

One validator suggested that a discussion be started around the topic of a minimum validator fee during the 2021 Q4 Validator Survey. The full report can be found at: [2021-Q4 Validator Survey Report](#)

This is a topic that was already discussed back in September '20 ([Commission Rates - The Race To The Bottom \(Floor Proposal\)](#)) but in the end did not lead to an implementation. Since then other chains have implemented such features, for example IXO, Juno, Chihuahua, and Osmosis.

The two previous governance calls did cover this topic and a good portion of the present validators seem supportive of a minimum validator commission. One of the main advantages seems to be that it would shift competition on the basis of higher returns to competition on the basis of added value. One of the main disadvantages would be that new validators have less ways to set themselves apart. Currently 68.7% of SCRT staked with 0% nodes is staked to the top 0% node (88.9% to the top three 0% nodes, out of ten 0% nodes), arguments were made that new validators thus do not benefit much from running 0% to attract early delegators. On the other hand, even a few thousand in delegations can currently make a large difference in the validator's ranking, which could in turn affect their ability to attract delegators.

If a minimum fee would be implemented it would probably be best to do so during an already scheduled hardfork and introduce it as a governance parameter.

The governance calls have not arrived at an agreement regarding what the limit should be, if there was to be one. 5% seems to be most popular, but arguments were made for 1% and 10% as well.

In this thread I'd like to trigger a discussion regarding a potential minimum validator fee, both from validators as well as from delegators. Do you think this should be implemented? And if so, how and what should the original limit be set at? Which pros and cons do you observe? Hopefully this will provide good input for next week's 'major' monthly governance meeting.