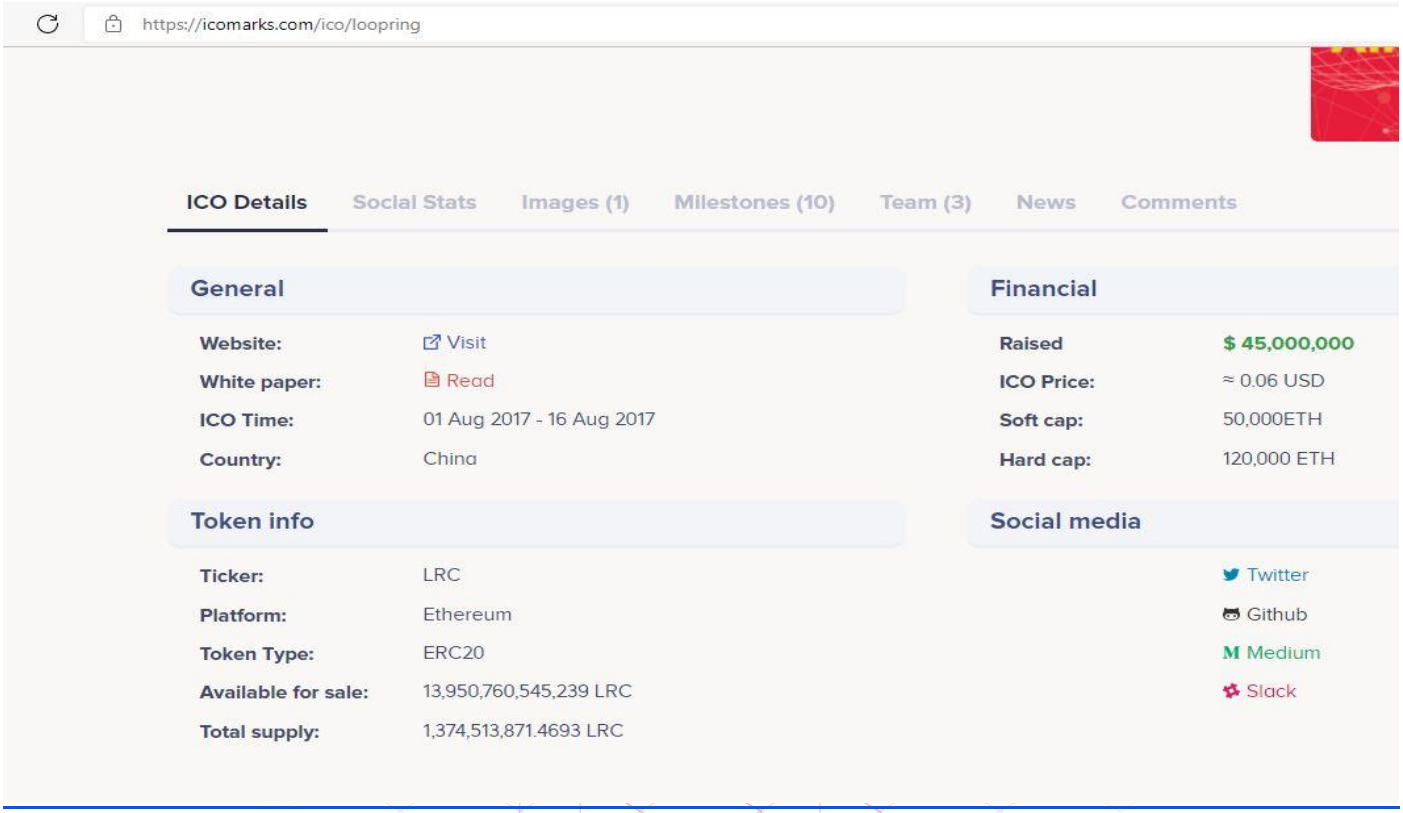
The token distribution can be an indicator of a healthy protocol. When the protocol tokens are widely distributed among different stakeholder groups and contributors, this genuinely improves the coordinating capability of the token and strengthens the resiliency of the protocol. Was the initial distribution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

