

Staking Rewards

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

The protocol uses the [CosmosSDK's x/distribution module \(opens in a new tab\)](#) to allocate the accrued trading and gas fees to Validators and Stakers.

All trading fees (USDC) and gas fees (USDC and NATIVE_TOKEN) collected by the protocol are accrued and distributed within a block. Specifically — for each block, the fees generated are collected in the fee_collector module account and then sent to the distribution module account in the following block. Then, the community_tax and validator_commission are subtracted from the collected pool and the resulting amount will be distributed to Validators and Stakers in accordance with their staked token amount.

Note that Stakers 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 the [CosmosSDK'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 to community_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.

See [CosmosSDK doc \(opens in a new tab\)](#) for details.

Last updated on May 29, 2024 [Overview Trading Rewards](#)