



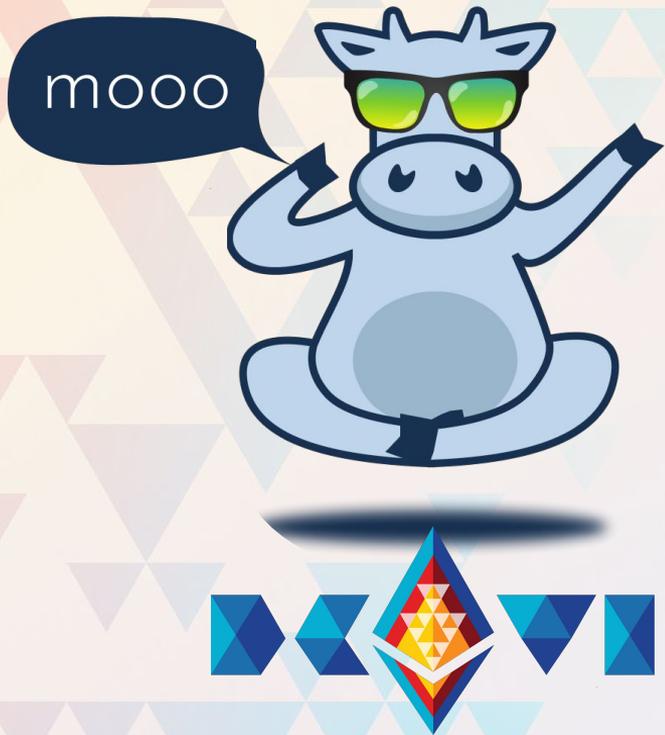
# The Fight for MEV

Optimizing transactions through batch auctions

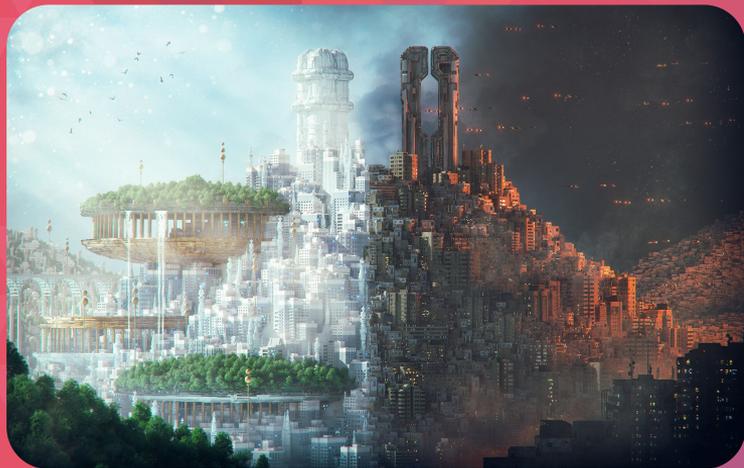


Alex Viñas  
Marketing @ CoW Protocol





- MEV, the good the bad and the ugly
- What is CoW Protocol
- Maximization vs Minimization  
Flashbots vs CoW Swap
- Where are we heading?  
Enter CoW-Builder



MEV, the good the  
bad and the ugly

# What is MEV?

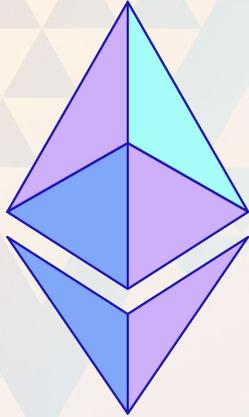


**Maximal**  
~~Miner~~ Extractable Value:  
The Biggest Thorn in DeFi



“Maximal extractable value (MEV) is a measure devised to study consensus security by modeling the profit a miner (or validator, sequencer, or other privileged protocol actor) can make through their ability to arbitrarily include, exclude, or re-order transactions from the blocks they produce.”

