Liquidity Migration Litepaper

Your gateway to the Superchain

Abstract

Supermigrate (SM) is a platform built to optimize, improve, incentivise onboarding and provide efficient and long term liquidity for projects on the Superchain.

Our mission is to increase economic activities on Superchain. We achieve that by simplifying the migration process from Layer 1 (L1) to the Superchain, reduce the fragmentation and increase the interoperability between these chains, making it more accessible and efficient for users. As we aim to **onboard a billion people** onchain, it is crucial that we address the current challenges and fragmentation in the ecosystem.

Supermigrate sits in between the $60billion of TVL on ethereum and that value moving to Superchain.

Supermigrate as a Liquidity incentive and migration and protocol

The Supermigrate Liquidity protocol is a key component of the Supermigrate ecosystem, designed to facilitate efficient movement of liquidity from Ethereum to Superchain networks. It leverages Layerzero's crosschain protocol to enable the movement of Liqudity across these chains. Users will earn rewards in the form of **$xpMigrate** tokens, **Aero**, **OP** incentives and other ecosystem rewards based on the amount of Liquidity migrated.

As Liquidity migration value for token pools reach a certain amount, the rewards are reduced and dynamically adjusted to pools with lesser migrations to the L2 network.

Currently, Supermigrate supports Base, Optimism and Mode network.

- Migration of LP tokens are handled by a smart contract with integration to Uniswap, Aerodrome and Layerzero that has an algorithm to reward users with $MIGRATE points. These points will be used to claim **$xpMigrate** tokens

- $xpMigrate is an ERC20 Soulbound token with a fixed supply of 1 billion. $xpMigrate is the reward token of Supermigrate. In the future, **$xpMigrate** will be used to claim Supermigrate Governance tokens
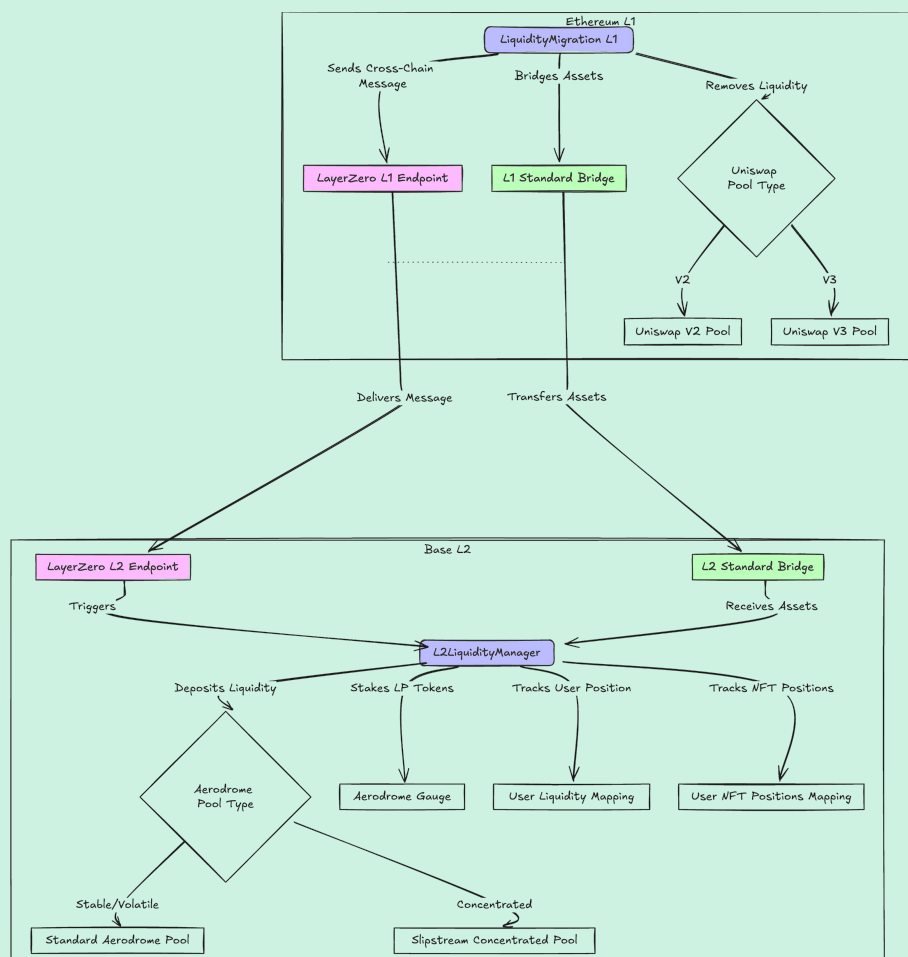
Supermigrate Liquidity Protocol

Recognizing the growing importance of the Superchain, Liquid offers a seamless Liquidity Migration feature from Ethereum. This tool automates the migration of liquidity positions, provides clear comparisons of potential yields. It leverages Layerzero's crosschain protocol to enable the movement of Liqudity across these chains.

