

GM Lido Community

As a LDO holder, let me start by saying that the continuous progressive and development by the Lido team has made investing in this protocol one of my best experiences.

In saying this, I'm still concerned over the lack of transparency regarding a plan towards permissionless withdrawals, which - in my eyes - is Lido's biggest potential point of failure.

To those who don't understand what I mean: in simple terms, Lido validators are instructed to sign the exit messages for staked ETH (back to those who have staked their ETH through Lido). In theory, a Lido validator could refuse to sign this exit message and essentially hold such ETH hostage - demanding a payout in order to release the tokens.

I'm well aware that the chance of this happening is practically zero, but I can see a situation where the ETH Withdrawals Period after the Shanghai Upgrade extends to over 30 days. Should this happen, the opportunity for FUD around ETH Withdrawals is high - and Lido could be one Twitter Thread away from CT panicking about Lido's permissioned withdrawals.

I have read Lido's recent [Withdrawal Design](#) and its use of the Buffer for withdrawals is excellent, but this doesn't fix the permissioned withdrawals issue if there isn't enough ETH in the Buffer.

Let me reiterate that the chance of this occurring is extremely low and I'm certain that the Lido Team is already three steps ahead in its plans to solve this issue. All I'm asking for is a better level of transparency and understanding, because failing to do so could result in unnecessary FUD that could temporarily damage the performance of the protocol (LSD liquidity, Staked ETH etc).

Kind regards,

RB