Foundry Forum

Summary

October 7, 2025

The session gathered feedback from ecosystem participants on the updated economics proposal.

Below is a structured overview of all interventions, questions, and responses.

Opening Context

- Format and purpose: an open, structured hearing to collect actionable input on the proposal.
- The team presented updates under review:
  - A demand-linked emission model trending toward 2–5% based on growth.
  - Additional burn mechanisms to balance emissions.
  - Three focus areas: security (staking rewards), growth (builder fund), and liquidity (DeFi Growth Fund).

Interventions & Responses

Emission structure and builder allocation

- Feedback:
  - Concern that the builder share is disproportionately high.
  - Suggestions to start with a lower percentage that can decline or adjust over time.
  - Proposal to include mechanisms verifying legitimate builder activity before releasing rewards.
- Response:
  - Verification mechanisms are necessary and confirmed that criteria for legitimate builders are being designed.

Onboarding and relayer incentives

- Feedback:
    - Suggestion to use relayer credits or limited free transactions to improve onboarding.
    - Reference to existing examples where users receive a daily free-transaction allowance.
- Response:
    - General agreement. Addition: relayer upgrades make such systems possible.

Validator participation

- Feedback:
    - Proposal to reduce the Delegation Smart Contract minimum from 1,250 EGLD to roughly 200 EGLD per node to improve decentralization.
    - Comment that validator operation costs are low and broader participation should be encouraged.
- Response:
    - The team acknowledged large amounts of idle EGLD and confirmed that validator-level incentives are being reviewed.

Stablecoins and bridges

- Feedback:
    - Incentives for stablecoin inflow should only begin once reliable bridge infrastructure is operational.
    - Alignment between bridge readiness and reward timing is essential.
- Response:
    - Agreement that bridge integration timing is critical and confirmed work with multiple providers.

Dynamic builder share and KPI linkage

- Feedback:
    - Suggestion to link builder rewards to measurable onchain activity (for example, relayer usage).
    - Recommendation to model adaptive emission that scales with network usage to prevent persistent inflation.
- Response:
    - Concept is being modeled in upcoming simulations.

Overall supply and burns

- Feedback:

    - Strengthen burn mechanisms and increase the rate beyond 10%.
    - Request for annual parameter reviews based on onchain metrics.
    - Recommendation to secure a major native stablecoin such as USDC or USDT.
- Response:
    - The team clarified the goal is not to expand supply but to stabilize it, and supported the idea of adding top-tier stablecoins.

DAO governance

- Feedback:
    - Request to separate the DAO framework decision from the economic-model vote.
    - Desire for clarity on limits, KPIs, and governance structure before fund allocation.
- Response:
    - Agreement that DAO governance details can be finalized in a separate vote.

Protocol vs. application separation

- Feedback:
    - Observation that the proposal mixes protocol economics with application-level incentive programs.
    - Recommendation to separate DeFi and builder-fund components into a distinct governance track.
- Response:
    - DAOs can function as modular governance layers configurable by community decision.

Execution direction

- Feedback:
    - General support for the proposal's intent and structure.
    - Several interventions emphasized that proceeding and adjusting over time is preferable to inaction.
- Response:
    - The team welcomed the encouragement and reiterated commitment to gradual, data-driven refinement.

Summary of Key Suggestions

- Implement standardized relayer credits or limited free transactions for onboarding.
- Introduce dynamic builder share tied to verified onchain activity.
- Lower validator entry thresholds to expand participation.
- Align stablecoin incentives with bridge readiness.
- Hold a separate DAO-framework vote prior to fund deployment.
- Increase burn intensity and pursue a native USDC or USDT.
- Release public economic models, dashboards, and simulations for transparency.

General Points Expressed

- Agreement with the move toward a demand-linked emission model.
- Support for expanding burn mechanisms.
- Positive reception of the builder-fund concept when tied to real activity.
- Alignment on the importance of transparency, modeling, and open participation.