PrimeRating

Fundamental Report

Prime Rating Report V2.1

Protocol: ARMOR
Version:
Date: 04/03/2022
Previous Report: Link to previous report

Author: dliteofficial#9758
Reviewed by: 🐸 A Rating Pepe
Season/competition: Season 2

Instructions

Scorecard

1. Value Proposition	Points
a) Novelty of the solution	12 / 15
b) Market fit/demand	10 / 15
c) Target Market Size	8/ 10
d) Competitiveness within market sector(s)	4 / 10
e) Integrations & Partnerships	7 / 15
Total Points - Value Proposition	**41 / 65**
2. Tokeneconomics	**Points**
a) Is the token sufficiently distributed?	6 / 15
b) What is the extent of the token's capabilities?	6 / 10
c) Is the issuance model able to improve the coordination of the protocol?	7 / 10
d) Is the value capture model able to accrue and distribute value?	7 / 10
e) Is the token sufficiently liquid to enable active use and trade?	3 / 5
f) Are there any extrinsic productivity use cases?	2 / 10
Total Points - Tokenomics	**31 / 60**
3. Team	**Points**
a) Is the team credible and public? (No, Partly, Yes & Anon , Yes & Public)	12 / 15
b) Does the team have relevant experience?	5 / 10
c) Does the team participate and help shape the public debate?	2 / 5

d) Is the team able to effectively attract and coordinate resources?	**6 / 10**
Total Points - Team	**25 / 40**
4. Governance	**Points**
a) Admin Keys	**9 / 20**
b) Extent of Governance capabilities	**10 / 15**
c) Active Governance contributors	**1 / 5**
d) Governance infrastructure	**4 /10**
e) Robustness of Governance process	**5 / 10**
Total Points - Governance	**29 / 60**
5. Regulatory	**Points**
a) Does the protocol have any legal accountability?	**N/A**
b) What is the quality of the legal jurisdiction?	**N/A**
Total Points - Regulatory	**N/A**
Total	**126/ 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:

Armor.fi is a DeFi Protocol that helps protect an investment against the smart contract risks (a big plague in this space) across popular protocols on a Pay-As-You-Go basis. Put simply, ARMOR provides insurance/coverage against smart contract risks for a premium. According to [DeFiPulse](#), there are only a handful of DeFi Insurance protocols and objectively, it appears that Armor tops the list in terms of product innovation.

Armor.fi provides 4 product categories:

1. [arCore SMART cover](#): This is one of Armor.fi product offerings that provides users with real time tracking of funds as they move from one platform to another providing you with an additional level of security.
2. [arNFT](#): This product provides you with simple-to-use, "pay-as-you-grow" Nexus Mutual coverage on your assets to protect against smart contract risks and these NFTs can then be traded or staked to earn yield.

3. [arNXM Vault](): arNXM Vault allows users to deposit their wNXM tokens in the Nexus Mutual ecosystem and earn yield without requiring KYC. Users receive a new arNXM token as a replacement which is the yield bearing token for the vault and is not subject to the mandatory 90-day (soon 30 day) lockup period
4. [Shielded Vaults](): Armored Shield Vaults are covered storage vaults for DeFi tokens with auto-payments, powered by arCore. Users can deposit their DeFi tokens, receive their arToken, and enjoy their FDIC-like pooled coverage in perpetuity with no maintenance needed.

Armor is not a first-mover in the space but they have a range of product offerings which may just be considered as innovative and may rapidly secure them a large piece of the users of the service in their chosen space.

Score: 12

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:

US$120 million in total funds was stolen in 2020 across decentralized finance (DeFi) platforms ([forkast]()). Over the last few years, one thing has become clear — the future of finance is decentralized. Since the beginning of 2020, the total value locked in DeFi has exploded from [US$670 million to now over US$40 billion](). For those doing the maths, that's a 6,000% jump. But the crazy thing is, some experts believe we're just getting started. Billionaire investor [Tim Draper]() predicted the total crypto market cap could break [US$80 trillion]() in the next 15 years. That's more than 40 times the present value. The explosive growth of DeFi comes with concerns, including issues of scaling, gas fees, and worst of all, theft. DeFi has become a very attractive hunting ground for hackers. In 2021, Poly Network, a DeFI protocol, was victim of a hack which cost them a total of $611mn, BitMart was also a victim of a hack which cost them a total of $196mn. This is just 2 of many cases like that in 2021 alone. According to [Rekt](), there were 57 DeFi protocol hack cases with loss from each case ranging from $248,000, being the lowest to as high as over $600,000,000. The risk of theft poses a devastating effect on the growth of assets and new investors into the DeFi ecosystem.

