

## Subject

The following is a proposal to switch the referral program to 'whitelist mode' whereby only approved referrals (as approved by the Lido DAO) can participate.

The goal of this is to help improve the security and productivity of the Lido referral program.

Snapshot voting:

[Snapshot](#)

## Background

The Lido referral program was launched on July 19th 2021 by the Lido DAO based on the following [proposal](#).

The Lido DAO controls the full life-cycle of the referral program including but not limited to launch, defining the total reward pool, allocating rewards for each period and pausing, resuming or stopping the Program at any time.

The main goals of the Lido referral program are to increase the number of active stakers and partners (wallets and protocols), grow Lido TVL and to promote the benefits of stETH.

## Key links

- [Terms & conditions](#)
- [Referral periods public report & schedule](#)

## Referral program results

(on 3rd period payout week)

The referral program has reached its essential goals:

- TVL

growth: +50%

total staked amount growth.

(633K ETH staked on 19.07, 314K ETH staked via referral program)

- boost new stakers

/addresses growth: +100%

unique addresses growth.

(8.1K unique addresses/stakers on 19.07, 8.4K unique referees)

- Partners integrations

: integrated with Ledger

proving a great potential in having more integrations with wallets and protocols.

Rewards pool: ~30%

of the initially allocated referral rewards pool is already paid out to referrers (4.7M LDO from 15M LDO).

## The Ledger case

Integration with Ledger showed great results bringing 83K+ ETH (~20% of referral program stakes) and 7,7K unique senders (~90% of new referees). Ledger is top-1 referral (by approved staked amount and number of addresses) who brought 90% of new referees and 20% of all the staked amount in the referral program.

Integrations with wallets are mutually profitable: for wallets by having referral bonuses, for wallet users by earning staking rewards and for Lido by growing TVL, a number of stakers and key integrations.

## Problems

The number and share of suspicious

abuse

cases grew

from period to period (60% in the 3rd period). It is becoming hard and expensive to maintain the referral program as it can be impossible to track token flow which potentially means abuse cases receive rewards.

Adding to this, the stETH:ETH price peg has been affected

by cycle staking cases, removing or providing one-sided liquidity to incentivised pools. Those cases do not receive rewards but still destabilize the price peg.

30% of the rewarding pool is already utilized having only one big partner onboarded.

## Proposal

This proposal centres around switching the Lido referral program to a whitelist mode which means that only approved referrals will be able to participate and earn rewards. The goal is to onboard quality wallets/protocols partners to spend rewarding budgets most effectively and reduce the problem cases. Perfect candidates for future whitelisting would be the top wallets/protocols that could bring a big amount of ETH and new stakers.

- Candidates for whitelisting would be proposed by the DAO on the governance forum at any time.
- To propose a candidate for referral whitelisting - post the referral address on the forum at the current thread, optionally with a comment on why is it a good candidate for whitelisting.
- Candidates will be reviewed by Lido analytical team (to filter out bad quality referrals based on previous staking history) with whitelisting taking effect after the approval.
- Proposed pre-approved candidates

for whitelisting from existing referrals:

Ledger, Argent, 1inch, Yearn, Mew, Math Wallet.

More candidates for pre-approved whitelisting from existing referrals wallets or protocols to be proposed in this forum thread.

## Motivation

As there is a huge potential in onboarding wallets and protocols as referrers from one side and problems with handling anonymous referrers (abuse cases, price peg destabilization, etc) from the other side, it's proposed to switch to a whitelisted mode where the referral program works only for approved referrals. That will help to onboard quality partners and reduce problem cases.

Whitelisted partners would allow integrating with reliable partners having a limited number of referrals that is easy to check and maintain, and which all contribute to the overarching goal of growing Lido TVL and usability of stETH. This would contribute to more effective spending of the referral reward budget and reduce maintenance costs.

Key integrations with whitelisted partners would grow the presence of Lido across the DeFi space and further enhance brand reputation.