# Where does MEV come from?



## Execution Layer

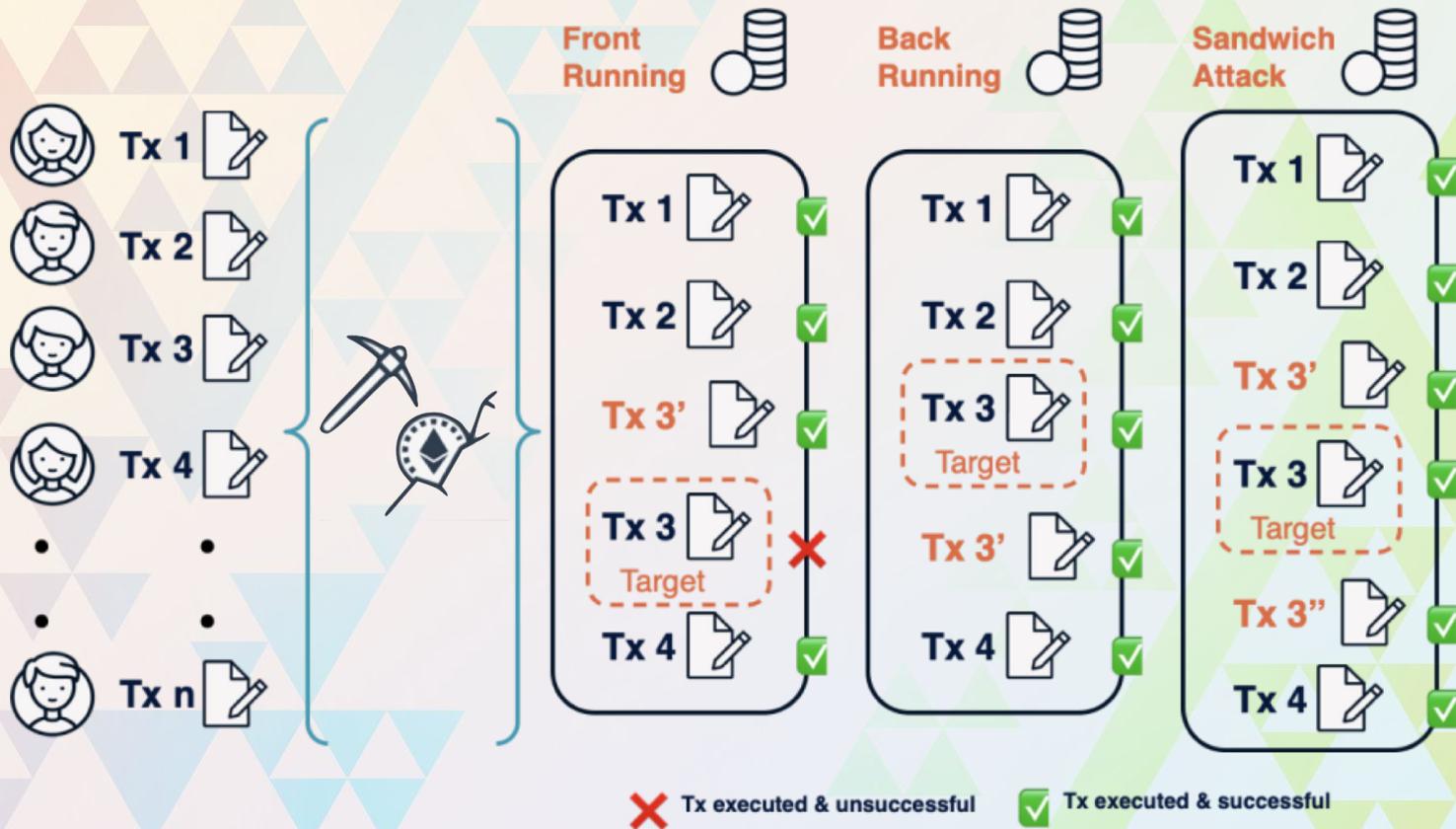
Block  
Producers



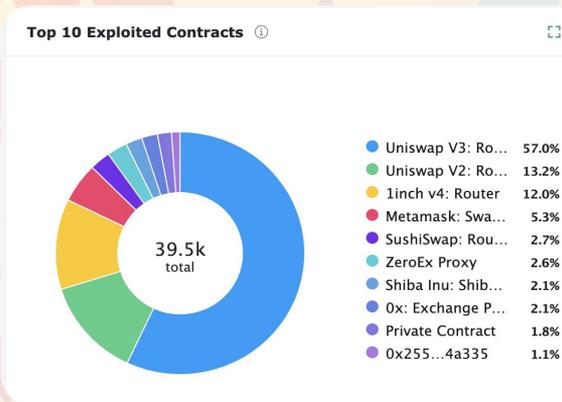
## Application Layer

- Trading Mechanisms
- Onchain vs Offchain (latency arbitrage)
- Are prices truly as atomic as the txs?