DeFi coverage providers like ARMOR offer fundamental risk management for investors which makes it the right product for the market with potential to grow rapidly as the market keeps expanding and growing. With the explanation above, it is clear that there is a huge market demand for DeFI insurance/coverage.

In 2021, the demand for their service grew. By how much? See the below:

1. In March 2021, Armor passed over $1 Billion worth of coverage sold!

2. In April 2021, Perpetual Protocol purchased $2.5MM worth of coverage to protect their users.

3. In May 2021, ArmorFi passed $1.5 Billion in total purchased coverage over 88 protocols

4. They are also looking to grow their user base the more in 2022

   Source: [Armor.Fi Blog]()

In the last year, Armor began to gain traction in terms of demand, however, considering the ever-growing size of the

market, it is expected that they would perform astronomically better from 2022 onward.

Score: 10

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:

Armor is into the business of providing insurance coverage against smart contract risks and on DeFi Assets. Since the beginning of 2020, the total value locked in DeFi has exploded from US$670 million to now over US$40 billion. For those doing the maths, that's a 6,000% jump. But the crazy thing is, some experts believe we're just getting started. Billionaire investor Tim Draper predicted the total crypto market cap could break US$80 trillion in the next 15 years. That's more than 40 times the present value. The explosive growth of DeFi comes with concerns, including issues of scaling, gas fees, and worst of all, theft. DeFi has become a very attractive hunting ground for hackers. In 2020 alone, hackers attacked 15 DeFi platforms for a staggering US$120 million sum. The risk of theft poses a devastating effect on the growth of assets and new investors into the DeFi ecosystem. All of this would inform you on how big the market is and how quickly it would grow.

Armor.fi provides 4 product categories:

1. arCore SMART cover: This is one of Armor.fi product offerings that provides users with real time tracking of funds as they move from one platform to another providing you with an additional level of security.
2. arNFT: This product provides you with simple-to-use, "pay-as-you-grow" Nexus Mutual coverage on your assets to protect against smart contract risks and these NFTs can then be traded or staked to earn yield.
3. arNXM Vault: arNXM Vault allows users to deposit their wNXM tokens in the Nexus Mutual ecosystem and earn yield without requiring KYC. Users receive a new arNXM token as a replacement which is the yield bearing token for the vault and is not subject to the mandatory 90-day (soon 30 day) lockup period
4. Shielded Vaults: Armored Shield Vaults are covered storage vaults for DeFi tokens with auto-payments, powered by arCore. Users can deposit their DeFi tokens, receive their arToken, and enjoy their FDIC-like pooled coverage in perpetuity with no maintenance needed.

Of these 4, arCore SMART cover could have shielded victims of the hack. arCore SMART cover tracks the movement of funds out of a platform or from one platform to another.

Score:8

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:

According to CoinGecko, Armor is #9 on the list of insurance coverage providers for DeFi Assets with a market capitalization of $4,745,715. To put this into perspective, Armor has a market capitalization of less than 1% of the leading insurance coverage provider, Nexus Mutual with a Market Cap/TVL ratio of 0.01. However, since Armor is backed by Nexus Mutual, comparing them against each other doesn't completely make research sense and makes it difficult to evaluate Armor's competitiveness.

Even though it is difficult to compare it to the Nexus Mutual, it can be compared against the other leading coverage providers. According to the CoinGecko list that was referenced earlier, insure DeFi, is the #2 leading insurance coverage providers. Comparing Armor to insure DeFi in terms of growth in trading volume and MarketCap, it wasn't difficult to conclude that Armor still has a lot of work to do in terms of their competitiveness.