Answer: Yes. Loopring held its ICO in 2017 selling roughly 10% of its tokens to raise $45M to meet their hard cap and by 2018 had completely sold all its tokens, the sum of which isn't known. From a total supply of 1,373,873,440 LRC tokens, the team owns a balance of 34,876,900.8 tokens as shown on Etherscan, representing roughly 2.54% of the total token supply. It means about 97.46% of the tokens are in circulation and according to Etherscan, Loopring has 123,305 holders. This is healthy for the ecosystem.

Details can be seen in the images below

1.

PrimeRating



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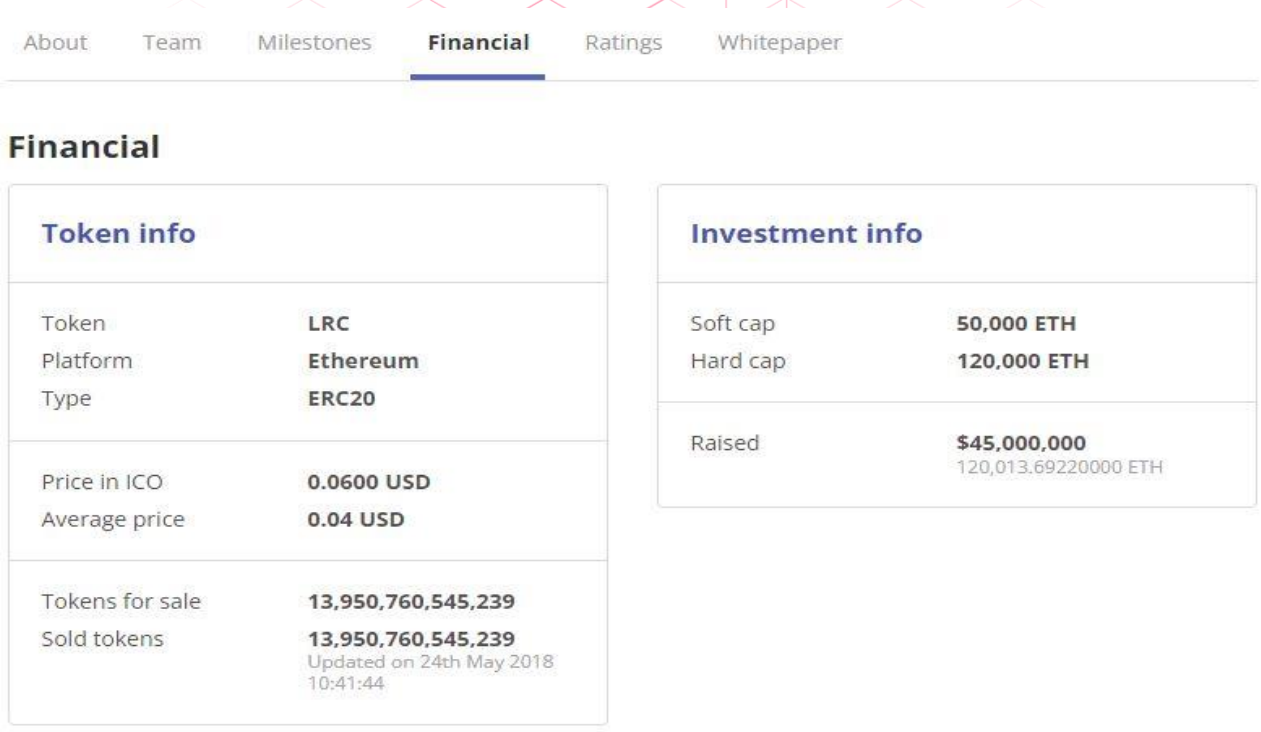


Score: 13

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: LRC will be used to incentivize behavior that is beneficial for the Loopring ecosystem, have a say in said system, and further ignite the transition to Ethereum L2. Being the native token of the Loopring protocol/ecosystem, it can be used to pay fees on the Loopring exchange, earn a share of protocol fees/rewards and also provide liquidity on the LRC exchange in any of the LRC pools. There is also staking for LRC.