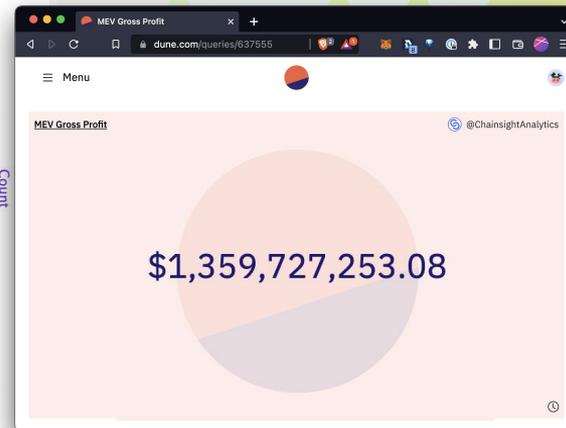
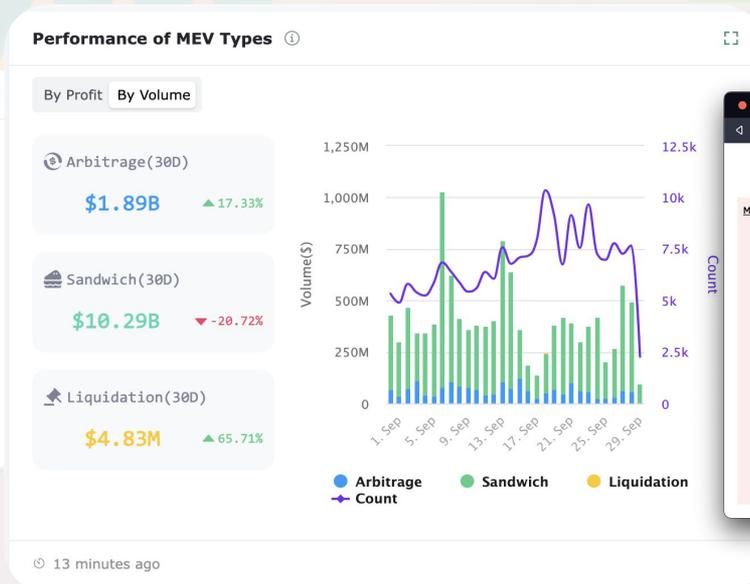
# MEV meaning in DeFi



# How damaging is MEV in DeFi ?



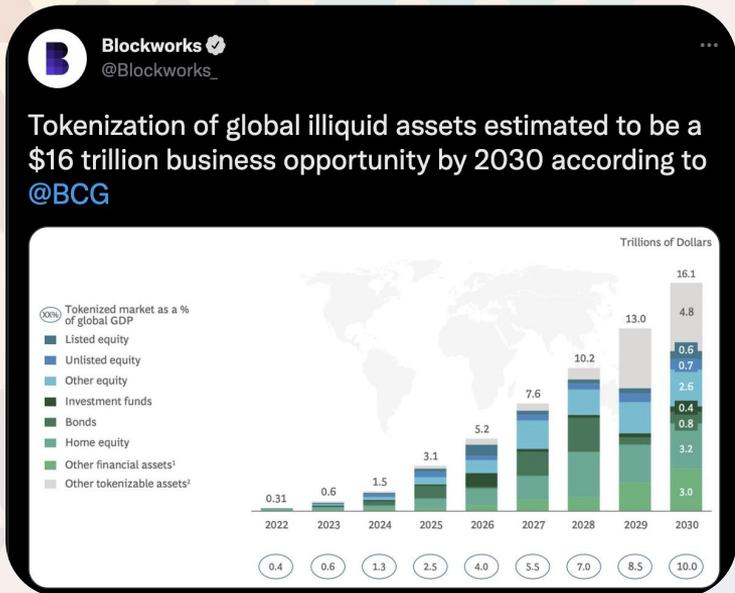
<https://eigenphi.io/>



<https://dune.com/queries/637555>

People can argue that MEV is finding the market price efficiency but taking advantage of users to give them worse prices is no hunt for efficiency in the market at all.