Score:4

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:
Although, it isn't clear if there are projects being built on Armor.fi however in Q1'2021, they announced Collider Ventures, Delphi Ventures, Divergence Ventures, DeFiance Capital, Alameda Research, 1kx, The LAO, Blocksync and Bering Waters Ventures have joined Armor as strategic investors ([Medium](#)).
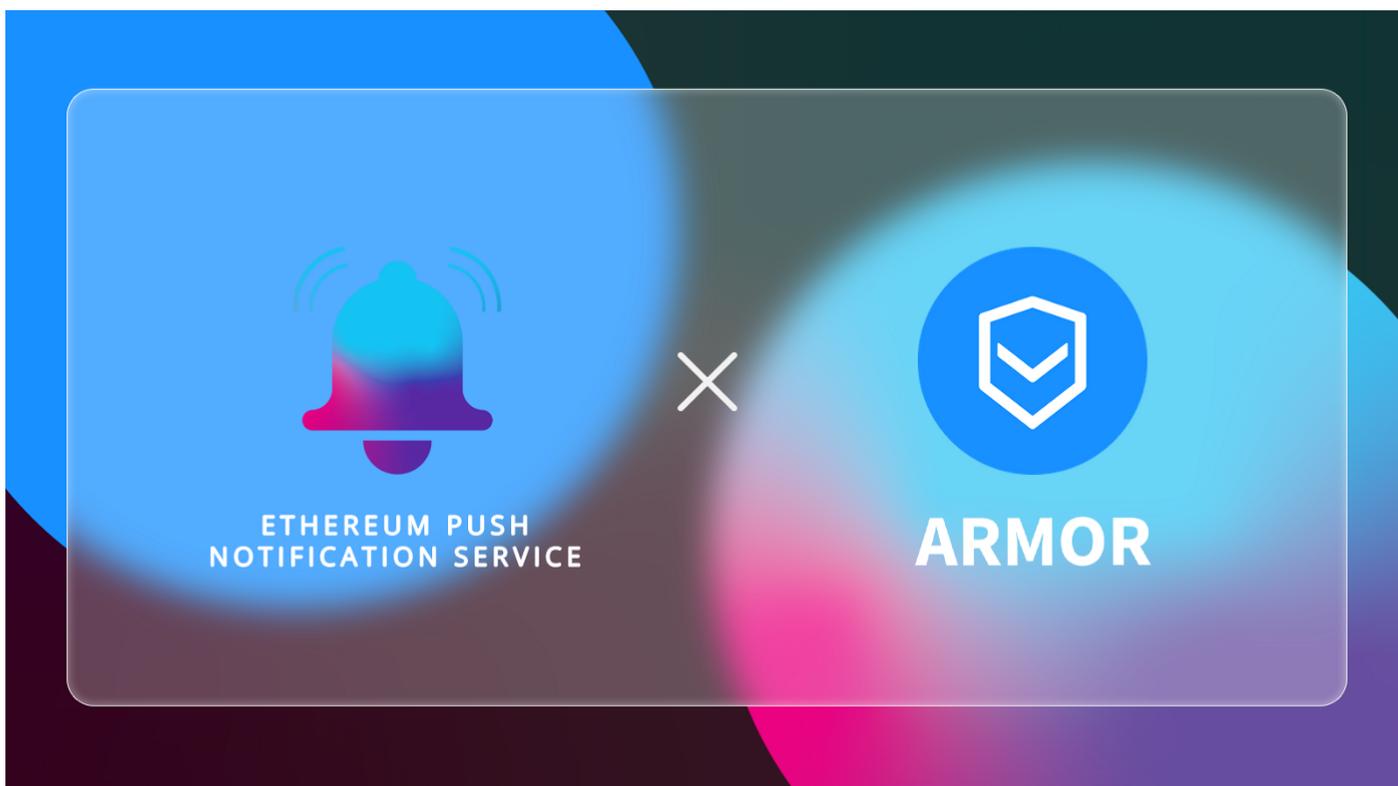
In September (Q4 '2021), Armor finalized a partnership with [EPNS](#) (Ethereum Push Notification Service), to build a proper communication channel that reduces friction between the protocol and our users. EPNS is a decentralized notification protocol that enables users (wallet addresses) to receive notifications. Using the protocol, any dApp, service, or smart contract can send notifications to users in a platform-agnostic fashion ([Medium](#)). It is worthy of note that the EPNS is not live yet.

