[CVV007] Incentivized Testnet Proposal: Casper Network Testnet Rewards Program (Feb 01 - June 30, 2026)

Background

This is a follow-up proposal, meant to be an iterative improvement on top of the proposal: https://forum.casper.network/t/cvv004-incentivized-testnet-proposal-casper-network-testnet-rewards-program-aug-01-dec-31-2025/1514

Initial goals

1. A Testnet that more closely resembles an aspirational version of Mainnet, with a healthy mix of TTL and Genesis nodes, validating and non-validating.
2. No more "black box" performance tracking - the only performance metric that will be used is entirely on-chain, and verifiable
3. Fair and predictable compensation
4. No more Sybil's
5. Fair access to participation
6. Better enable one of the primary use cases of Testnet: allowing mainnet validators to test their set-ups, get access to releases prior to mainnet activation and optimize their mainnet service in a "risk-free" environment

Constraints

1. The budget is set as ~half the previous term, to support long term sustainability of the program.

2. The quarterly cadence is set.
3. While the protocol is permissionless, the Testnet Program is not. This proposal provides for equal opportunity of access to anyone, but doesn't guarantee access as an inalienable right to anyone. The number of quarterly incentivized participants will be capped at 50 validators and 5 backup validators (full nodes).
4. All Mainnet validators are encouraged to run a Testnet validator to test upgrades, validate tooling and configurations, and identify issues early, helping ensure a stable and secure Mainnet. Ways to showcase such contributions will be explored with certain ecosystem partners.

Improvement suggestions from the community

1. Remove the guaranteed Mainnet validator spot clause to simplify the program since only 1 validator has been using it recently.
2. Simplify & enhance the end-of-quarter reporting to avoid cluttered/ repetitive reports posted on no-visit/invisible URLs.
3. Give priority to contributors of the network.

The Proposal

Overview:

The previous half-year Testnet Rewards program was extended by 1 month, until the end of January, with the same rules and with the same set of participants. Now the Casper Network introduces a follow up period of Testnet Rewards Program for the 5-month period from February 01, 2026 to June 30, 2026.

Program Structure:

1. Application Process:

Application Deadline: January 28, 2026 (23:59 UTC)

Application Platform: Validators must apply via an online form, collecting the following:

- Name and Surname
- Email Address
- Cryptographic Signature (used for email verification)
- Up to 3 Public Keys for the validator
- Type of Validator Preference:
- TTL Node (Time to Live)
- Full Archival Node
- Any (if the applicant is open to either type)
- Basic Questions testing knowledge of official validator documentation.
- Telegram Username
- Social media (preferably Twitter/X) Profile Link
- Contributions
    - This will be an optional free-text field for the submitter to provide relevant info, links etc regarding their contributions to the network, such as but not limited to, developing and sharing tools and docs for the community, finding and reporting bugs, helping fix bugs etc.
    - Filling this field with spam content may result in immediate disqualification.

Lottery Selection:

- The lottery will take place on January 26, 2026, using an online tool or on-chain contract for transparency.

- Up to a total of 50 validators and 3 full nodes will be selected, after filling up-to-5 TTL validator spots with contributors based on the info they provide on the form and evaluated by the management.
    - The final decision is up to the management regarding the reserved 5 spots, but the contributors, along with their submitted contributions text, will be publicly shared, and they should be ready to explain their contributions to the community if needed.
- If the number of applications is insufficient, an additional lottery may be held among the same applicants to fill the vacant slots.
- If the number of the applicants for TTL nodes are more than 50, 10 additional public keys will be selected through lottery, to fill the vacant spots in case of KYC failures during the onboarding of the originally selected TTL validators, or in case of need later on during the rewarded period. (Validator candidates are not required to start their nodes until they are called for duty, and they will not be rewarded while waiting in the candidates queue.)
- If the number of applicants is low to allow placement of all of them into vacant slots, then there will be no lottery, but manual placement.
- Both manual and lottery placement will give priority to choices in this order: 1st choice > 2nd choice > 3rd choice.
- Each applicant has a chance to be placed with only 1, or 2 or all 3 of their choices based on the pool of the applicants.

