

No Decay & Easy Liquidation

There's no need to fret about lock-up durations when staking your VCs. All lock-ups are treated the same and are effectively permanent. However, this doesn't mean your assets are trapped indefinitely. Unlike before, where the lock-up process was irreversible until the lock-up period ended, assets can now be easily liquidated at any time through a veVC-VC pair.

Moreover, fungible tokens inherently experience less slippage compared to NFT exchanges, allowing for more fair market price transactions. Consider a past scenario where, after locking up 100 worth of assets, selling them meant accepting a severe discount due to the difficulty of finding a buyer, despite the locked value being nearly fully recoverable upon unlock. Now, continuous and appropriately priced trading means you can buy and sell at full value consistently.

This creates a scenario where permanent lock-up and easy liquidation can coexist—a seeming paradox yet one that many protocols, including Velodrome, are evolving towards to simplify the liquidation of NFTs.

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