Score: 8

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 behaviour? Are all relevant stakeholders benefiting from the issuance model?

Answer: As stated earlier, 97.46% of the tokens is in circulation according to Etherscan. The reason for distributing all tokens into circulation isn't specified. However, I think Loopring started with the vision of a DAO in mind. As explained here and shown in the image below, Loopring isn't exactly decentralised.

"Loopring is not exactly a decentralized exchange. Rather, similar to the 0x project, it's a modular protocol for building DEXs on multiple blockchains. The Loopring website simply calls it "the protocol for decentralized token exchange." Using a wallet interface (Metamask, for example) integrated with Loopring, you can create orders and sign them with your private key, which allows the Loopring protocol to withdraw funds at the time of trade execution. In other words, funds aren't withdrawn until the order is matched, thus you have control of funds even after placing an order.

Then again, it is stated here that Loopring is working towards a DAO - which launched in Q3 of 2021 by the way.

Loopring DAO

- Is working towards a DAO.

"Smart contract updates will (9-2018), in part, be governed by token holders to ensure continuity and safety, and to attenuate the risks of siphoned liquidity through incompatibility.

In the coming years, Loopring might look at handing over total governance to its users, hence the sale of all tokens. This is of course speculation.

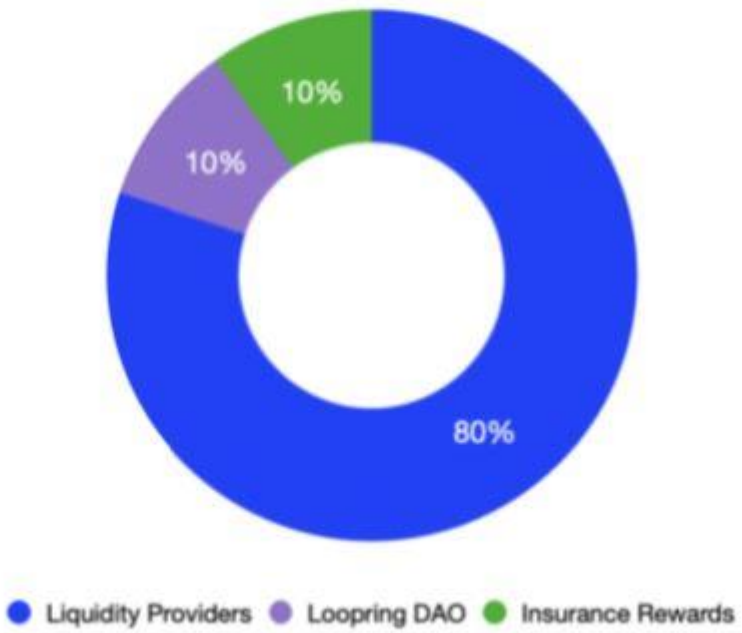
As explained in (2b), the issuance model incentivises the right behaviour and with the team also owning 2.54% of the total supply, all relevant stakeholders are benefitting from the issuance model. Expounding on this

- **The protocol is creating an insurance fund where users can deposit LRC tokens and earn a return on their assets for providing security backstop. The users/holders don't need to trust Loopring or anyone else at all for the security of their assets as the Loopring zkRollup is 100% non-custodial.**
- **LRC can be staked by anyone to earn part of the protocol fees on the network, and is also staked by DEXs for extra economic security guarantees. Loopring protocol fees come from transaction volume (economic activities) on Loopring Layer-2 (L2) and are also distributed on L2 as follows:**

  ***80% to liquidity providers (LPs) on Loopring order books and AMM. At least 50% of this portion goes to LRC related liquidity.**

  ***10% to insurers — users who put capital into a safety insurance fund.**

  ***10% to Loopring DAO — the DAO decides how to spend these funds: buyback and burn, impermanent loss protection, further liquidity incentives, grants**



- **LRC is also used by DEX owners as a bond for economic security. The locked LRC is partially or completely slashed when a DEX violates protocol rules, such as failing to submit a proof for a committed block on time, or having a reversion.**

Currently, as it stands, I think this has improved coordination of the protocol.