# Will the world computer be regulated ?



“Regulatory bodies around the world need to establish whether value extraction by miners constitutes illegal activity.”



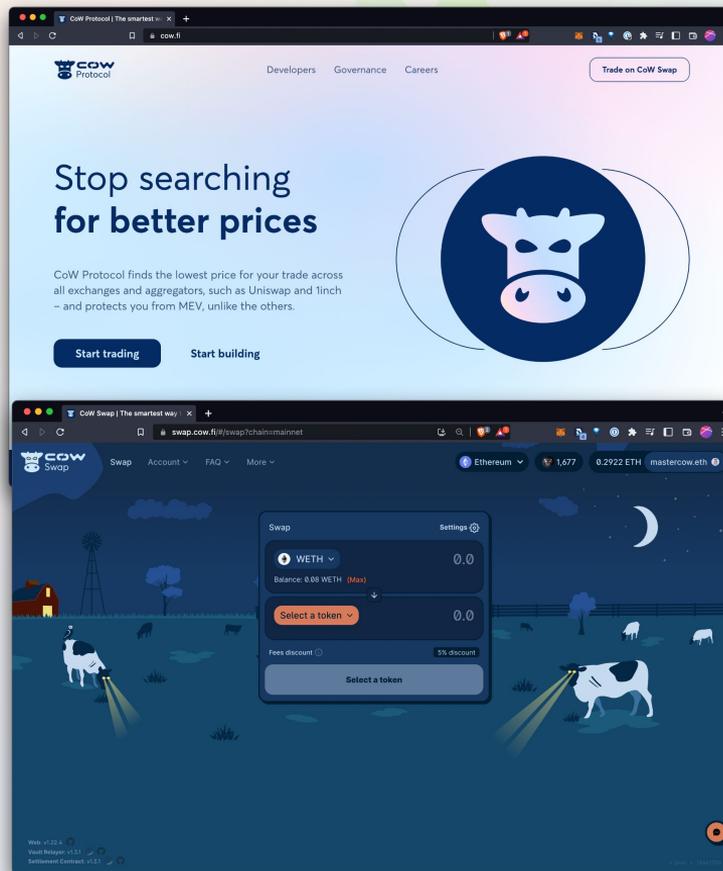
**COW**  
Protocol

**What is CoW Protocol?**

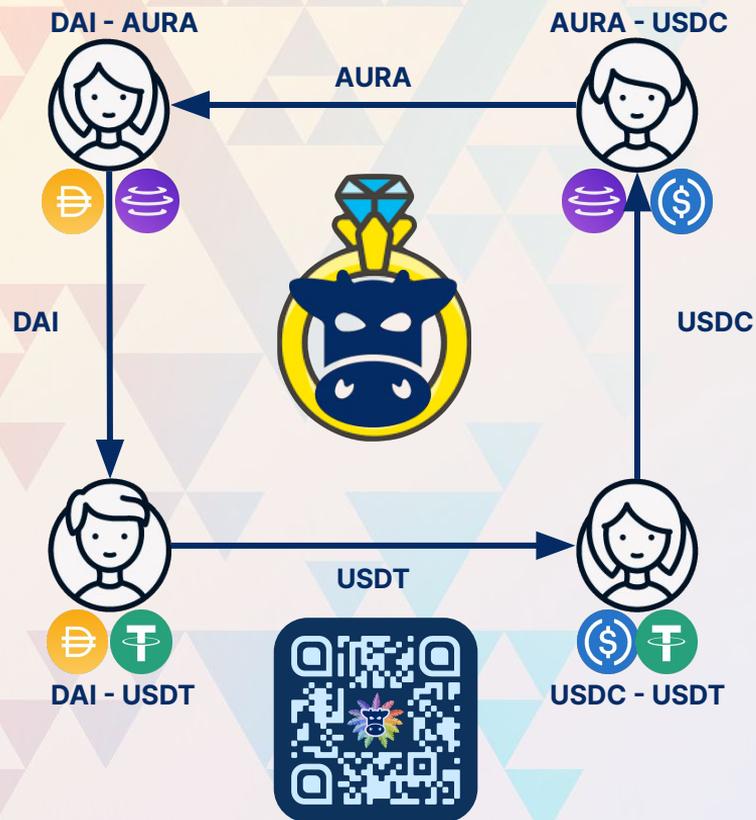
# What is CoW Protocol ?