KYC Verification with Video-Based Liveness Check:

- Selected validators will undergo KYC verification, including a video-based liveness check, from January 26 to January 30, 2025.
- Incorporated parties may be offered the KYB option as well, based on the feasibility and availability of the operational tooling. Please indicate your status and wish to go through KYB immediately after the lottery, by sending an email to casper-testnet@make.services, no later than 24 hours after the announcement.
- Node operators who passed KYC during the previous term will not need to go through KYC again if they register with the same primary (first choice) public key and the same email address as before.

- Every applicant has 3 attempts with their invite links to pass KYC. There will not be additional invites for failed KYCs, and the applicant who fails KYC will be disqualified.

2. Incentives and Node Categories:

Nodes will be divided into the following categories:

- 3 Full History Nodes (Archival Nodes): Node operators maintaining historical data are eligible for EUR 200 per month, provided they give proper responses to random checks through the RPC and or the SSE ports for existence and availability of historical data. These nodes will serve as data keepers of the network, and will not be in the active validator set. They will have their 7777, 8888, 9999 and 35000 ports open to public with LIMIT firewall rule.
- 50 TTL (Time to Live) Validators: Validators maintaining standard nodes are eligible for EUR 100 per month with 98% or higher on-chain monthly performance.

Reward Distribution:

- Rewards will be distributed quarterly. Node operators maintaining required performance throughout the quarter can earn up to EUR 600 (Full History Nodes) or EUR 300 (TTL Validators).
- Partial Rewards: Validators who lose eligibility due to low performance, or full archival node operators due to lacking data availability requirements, may still receive partial rewards at the end of the quarter, based on their time in the eligible set. (Examples: 1 month of participation will result in 100 EUR of rewards for a TTL validator, 2 months of participation will result in 200 EUR of rewards for a TTL validator, and so on...)
- Nodes which lose eligibility due to low performance will be removed from that quarters active set, without losing their partial rewards, which will be paid at the end of the quarter.
- There will be at least a 24-hour grace time for nodes which suffer from unexpected issues, provided that they ideally spot the issue on their own, actively work to fix the issue, keep the community informed, and share their experience with the other node operators

transparently. Failures due to poor operation or lack of attention are not included in this case.

- No Rewards for Disqualification: Validators disqualified for violating the Testnet Community Code of Conduct or engaging in malicious behavior will receive no partial rewards.
- Every participant must monitor the health and performance of their nodes at all times, intervene in a timely manner when needed, report issues along with relevant logs to Casper Association by submitting support requests on [Casper Community and Governance Forum](), and follow the official announcements in the [Casper Testnet Announcements]() channel. The participants are expected to be active and responsive in the [Casper Testnet Participants]() group as well.
- Participants are encouraged to prepare and publish blog posts, docs, and guides to share their knowledge and experience with the Casper community and the wider crypto-sphere. They can later include these in their form submissions as contribution.

3. Validator Requirements:

- Validators must meet specific technical standards, including open ports and servicing random historical blocks (for Full History Nodes). These requirements will be verified by various tools. Performance will be measured entirely on-chain, ensuring fairness and transparency.
- TTL nodes assigned as validators must keep their gossip ports open, and others closed to the public (with an exception for the Casper monitoring tool). Archival nodes must keep all of their ports open in a limited fashion.
- Archival node operators are required to submit their nodes' IP addresses to the Testnet management, and inform the management immediately if they need to change their IP addresses. Their nodes' liveness will be checked based on the submitted IP addresses.
- The [recommended hardware specifications]() can be found on the official documentation.

