Introduction

User fees are collected at the settlement contract. In some cases, solvers are allowed to use this “buffers” of internal liquidity to avoid routing the order to a DEX or MM. Settlements with internal liquidity are beneficial to the protocol in the sense that they would cost significanlty less gas to excute. An example of a settlement that used internal liquidity can be seen [here

](https://etherscan.io/tx/0x640b764ca341599427c5a83e970fad4103af9b75432f7c249cdf490a23e82f86).

Currently, solvers are only allowed to use internal liquidity if the sell token is present in the following [list of whilisted tokens

](https://token-list.cow.eth.limo/). At the moment, there seems to be no specific rules to onboard or drop tokens from this list. This could lead to a situation in which the protocol accrues undesirable tokens. Fruthermore, solvers may be forced to settle orders via DEXs or MMs; which may be better served with internal buffers. For example, in this [settlement

](https://etherscan.io/tx/0xa8cd33ac500ad160b16bcd314b1f4c906083777bf856df2dd5ccf419900907f6) the solver had to ping an AMM to settle the order of a blue chip token with very small trade size. In that specific example, the solver had to make use of external liquidity because the token is not whitelisted.

Proposal

The proposal is to draft a set of rules to onboard new tokens on the list (e.g. total market cap, reputation, stable coins, …). The list could be updated periodically (weekly, biweekly, monthly) according to the newly defined set of rules.

Topics of Discussion

- What are the requirements for a token to be included in the list?
- How often should the list be updated?