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: From Loopring's LRC v2 Tokenomics, there will be protocol fees coming from transaction volume (economic activities) on Loopring Layer-2. The protocol fees will be paid back to Loopring participants, namely liquidity providers, insurers and the Loopring DAO in an 8:1:1 ratio (or 80/10/10 proportion) respectively on a monthly basis. This is very commendable as for the first time on Ethereum, protocol fees are earned and distributed on Layer-2.

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: As shown on Coingecko, Loopring has over 100 market pairs on more than 30 CEXs and DEXs. For CEXs, Loopring has created direct bridges which allow users to send or swap funds. Coingecko and Defi Llama currently report a TVL of a little over $270M for Loopring with a market cap of over $900M. Finally, more than $1 billion has been traded on the Loopring v3 exchange alone.

Score: 5

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: Due to the application specificity of Loopring, almost all productivity use cases can be found on the protocol.

Searches just found only two extrinsic productivity use cases for the token. Loopring recently built strategic cooperation with OpenOcean, the first DeFi & CeFi full aggregator on the blockchain, and realized the world's first aggregation protocol application scenario deployed on Ethereum Layer 2.

LRC can also be used for lending, cross-chain circulation and liquidity building on WePiggy. Even though good use cases, the protocol is still limited in terms of extrinsic use cases.

Score: 4

3. Team

The Team section describes the quality of the team behind the protocol. The current version of Prime Rating favours 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: The team is credible and public. ICObench lists Daniel Wang as the founder, Jay Zhou as the CMO and Steve Guo as the CTO. Daniel mentions in this presentation that the protocol has 20 team members. LinkedIn further confirms this by listing 8 of the employees (including Daniel) and giving their locations as well.

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: Apart from Loopring, Daniel was the co-founder and CEO of Coinport Technology Limited, a cryptocurrency service company from 2014-2015. He was also the senior director of engineering, search, recommendation and ads system for JD.Com from 2012-2014, where he managed 100+ software engineers and data analysts working on search engine, recommendation systems, and ad platforms. Furthermore, he worked as a senior software engineer and tech-lead at Google.

Steve Guo was the CEO and Co-founder of Dora Network, a blockchain solution provider company from 2018-2019. He was also the CTO and cofounder of PowerMo (2012-2015) and the current cofounder of UniValues Associates.

Jay Zhou was a blockchain & cryptocurrency Advisor for ZhongAn Insurance, a risk management, ICO service and marketing operation company in 2017. He was also in charge of brand risk management/communication for PayPal from 2012-2014 and a CS project mentor at Stanford University from 2018-2019.

Judging from the experience the team members and remaining employees have accumulated individually, they do have very relevant backgrounds and skill sets for the protocol at hand. That is what has arguably given the protocol a good performance.

Score: 10

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: Yes, the team does shape the public debate positively. All protocol contributors are active participants in the public debate with Daniel speaking on DeFi and DEXs at EDCON (Ethereum Development Conference) 2020 and Consensus WK NYC.

He has spoken about increased capacity for L2 accounts in DeFi, receiving funds without creating accounts in DeFi, scalability for decentralised exchanges and how DEXs can overtake CEXs.

Other members have also featured on platforms like Defi Slate and Bankless. A list of the protocol's interviews and podcasts can be found here.

Presentations and community calls from the team can also be found here.

They've spoken generally on improving AMMs and orderbooks, trading gas-free and social recovery for crypto wallets.

