Staking Rewards

Staking rewards are designed to rewardValidators andStakers (=Delegators). The sources of staking rewards are trading fees and gas fees collected by the protocol.

The protocol uses theCosmosSDK's x/distribution module(opens in a new tab) to allocate the accrued trading and gas fees toValidators andStakers .

All trading fees (USDC) and gas fees (USDC andNATIVE_TOKEN) collected by the protocol are accrued and distributed within a block. Specifically — for each block, the fees generated are collected infee_collector module account and then sent to thedistribution module account in the following block. Then, thecommunity_tax andvalidator_commission are subtracted from the collected pool and the resulting amount will be distributed toValidators andStakers in accordance with their staked token amount.

Note thatStakers must claim the rewards manually. Unclaimed rewards will remain in the distribution module account until they are claimed.

Details

Staking Rewards = fee pool * (# of delegator's staked tokens / total # of staked tokens) * (1 - community tax rate) * (1 - validator commission rate) The details of how the Staking Rewards are calculated can be found in theCosmosSDK's x/distribution documentation(opens in a new tab) .

Parameters

The current configuration and parameters can be found by querying the network. * x/distribution: community_tax * : specifies the proportion of fee pool that should be sent tocommunity_treasury * before staking rewards are distributed. This value can be configured via gov. * x/staking: validator_commission * : specifies the proportion of the staking rewards that a given validator will take from delegator's reward. This is configured per validator and can be updated by the validator.

SeeCosmosSDK doc(opens in a new tab) for details.

Overview Trading Rewards