

We propose implementing a behavior which would limit further delegations to any validator that has greater than 10% of voting power. This would allow the chain to begin working towards a higher Nakamoto Coefficient. Too high VP concentrated at only one or two validators poses a significant threat for chain halts or short term chain upgrades with the upcoming express governance votes.

This proposal is meant as a signaling proposal for SCRT Labs to implement such a feature starting at 10% and additionally add an on-chain parameter for modifying the max. voting power per validator in the future via a governance vote.

As new delegations to validators that have too much voting power are blocked, the voting power distribution across the chain will eventually become more evenly-distributed. This is because new delegations will be made to validators that have less voting power than the specified maximum.

Delegators whose delegation attempts are blocked will receive a message that states 'This validator's voting power is x%. Delegations not allowed to a validator whose post-delegation voting power is more than 10%. Please delegate to a validator with less bonded tokens.' This is necessary to avoid any confusion as to why the transaction has failed. The max voting power threshold will be publicly displayed for all users, so they can decide which validators are eligible for delegations. Further improvements to the UX should be considered in future proposals.

Discussions in the past (see e.g. [Gov Agenda/Notes 2022/08/17 - Google Docs](#)) have brought up reasonable doubts about the success of such a cap in voting power. Especially the danger of having extra sybil validators are a valid concern. However, we think that this approach is still the best considering current market conditions. We also hope for SCRT Labs to discourage such Sybil validators by delegating their SCRT appropriately.

This of course does not block any extra measures that we want to do (such as introducing a random ranking for choosing a validator), it's meant as one building block of ensuring more decentralization for the future.