Score: 5

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: The team has sufficient funding in place. As mentioned earlier, the team raised $45M from their ICO in 2017 and outsold all tokens by 2018.

Mechanisms such as the protocol fees, insurance fund and liquidity mining are in place to ensure effective coordination of the ecosystem as well.

According to this video, there are investors from traditional VC funds and the team raised around $3M for the protocol in 2019 alone.

Beyond financial resources, Loopring is backed by TokenCapital, ChainFunder, Racew, Fintech Blockchain Group, NEO Council, QTUM Foundation, Sequio DB.

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: Yes, the protocol has admin keys and the type of ownership is clearly indicated comprising OnlyOwner / MultiSig / Defined Roles. More can be read on DeFi Safety.

According to this document from their website also, the Loopring Smart Wallet contract has a super administrator who cannot change any wallet status or transfer the tokens in the wallet without user authorization. However, the super administrator has the right to do the following operations:

(1) Modify the global whitelist so that there is no daily limit for transfers to any address in the whitelist;

(2) Register new functional modules optional for the users;

(3) Change the mapping relationship between ENS and address. This operation will cause the assets transferred to the same ENS to actually be transferred to different addresses. Therefore, you need to verify the receiving address when transferring funds through ENS.

In summary, Loopring's current version (Loopring 3.6) is governed by the core team and participants/users, namely liquidity providers, insurers and the Loopring DAO. The team has no power whatsoever over users' funds. As much of a zkRollup is by definition off-chain, this means it is outside the purview of a DAO, but users can deposit and withdraw to the protocol's smart contracts and there is never any risk of losing funds when depositing to the smart contract as it is trust-less and secure. The team is also tasked with the backend development of the protocol as well as partnerships and integrations. The Loopring DAO in turn controls and governs parameters such as the distribution proportions of protocol fees to different participants.

Score: 15

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: As stated in (4a) the governance of the protocol depends on the core team and users, namely liquidity providers, insurers, the Loopring DAO. However, the core team still has a very strong influence and most of the backend developments as well as token registrations are done by the team. As mentioned before, all developments regarding partnerships and integrations with other protocols are also done by the core team.

It is worth mentioning that the Loopring DAO is the first DAO for a zkRollup protocol and uses Snapshot, a token voting tool that suits the purposes perfectly. There are no records of on-chain votes though. The DAO controls and governs parameters such as the distribution proportions of protocol fees to different participants, the protocol fee percentage and insurance fund covered event triggers.

Certain parameters are simply unable to be controlled by the DAO for practical reasons. For instance, the L2 transaction fee itself must be set by Loopring, which has a handle on the legacy and Ethereum-based costs of running the relayer.

It is quite clear that the team wields more influence than the DAO and fair to say votes function as signals to the team.