- Protocol for **swap.cow.fi** (formerly **coswap.exchange**)
- Batching allows us to:
  - Structurally better prices due to CoWs
  - Meta DEX Aggregator
  - MEV Protection
  - Gasless Swaps



# How can CoW Protocol reduce MEV onchain through batch auctions?

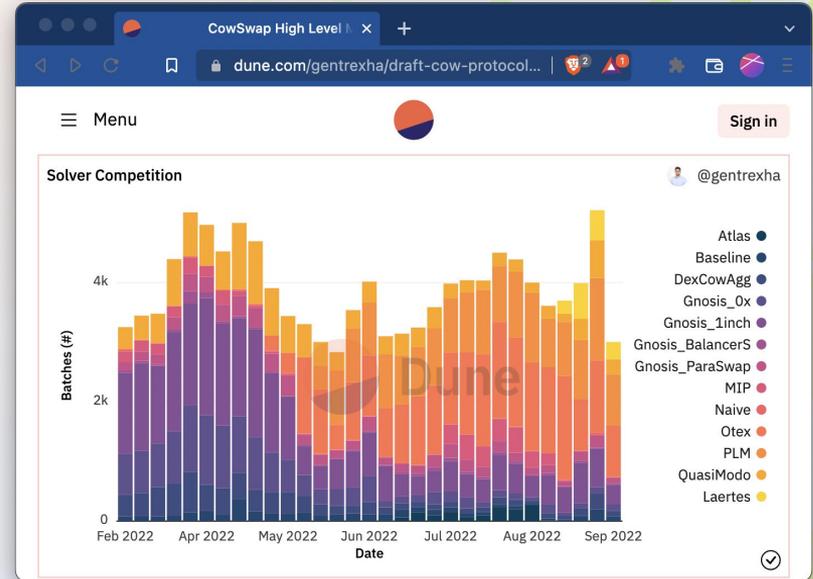


- Execute CoWs **“Coincidence of Wants”**  
(No need trade against a LP pool)
- Break ordering dependence by having a **single price per asset per batch.**
- **Multi-dimensionality** of the auction **re-aggregates the fragmented liquidity** space via ring trades.

# Competition for MEV Minimization



- Single Order Solver (1 inch, 0x, Paraswap, Baseline)
- Batched (CoW) DEX Aggregator solver
- Mixed Integer Programming (MiP) Solver
- Quasi-Linear Solvers (Quasimodo)





