Discussion topic for community - MEV policy

In light of the recent announcement around the <u>Staking Router</u>, thought it'd be a relevant time to ask what folks thought about Lido's MEV policy as it relates to:

- 1. MEV relay provider "allow-list"
- 2. Censoring vs. non-censoring MEV relays (see <u>rated.network's Lido pool operator page</u> and also the <u>EthStaker community's list on censoring vs. non-censoring MEV relays</u>), and
- 3. Vanilla block building vs. MEV-boost enabled building

Context - why discuss this now?

While it is difficult to predict what exactly the operator set is going to look like once the Staking Router and DVT solutions like <u>SSV</u> and <u>Obol</u> go live, clearly it is fair to expect that the NO set for Lido will expand to encompass a broader diversity of actors, each with different sets of considerations.

Enough will change here in Lido that I think it is worth re-visiting some of the work the DAO has done in the past around MEV policy and how all of that fits into 1) the likely near-term composition of Lido and 2) the longer-term goals & ambitions for Lido as it relates to being a core part of the Ethereum ecosystem.

Won't offer up any strong POVs on my end for now and would welcome comments and further topics for discussion in this thread here.

Including below a couple relevant forum posts and the recent Lido announcement.

I'll also include SEC Commissioner Peirce's recent public statement on the SEC/Kraken staking situation. We can shelf the staking regulatory discussion for another thread if that's too much to tackle in a coherent way in one place, but it is difficult to fully explore this topic (aka how Lido will approach MEV) without touching on regulatory/censorship risk.

*edit: also including the Coinbase public statement on its staking services from 2/10/2023 for additional context, obviously not directly relevant to Lido

Relevant forum threads and blog posts

- [Proposal] Optimal MEV Policy for Lido June 2022
- <u>Lido on Ethereum: Call for Relay Providers</u> August 2022
- LIP-17: MEV-Boost relays allowed list for Lido September 2022
- Discussion Draft Lido on Ethereum Block Proposer Rewards Policy 2.0- Q4'2022
- Introducing Lido V2 Next Step In Decentralization February 2023
- Hester Pierce statement Kraken Down: Statement on SEC v. Payward Ventures, Inc., et al- February 2023
- Coinbase's staking services are not securities. And here's why. February 2023