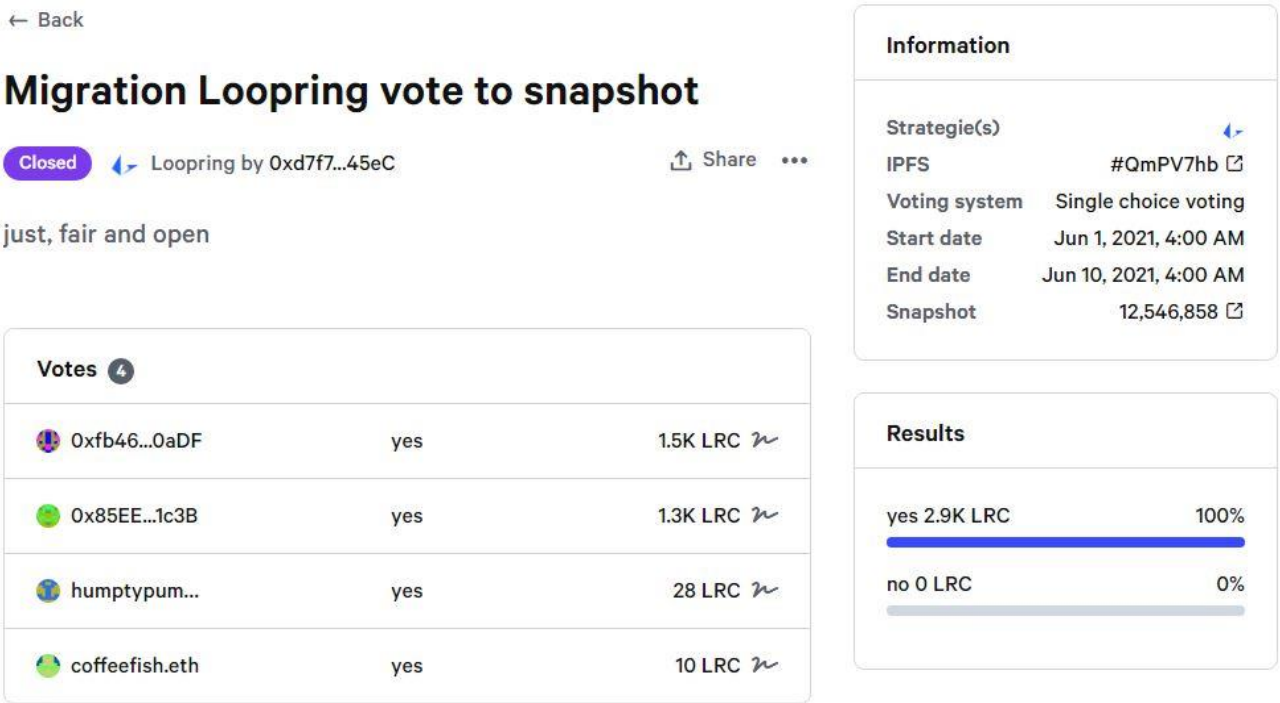
Score: 7

c) Active Governance contributors (5 points)

