This is an open discussion thread on building a privacy-enabled, general purpose roll-up for Celestia, based on the work of FLAX.

Very roughly, FLAX proposes an anonymous token standard that can be thought of as "Tornado Cash" inside an ERC20, where

- users can un-shield, interact with DeFi contracts, then re-shield in one atomic transaction,
- users can anonymously enter into vault-based lending positions, similar to Maker vaults.

The project would involve modifications to EVM and its surrounding tooling infrastructure.

(sketched out in this <u>EthResearch post</u>), modifications / improvements on wallet clients to support viewing shielded accounts and constructing shielded transactions, as well as working with DeFi protocols to port projects to support "anonymous ERC20."