# Maximization vs Minimization

## Flashbots vs CoW Protocol

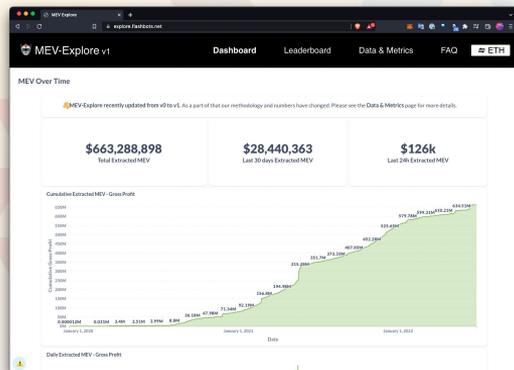




COW  
Protocol

# Flashbots - Goals & Mission

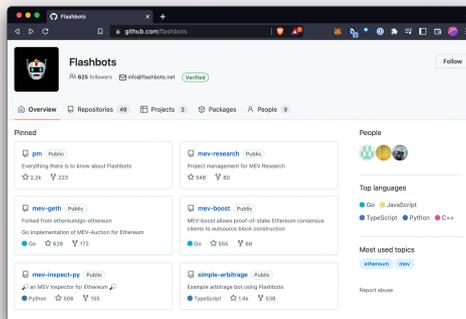
Illuminate the  
dark forest



Democratize  
Extraction



mev-boost



Distribute  
Benefits



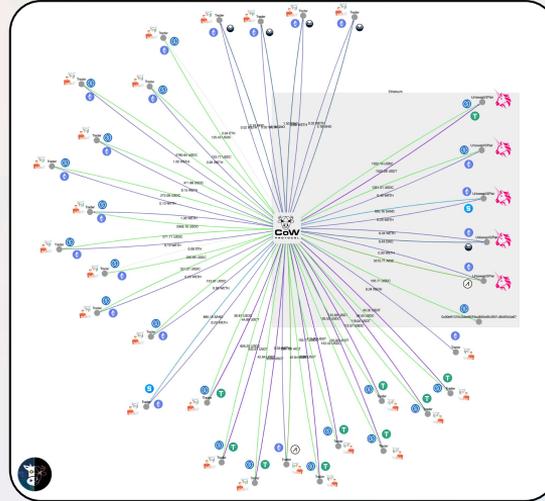
# CoW Protocol - Goals & Mission



Protection from the dark forest ✓



Avoid Extraction ✓



Distribute Benefits ✓



# How are they different?



**Key Metric:** Reduction of MEV

- Democratize MEV Protection
- Reduce AMM interactions
- Rules → more money to user, less MEV, higher chances of winning



**Key Metric:** Extraction of MEV

- Democratize MEV Extraction
- Maximize Slippage Tolerance
- Rules → more money to validator, less money to user (more MEV), higher chances of winning



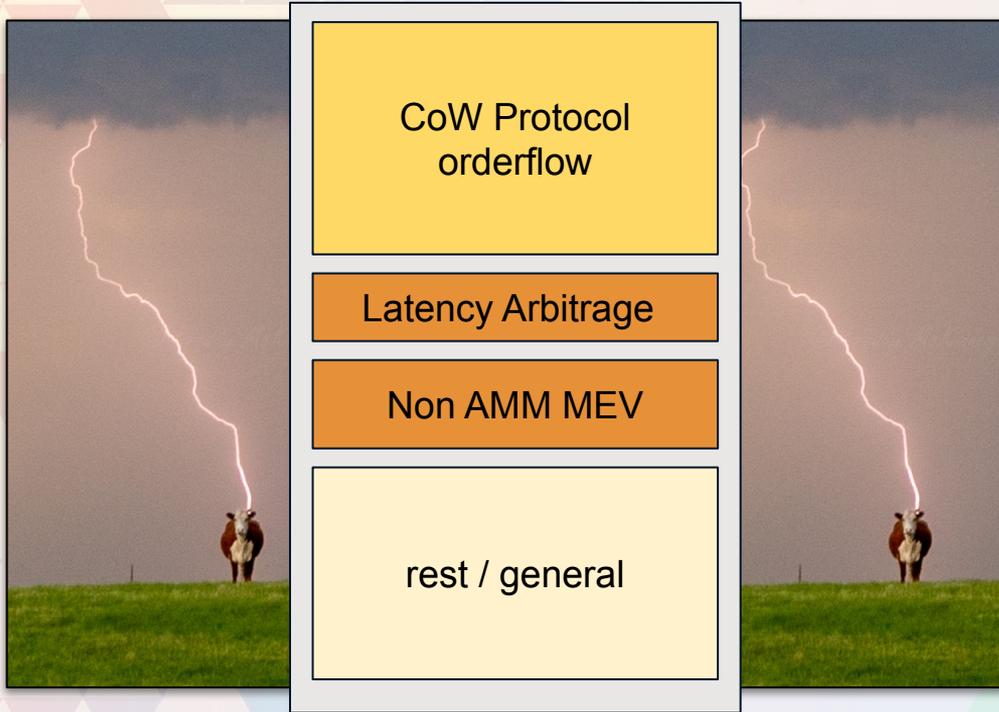
**Where are we heading?**  
Enter the CoW - Batch Builder