Also, in October 2021, Umbrella Network announced a partnership with Armor Finance.

Umbrella Network announced the latest partnership with Armor Finance, a leading DeFi insurance coverage aggregator that allows users to protect funds held on a variety of DeFi protocols with an easy, self-adjusting, pay-as-you-go process.

1. Armor Finance recently announced an innovative new product — [Shield Vaults](#) that offers coverage-bearing tokens, which automatically provide cheaper coverage without ever needing any maintenance or renewals.
2. Via a [partnership with Umbrella Network](#), Armor Finance will be able to fulfill their data needs — comprehensive, low-cost, secure, and up-to-date!

Source: [Medium](#)
Score: 7

2. Tokeneconomics

The Tokeneconomics 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:

1 billion ARMOR was minted at genesis with 250,000,000 Armor being burned to a dead address. The remaining 750,000,000 will become fully accessible over the course of 2 years. ([Source](#))

1. 63% to Armor community members [650,000,000 ARMOR]

2. 11.6% was reserved for the DAO treasury which can be used by the community to support the long-term development of the ecosystem.
3. 1.3% allocated for bug bounties
4. 4% for educational programs
5. 8% for development grants
6. 19% was reserved for participants in the first 24-week token distribution event.
7. 1.3% of the supply may be used to kickstart DEX liquidity on uniswap, sushiwap and balancer. This LP will not be used to farm ARMOR. When appropriate the remaining tokens will be returned to the DAO treasury.
8. 0.66% reserved for airdrop to Gitcoin donors and NXM, DIP, SAFE, and COVER holders.
9. 19% were reserved for strategic backers and partnerships to enhance the position and longevity of Armor protocol within the Ethereum ecosystem, with 2-year vesting.
10. 37.09% to Armor early team members with 2-year vesting [350,000,000 ARMOR]
11. 8% to future team and contributors
12. 18.044% to seed team

There are over 16000 holders of this Token according to [CoinMarketCap](). Top 10 holders constitute over 90% of the total supply, top 20 holders have over 92% of the token's total supply, top 50 holders own over 94% while the top 100 holders have over 95% share of the total supply. A way to derive increasing value with a token like Armor is if there are a lot of stakeholders in play but that doesn't seem to be the case for Armor. As for vArmor which is the Voting Armor (the one with actual capabilities), according to [EtherScan](), there are only 167 holders with the ability to vote on issues concerning the protocol.
Score: 6

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:

ARMOR is the governance token for the system and serves the following functions:

1. Staking in ARMOR:ETH liquidity pool and staking LP tokens into governance staking. Earn LP fees + staking rewards (20% of profits) proportional to your share in the staking pool.
2. Governance on protocol and system updates

Users of the protocol can participate in governance and voting using vArmor which allows you to stake your ARMOR tokens to receive yield-bearing [vARMOR governance tokens](). You can use your vArmor to vote on DAO proposals. As far as the journey goes, only 2 proposals have been submitted so far to which one was passed with over 45MN votes by 20 addresses and the other was a fail with 66K votes from just 3 addresses. Is vArmor serving its purpose? Of course it is, the problem here is that the token is not sufficiently distributed and the voting process might represent the opinion of a certain few.
Score: 6

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:

1 billion ARMOR was minted at genesis with 250,000,000 Armor being burned to a dead address. The remaining 750,000,000 will become fully accessible over the course of 2 years. ([Source](#))

1. 63% to Armor community members [650,000,000 ARMOR]
2. 11.6% was reserved for the DAO treasury which can be used by the community to support the long-term development of the ecosystem.
3. 1.3% allocated for bug bounties
4. 4% for educational programs
5. 8% for development grants
6. 19% was reserved for participants in the first 24-week token distribution event.
7. 1.3% of the supply may be used to kickstart DEX liquidity on uniswap, sushiwap and balancer. This LP will not be used to farm ARMOR. When appropriate the remaining tokens will be returned to the DAO treasury.
8. 0.66% reserved for airdrop to Gitcoin donors and NXM, DIP, SAFE, and COVER holders.
9. 19% were reserved for strategic backers and partnerships to enhance the position and longevity of Armor protocol within the Ethereum ecosystem, with 2-year vesting.
10. 37.09% to Armor early team members with 2-year vesting [350,000,000 ARMOR]
11. 8% to future team and contributors
12. 18.044% to seed team