Liquidity Migration Design

The proposed migration design involves a multi-step process aimed at increasing Liquidity on Superchains. This design leverages LayerZero's unified messaging protocol to facilitate a streamlined migration of liquidity from Uniswap on Layer 1 to an aerodrome on Superchain. The entire process is initiated by a single function call from the user, making the migration efficient and user-friendly.

Migration process

Pulling Liquidity from Uniswap

- **Smart Contract Handling:** The initial smart contract, triggered by the user's function call, interacts with Uniswap to withdraw the specified liquidity. This involves calculating the user's share and preparing it for cross-chain transfer.

Bridging with BaseStandard Bridge Contract on L1

- **Cross-Chain Preparation:** Post liquidity withdrawal, the same initial function triggers the BaseStandard bridge contract. This contract manages the secure locking of assets on L1 and prepares them for bridging to L2, aligning with LayerZero's protocols.

LayerZero Messaging for Cross-Chain Operations

- **Unified Messaging:** The bridged assets and the intent to deposit liquidity on L2 are encapsulated in a LayerZero message. This message contains all necessary information and commands for the next steps to be executed on L2.

- **Cross-Chain Execution:** The message transmitted via LayerZero ensures that the entire sequence of commands is relayed securely and efficiently to the target Layer 2 aerodrome.

Depositing Liquidity on Aerodrome L2

- **Action on Receipt:** Upon receiving the LayerZero message, the corresponding contract on L2 executes the commands contained in the message. This includes depositing the liquidity into the appropriate pool or contract using the composed pattern for horizontal composability

This design orchestrates the entire sequence of operations across multiple protocols and layers.

Pools Supported

On mainnet launch, we'll be starting out with 8 pools and keep adding other pools gradually.

DAI/USDC	Uniswap V3
ETH/DAI	Uniswap V3
ETH/USDC	Uniswap V2 and V3
USDC/USDT	Uniswap V2 and V3
ETH/USDT	Uniswap V2 and V3

Criteria for Supporting a pool

For a pool to be supported on Supermigrate Liquidity, the pair (A,B) needs to meet the criteria:

1. A and B both implement OptimismMintableERC20 on Base
2. There is a A/B uniswap pair
3. There is a A/B aerodrome pool

Incentives

Users who migrate Liquidity will receive 10 points for every $10 worth of Liquidity migrated

Liquidity Migration Multipliers

- **2.5x Migrate** point multipliers for users who opt in to stake LP tokens.

Conversion Rate

- Base conversion rate: 100 Migrate points = 1 **$xpMigrate** token
- Dynamic multiplier: Adjusted weekly based on network activity and liquidity migration volume
- Multiplier range: 0.5x to 5x
- Example: During high-activity periods, 10 Migrate points could yield 5 xpMigrate tokens

CLAIMING TIERS

Gold Tier
(5,000+ Migrate points)

- Can claim up to 100% of their points as **xpMigrate** tokens
- No cooldown, can claim any time

Silver Tier
1,000-4,999 Migrate points)

- Can claim up to 75% of their points as **xpMigrate** tokens
- 12-hour cooldown between claims

Bronze Tier
(0-999 Migrate points)

- Can claim up to 50% of their points as **xpMigrate** tokens
- 24-hour cooldown between claims

Bonus Mechanism

Loyalty Bonus

- +5% bonus xpMigrate for every consecutive week of claiming
- Cap at 50% bonus after 4 weeks

Volume Bonus

- +10% bonus xpMigrate for claims above 1,000 points
- +25% bonus xpMigrate for claims above 5,000 points

First-Time Claimer Boost

- First-time claimers receive a one-time 2x multiplier on their claim

Conclusion

Supermigrate's Liquidity migration protocol is a key component in the mission to increase economic activities on the Superchain. By simplifying the migration process, unifying, bootstrapping and incentivising liquidity, and providing a unified gateway to the Superchain, we're removing barriers to entry and making it easier for users to access and benefit from the advantages of the Superchain network.