Protocol Fees

For every swap that happens in a pool on Raydium, a small trading fee is taken. Depending on the specific fee of a given pool, this fee is split and goes to incentivizing liquidity providers, RAY buybacks and to the treasury. Standard AMM pools : For every swap in a standard AMM pool, a fee of 25bps is taken on the trade. From that, 22bps goes to LPs in the pool and 3 bps goes to RAY buybacks. Concentrated liquidity (CLMM) pools : The trading fee for each CLMM pool is set to one of four fee tiers; 100bps, 25bps, 5bps, or 1bp. Liquidity providers earn 84% of the trading fee for every swap in the pool, while 12% of fees are allocated to RAY buybacks and the final 4% to the treasury. Trading fees that are allocated to buybacks are used to programmatically buy RAY at frequent intervals. RAY bought from these fees is then sent to DdHDoz94o2WJmD9myRobHCwtx1bESpHTd4SSPe6VEZaz. The remaining 4% treasury fees from CLMM pool trades are auto-swapped to USDC and transferred to 6pJuA19E33AFdPh9oWkWY3u6yCdiqAm26AdcFJQBUhLU, which is controlled by the Squads Mutli-sig and used is to pay for RPCs. Standard AMM pool creation: Standard AMM pool creation incurs a fee of 0.4 SOL to prevent pool spamming and support protocol sustainability. These fees are collected by the account 7YttLkHDoNj9wyDur5pM1ejNaAvT9X4eqaYcHQqtj2G5, controlled by the protocol multisig, and reserved for protocol infrastructure costs. Last modified16d ago