

TL;DR

BGD will be submitting an on-chain proposal to renew the allowance of the Aave Safety Module to transfer AAVE from the Ecosystem's Reserve, in order to cover accruing claims of rewards.

Rationale

At the moment, the system of rewards distribution on the 2 components of the Aave Safety Module (stkAAVE and stkABPT) works the following way:

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How allowance to Safety Module works

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](https://europe1.discourse-cdn.com/business20/uploads/aave/original/2X/6/69fd4abf2fee238b8c99a5666657a34d8058b1ac.jpeg)

So, independently of the defined emission of rewards for stakers, which enables the accounting of how much rewards somebody accumulates over time, in order to claim those rewards, stkAAVE and stkABPT need to have enough allowance of AAVE from the Ecosystem's Reserve, to transfer the rewards from there to the staker.

This is a technical aspect, that allows having certain isolation between the Safety Module and the Ecosystem's Reserve, not allowing the first to have control (and forward risk) over all the funds on the second.

But because of it, it is necessary to periodically renew the allowance, because if not, even if the accounting of rewards continues normally

, stakers can't claim rewards temporarily.

At the moment, the allowance on stkAAVE is ~19'111 AAVE and on stkABPT ~1'088 AAVE.

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Allowance on stkAAVE

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Allowance on stkABPT

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Next steps

Given the nature of this AIP, not affecting any prior decision of the community, but potentially affecting really soon users trying to claim rewards, we will be submitting the proposal directly on-chain, without governance forum and Snapshot.

The proposal will include exclusively the extension of the aforementioned rewards.