The list above shows how the remaining ARMOR is to be expended, an agreement reached during the first proposal deliberation & voting. After getting over 30MN votes (to satisfy quorum), it was accepted and the tokens were allocated accordingly
Score: 7

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:

With arNFT, you can buy a cover that can be sold, traded or staked for reward. Also with arNXM Vault, you can deposit your NXM tokens and earn yield on them but most importantly, you can stake your Armor tokens to get yield-bearing vARMOR governance tokens which generates 32% return on a yearly basis. Of course, holders share in the revenue.
Score: 7

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 amount of coins that are circulating in the market and are in public hands is 175,417,558.91 ARMOR and a max. supply of 1,000,000,000 ARMOR coins. ARMOR is currently being traded on Gate.io, CoinW, Hoo, Bibox, and Jubi and major DEX like UniSwap and Bancor. As of 3rd of March, trading volume had experienced a 38.44% increase pegging

the trading volume at $67,122.18 (Data pulled from [Coingecko](#)). All of this indicates that ARMOR has no liquidity issues, is and will be available to anyone.

Score: 3

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:

If the token trades on DEXs people can LP the token, which is a very low use case, but still one

Score: 2

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:

Robert Forster

Co-Founder, Armor.Fi

https://www.linkedin.com/in/robert-m-c-forster-439b4110a/

Robert became the Co-Founder of Armor.Fi in September, 2021. However, before then, he was the CTO for over a year. He was the founder and CEO of Rojax and Blockd. He was a Blockchain Architect for Coin and a Lead Solidity Developer for Minerva. Robert has over 5 years combined experience in the blockchain industry.

Harry Kikstra

Operations Lead, Armor.Fi

https://www.linkedin.com/in/harrykikstra/

Harry joined the Armor.Fi family in January 2021 which translates to over 1 year and 3 months as the Operations Lead for Armor.Fi. Harry has also chaired a few businesses before joining Armor.

PrimeRating

Rus Hughes

Technology Lead, Armor.Fi

https://www.linkedin.com/in/rushughes/

Joined in October 2021. Rus was the CEO of BlueOdin and Intelligent Labs, a CTO to importist, a Co-Founder for a business called WeSolid etc. His experience is definitely an asset to ARMOR

Chris Hearey

Community Manager, Armor.Fi

https://www.linkedin.com/in/christopher-hearey-6a3531129/

Joined in November 2021 and serves as a community manager for ARMOR.

Romke Jonker

Development Manager, Armor.Fi

https://www.linkedin.com/in/romkejonker/

Hired in December 2021 as a Development Manager. Tech and Innovation has been Romke space since 2008

Taek Lee

Lead Smart Contract Engineer, Armor.Fi

 https://www.linkedin.com/in/kyotaek-lee/

Experienced in auditing smart contracts

Corey Jackson

Lead Frontend Engineer/Co-Founder, Armor.Fi

https://www.linkedin.com/in/corey-jackson-76b33521/

Corey has been with Armor.Fi for over a year performing his role as the Lead Frontend Engineer and Co-Founder of Armor.Fi. He joined specifically in January 2021 and has a background in computer programming.

Azeem Ahmed used to be a Co-Founder in Armor.Fi, however he left after and issue with Robert the Co-Founder ([Source])

ARMOR has a pretty good team with at least 5 years average experience.

Score: 12

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:

Of course, the team has members with relevant tech experience and required skills and expertise to deliver on the promise of Armor.Fi. However, there is no one on the team with knowledge about the insurance space

Score: 5

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:

Of course but not as much as you'd have hoped. Some of the members have active social media pages and regular AMA sessions are being hosted.

