

Hi all,

Following up on this [poll](#) in the Mainnet-Validators channel a discussion around the current slashing rate of 1% being too high, as currently if a validator misses more than 2500 of 5000 blocks, the validator is taken out of the active set and penalized with a 1% of the stake, which includes the delegator stakes on that validator.

With 1% being a big percentage slash compared to other chains like Cosmos where the slashing rate is only 0.01% percent at the moment.

With the [Infrastructure Committee meeting](#) and the weekly [Governance call](#), a lot of Committee concerns were addressed and reasons put forward for the reduction of the slashing rate or taking out the slashing rate altogether.

Some of the concerns to reduce but having a respectable penalty:

- Security and stability of the network [@the-dusky](#) mentioned on the chat channel. This means the network is very less likely to get compromised when nodes go down.
- A bad party on the network does not get penalized. A bad validator can continue to be on the network and cause instability without getting penalized, even after several disconnects and down-network or a great number of missed blocks.

Some arguments put forward to reduce or remove the slashing of funds altogether:

- [@anon60841010](#) talks about the barrier of entry to the Secret Network when Secret Contracts goes live is already going to higher compared to other networks like Cosmos. With estimates a couple of thousands of USD to get working (SGX-enabled) hardware, for the network. Having a low slashing rate will incentivize small validators to continue to be on the network. Also with validators already spending big sums of money to secure the network, they would work even harder to keep uptime in order to not miss block rewards, rather than worry about penalization.
- I also talk about how this would enable decentralization as we can promote reliable home/office setups. Rather than centralized setups from data centers or cloud providers.
- This will not only benefit Validators but also delegators can delegate to small validators with little to no risk providing more stake spread across delegators.

This proposal will keep the active Double-Sign Penalty at 5% as that only shows the careless execution by a Validator as mentioned in Governance call.

Currently, the numbers that have the greatest percentage of votes segregated from Chat and Call Polls are listed in the poll below. We want to hear more from the wider community and see if this is a supported argument. Please share your thoughts with the % of the slash you agree with and cast a vote in the poll below.

- 0%
- 0.01%
- 0.1%
- 0.25%

0

voters

If we see a large percentage of agreed number we would like to move this to a on-chain proposal. If you disagree please comment and share your concerns!!