

Ramses: Request for Transparency Regarding Alleged Fee Adjustments and Arbitrage Practices

Entropy would like to formally request an explanation from Ramses regarding the following concerns that have been raised:

[

545×546 38.2 KB

](<https://global.discourse-cdn.com/flex029/uploads/arbitrum1/original/2X/b/b102beef64fed65cf40a520777ebd040197aa127.png>)

It has been alleged that Ramses is lowering fees to zero, enabling the team to capitalize on arbitrage opportunities within its own pools, before raising the fees back to normal levels for other traders. This practice results in LPs receiving no fees during this toxic flow trading, which could be deemed unethical.

Moreover, Arbitrum DAO is currently incentivizing LPs on Ramses with ARB tokens, which raises concerns about the fairness of this strategy and whether it's an activity that violates the incentive program's mandate. While one could argue that establishing MEV through arbitrage is part of the game, the practice of zeroing fees to extract these benefits could be deemed a misuse of incentives and a violation of the program.

The same strategy appears to be occurring on other networks such as Scroll and Linea, but our focus here is on Arbitrum, where it seems the team has extracted about \$90K thus far.

Given these concerns, we would appreciate Ramses' response and clarification on this matter, how are these fee adjustments managed and are there any considerations in place to ensure that LPs are treated fairly and no potential violations of the incentive program are occurring?