Score: 2

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:

According to [Dune Analytics](#), Armor.Fi has made over $1.3Bn from coverage purchases and has paid out premium of over $8.2mn. Indeed, they are making revenue from providing coverage to its users and from a cost-benefit analysis standpoint, they are making enough revenue to pay premium and cover their operating expenses

In 2021, the demand for their service grew. By how much? See the below:

1. In March 2021, Armor passed over $1 Billion worth of coverage sold!

2. In April 2021, Perpetual Protocol purchased $2.5MM worth of coverage to protect their users.

3. In May 2021, ArmorFi passed $1.5 Billion in total purchased coverage over 88 protocols

Source: [Armor.Fi Blog](#)

Score: 6

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:

Armor is a [hybrid decentralisation](#) with a timelock owned contract which controls everything with two owners: a team multisig and a full DAO. This means that the admin keys are in the custody of the Co-Founders. Originally, Azeem Ahmed used to be a Co-Founder for Armor before Robert accused him of stealing millions of LPs ([source](#)). It is expected that Dune keys have been passed on to the new Co-Founder.

Score: 9

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:

Users of the protocol can participate in governance and voting using vArmor which allows you to stake your ARMOR tokens to receive yield-bearing [vARMOR governance tokens](#). You can use your vArmor to vote on DAO proposals. As far as the journey goes, only 2 proposals have been submitted so far to which one was passed with over 45MN votes by 20 addresses and the other was a fail with 66K votes from just 3 addresses ([Source](#)). Given that Armor tokens are owned by a small fraction which is not so representative, it isn't effective. According to the Discord Channel for Governance, you can submit a proposal on just about anything you are not comfortable with or whatever inadequacies you feel can be fixed and a vote is casted.

Score: 10

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:

As far as the journey goes, only 2 proposals ([Source](#)) have been submitted so far to which one was passed with over 45MN votes by 20 addresses and the other was a fail with 66K votes from just 3 addresses. The number of active voters is too small and could have been reduced to 14 according to the Discord governance channel.The recent token burn decision was made in the Discord governance group with votes from less than 10 token holders. The Governance channel became live on January 27, 2021, however, the first ever proposal was [submitted and voted](#) upon on December 10, 2021.

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:

There are 3 infrastructure that have been identified which are used as a voting mechanism. The mechanisms include the [Discord Governance channel](#) and the [Armor Forum](#) where civilised discussions regarding different issues are held and another called [WithTally](#) where the voting is actually conducted. Unlike the Forum, discussions aren't held as much. There are 7 different discussion categories on the forum with one of the categories particularly being on [governance](#).

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 governance process hasn't been verified yet in terms of efficiency and information about it isn't publicly available. Few decisions have been made regarding some proposals. It is not robust, it represents the view of a small number of persons, therefore, it could be improved upon. The [governance](#) & [proposal submission](#) process is highlighted below:

1. You have to submit a draft proposal, and in the proposal, you would have:
    a. Summary: describing the outcome of this proposed change in a non-technical manner
    b. Background: Introduce relevant concepts, clarify points within scope, or relevant points outside scope
    c. Motivation: Why do you think there should be change or a certain kind of improvement? Why is the present state inadequate?
    d. Specifications: How will this new proposal solve the problem? Discuss implementation.
2. Post in the proposal-template for signalling
3. Post to https://snapshot.page/#/armorgov.eth/create for token governance
4. Execution by Hybrid DAO

Score: 5

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:

As stated expressly in their [Disclaimer/Terms of Use](#), Armor has no legal responsibility to any user of the Armor Token, neither will they be accountable for any loss/damage whatsoever. In their words:

"THE ARMOR PROTOCOL SHALL NOT BE LIABLE TO YOU OR ANYBODY ELSE FOR ANY DAMAGE OR (AND) LOSSES IN ANY CONNECTIONS WITH ARMOR TOKENS"

Score: N/A

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:

Armor isn't a legal entity, it is rather backed by Nexus Mutual which also provides coverage against smart contract failure & exchange hacks.
Score: N/A

PrimeRating

About the Author: Provide your name and (if you like) add some info about your background and add socials (e.g. Twitter handle)

Author Name: Opeyemi Adewole/Dliteofficial#9758
Discord:Dliteoffical#9758
Twitter:@dlite_official
LinkedIn:https://www.linkedin.com/in/opeyemi-adewole