

BUIP162: The BU Mining Reward Guarantee

Submitted on 2nd December 2020 by singularity

This BUIP is for the creation of an initiative aimed at reducing any real or perceived risk for miners running Bitcoin Unlimited. The goal of this initiative is to encourage the transition to a decentralised software model on Bitcoin Cash and improve the alignment of the incentives of Bitcoin Unlimited with that of miner's concerns.

Historically, Bitcoin Cash has operated under mining software homogeneity which is likely to be the major cause of the significant strife seen within the ecosystem. By allowing a single team to act as a bottleneck to all forward progress on BCH, the Bitcoin Cash network has not been able to see as many technological advancements as it should have. Giving so much control to a single team, or even a single person, has unfortunately pushed away amazing developed and other talented people within the ecosystem.

Changing Times

Fortunately, times seem to be changing. Thanks to the hard work of many within the community, we now have hope on the horizon for implementing a more effective development model that supports the balance required for decentralisation. The IFP tax was successfully rejected by the BCH ecosystem. In doing so BCHN is now the node exclusively used by miners to run the Bitcoin Cash network. While the current team of BCHN are all highly respected members of the BCH ecosystem, it is important that we use this window while it exists to regain balance in the governance model of BCH.

Regaining Governance Balance

These components of a sustainable and effective governance model won't simply materialise on their own. It is going to take significant amounts of hard work and good will from the whole ecosystem. We need to rebuild a more balanced system which promotes and makes use of a decentralised network.

The BU Mining Guarantee

The BU Mining Guarantee will provide a guarantee to all Bitcoin Cash miners and pools running Bitcoin Unlimited to produce blocks. Bitcoin Unlimited will replace any mining reward that is lost due to a bug in the Bitcoin Unlimited client.

For example, if a miner lost a single block due to running Bitcoin Unlimited they would receive 6.25BCH. If they lost two blocks in a row they would receive 12.5BCH.

This initiative will begin by being funded under BUIP026 which authorizes bounties for bugs discovered in BU since a bug resulting in a lost block certainly qualifies for the bounty program.

Bitcoin Unlimited is not providing this guarantee because the BCH Unlimited client is risky, but in fact the opposite. This will further align the incentives of the organisation with those of the miners.

Details

- The total budget available for this initiative is \$30k.
- This initiative will operate until either the budget is exhausted or until December 31st 2021, whichever is sooner. Further funding will need to be agreed by a further BUIP.

- Miners/pools can claim for a maximum of 3 blocks in a row.
- Miners/pools will be required to provide proof of the lost block caused by the BU client.
- The bug that caused the lost block must only exist within the official Bitcoin Unlimited client.
- To be covered by the Miner Guarantee, miners must contact a Bitcoin Unlimited official (President, Developer, or Secretary) to be provided with the final contract.

Bug Bounty

This guarantee is provided in addition to the existing bug bounty we have in operation, which was implemented in [BUIP026](#). The reward for a fault in the release version of BCH Unlimited is \$2000, regardless of how long the fault has been present. The reward for a fault in the dev version of BCH Unlimited is \$3000, provided the fault has been in the dev version for 60 days.

Summary

This initiative will help reduce any perceived risk in mining with the BCH Unlimited client, which we hope will help encourage mining software diversity. This will make Bitcoin Cash more robust and help make Bitcoin Cash governance more balanced. Bitcoin Unlimited's skin in the game will also be more aligned with that of the miners' and pools'.