# What is the future of Dexes?



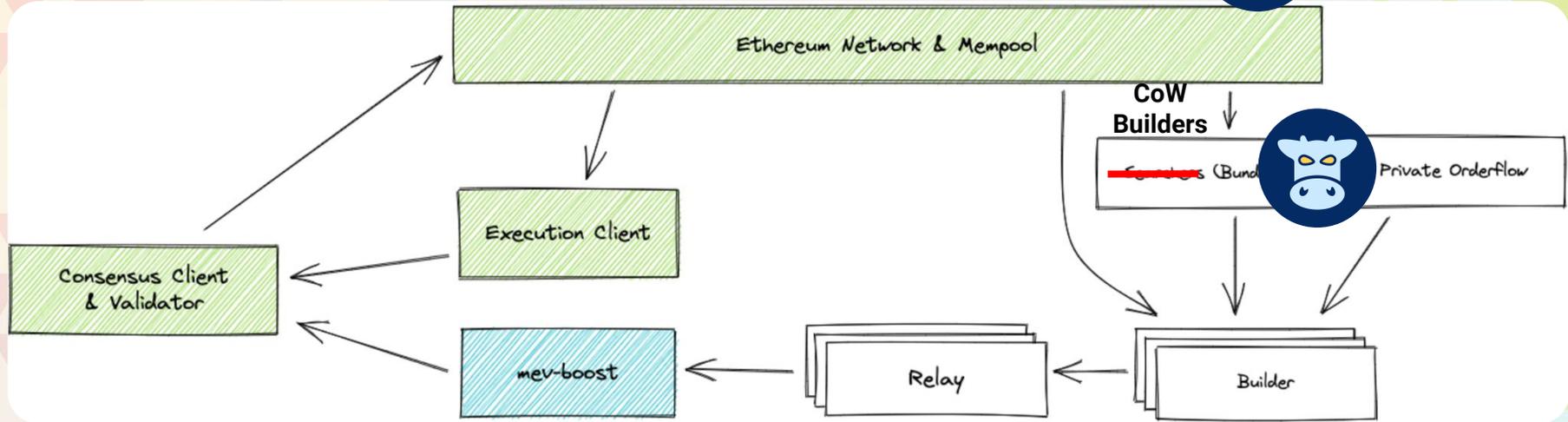
- Focusing on fairness & Cost improvement
- Offers MEV protection
- Users are at the center of it
- Abstract users from complicated tech

# What does the future of finance look like? (I)



- **CoW Batch Builder** - the 1st tx of each block is CoW Protocol is the batch auction settlement.
- Focus on real market efficiency
- Combination of the utopian side of flashbots + CoW Protocol

# What does the future of finance look like? (II)



If searchers focus on combining the utopian side of flashbots with CoW Protocols, they can shift their revenue stream from hurting users by arbitraging them to a revenue stream of maximizing value to the users.

Will the market fix MEV?

Help us build **the future of finance**



**GitHub**

[@cowprotocol](#)



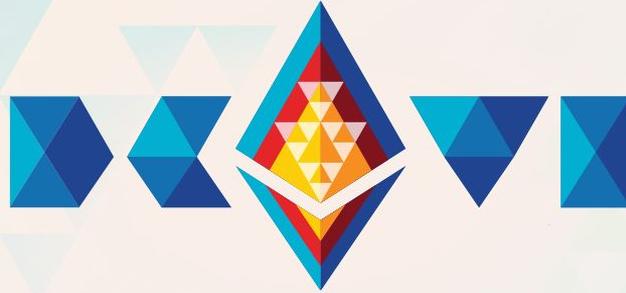
**Open positions**

[cow.fi/careers](#)



**Twitter**

[@CoWSwap](#)



Thank you!



**COW**  
Protocol



**COW**  
Swap



@VinyasAlex