- All node operators are required to keep their status (8888) port open to the Casper Community Grafana Dashboard in a LIMITed fashion.
- Node operators may be invited to a private Telegram group for instant communication and collaboration through the quarter, in case of need for tighter cooperation. All operators are required to join and be responsive in such groups, which may be deleted at the end of the term.

4. Program Budget:

The total budget for each quarter is EUR ~18,000, designed to support high-quality participation while managing costs.

Public Key Submission Limits:

Validators must meet the following requirements for public key submission (for their primary key): - Minimum 3 non-transfer deploys on the Mainnet. - At least CSPR 1,000 total balance (staked or liquid) on the Mainnet.

Anti-DoS Measures:

To prevent abuse of the application process, the following anti-DoS measures will be in place:

1. Cryptographic Signature: Validators will provide a cryptographic signature for email verification to ensure authenticity.
2. One submission per email on the form with a sign-in requirement.
3. Knowledge-Based Filtering: Applicants will answer basic questions from the [official validator documentation](#) and the [Testnet Installation Instructions](#), along with basic Linux commands, to ensure they have the necessary knowledge to operate a node.
4. KYC and Liveness Check: All selected validators will undergo KYC verification with a video-based liveness check to confirm their identity. Applicants who fail the KYC process will lose eligibility, and will be removed from the program.

Program Feedback Period

At the end of every quarter, there will be a feedback period of at least 1 week where the participants of that ending quarter can share their opinions and make improvement suggestions about the program. This may include polls, and open discussion topics on the Casper governance and community forum. The feedback collected through this period will be input to the next proposal of Testnet incentives.

Timeline:

- Application Deadline: January 28, 2026
- Lottery Selection and Announcement: January 29, 2026
- KYC Verification (with liveness check): January 29 to January 31, 2026
- Incentivised Testnet Operation Period: February 01 to June 30, 2026
- Reward Distribution: Rewards will be distributed quarterly, starting in April 2026.

Proposal Lifecycle

- **Stage**: Pre-voting
- **Voting Options**
- **For**: Support the proposal.
  - 011de3a86cd71d98a83bddf57384e1a0c3b4ea5be696fcbd6fa9a80b3cdcf39
- **Against**: Oppose the proposal.
  - 0118c145c88386f6cf0dd12c30702742013ab23260253e8748f620dd31c27c
- **Abstain**: No opinion.
  - 015dc16c2072eaf747f559385ee0ac277fbf91ab87b536da8c5bb6177940e83
- **Voting Starts**: ~17:22 UTC, January 23, 2026 (at block height 6411525)
- **Voting Ends**: ~17:22 UTC, January 26, 2026 (at block height 6443925)

How to vote: - A voting token, with a total supply of 100.00, for the proposal will be created, and distributed to Mainnet validators based on their network weights as of era 21033. - Voting token contract: TBD -

Make your decision and send all (recommended) voting tokens to one of the corresponding addresses below. - For: 011de3a86cd71d98a83bddf57384e1a0c3b4ea5be696fcbd6fa9a80b3cdcf396de - Against: 0118c145c88386f6cf0dd12c30702742013ab23260253e8748f620dd31c27ccadb - Abstain: 015dc16c2072eaf747f559385ee0ac277fbf91ab87b536da8c5bb6177940e833ac

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Evaluation of the results: - Quorum ratio: +50% network weight (>50.00 tokens, including the abstains) - Decision threshold: Simple majority (+50% of participating weight, excluding the abstains) - Example: - For:35.00, Against: 25.00, Abstain: 15.00 - Quorum reached with 75.00%, proposal accepted with ~58.33%

- The feedback collection & discussion topic: https://forum.casper.network/t/proposal-idea-incentivized-testnet-proposal-casper-network-testnet-rewards-program-feb-01-june-30-2026/1558
- The final proposal topic: https://forum.casper.network/t/cvv007-incentivized-testnet-proposal-casper-network-testnet-rewards-program-feb-01-june-30-2026/1560
- Proposal on IPFS for reference: TBD