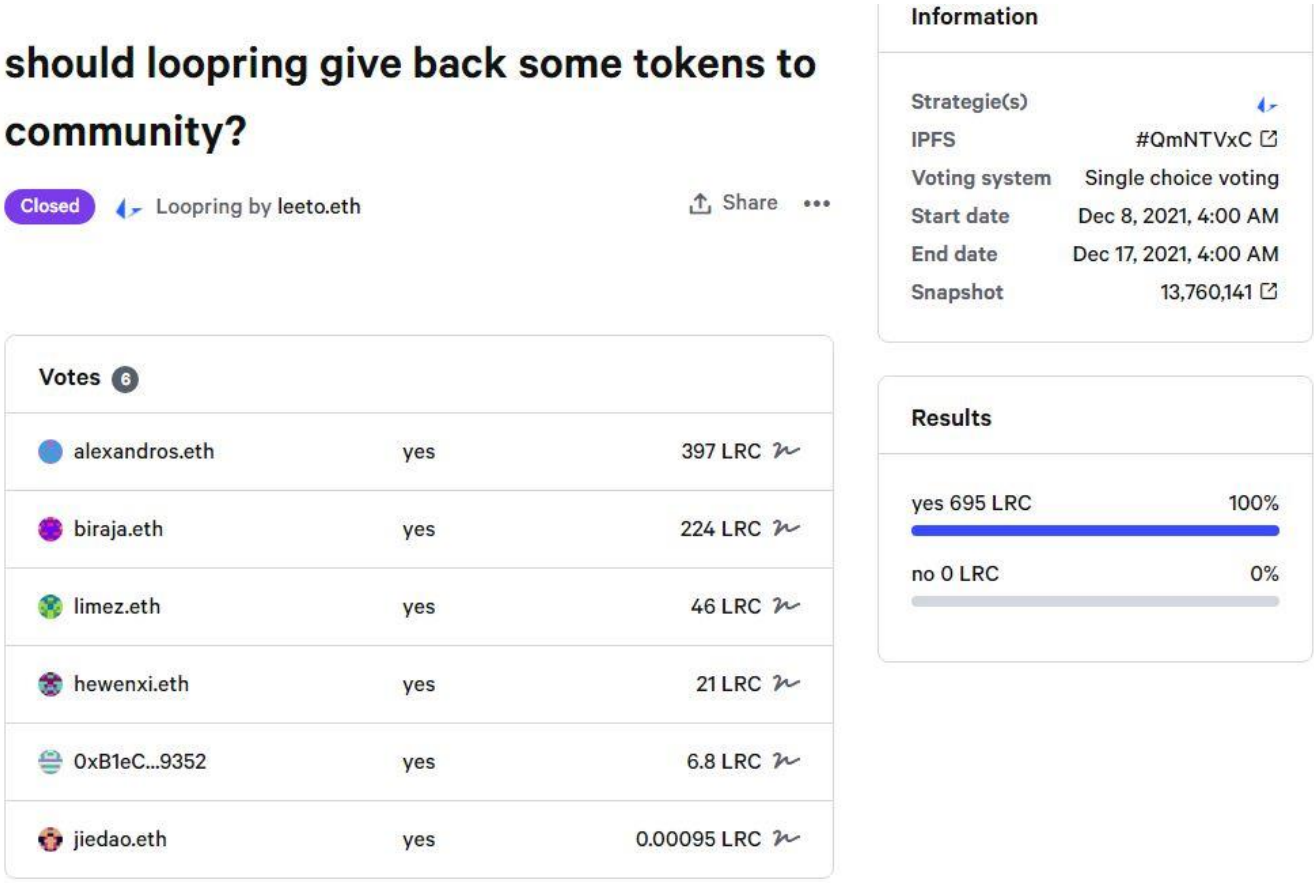
Governance is a process that can be rather resource-intensive if executed well. To ensure good governance is practiced by the protocol, it's important to have a sufficient number of governors allocate resources to the governance process of the protocol. How many individuals participate in the debate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

Answer: Voters are not active and participation is rather low. There have only ever been 8 votes on their voting site. This may be due to the DAO launching recently, but Loopring claims to have 80.3k users and has never recorded even 50 users per vote before. This can be seen in the images below.

1. **4 votes**



2. **6 votes**



These are just a few of them. The rest can be found here.

Score: 1

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: Yes they do have a voting mechanism but it isn't reliable in my opinion as participation is rather low. As mentioned before, the official voting site of the protocol is Snapshot and the LRC token is eligible for voting. The discord channel is active though with much of the governance debate taking place there.

However, because many of the decisions concerning the protocol are taken by the team, the DAO doesn't decide much. Relative to other protocols like Aave this is not best practice.

Score: 4

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: The protocol has a formal governance process described in detail here, but it is not robust and looks informal to me. No clear explanation is given on how to get from idea to proposal to vote. However, on their discord channel it seems anyone can raise a proposal so the community can take it up and vote on it. Relative to protocols like Aave, this might promote good governance but from 4b and 4c, my conclusion is that it doesn't achieve the same for the protocol.

Score: 4

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: According to LinkedIn and Crunchbase, Loopring is registered in China with its headquarters in the Shanghai jurisdiction as a non-profit organisation. Its address is East Yanan Rd, Shanghai, Shanghai 200000, CN. Since we are going strictly by the books, China doesn't fall within the same legal jurisdictions as top tier jurisdictions like Norway, United States, Switzerland etc. A legal entity seems connected to the protocol but there is no information about the entity available.

Score: 7

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: Since there is no information about the legal entity available, we can only guess that the protocol falls under a jurisdiction with applicable laws, that is China.

Score: 5

About the Author: Degem2priceless. I am a crypto and web 3 researcher and enthusiast looking forward to gaining experience as a rater with DAOs and making a full time living off cryptocurrencies.