

Delegating on Cosmos: A Comprehensive Guide

Key Features

Blockchain Overview

Launched in March 2019 with its native asset, ATOM, Cosmos stands out as a network of interconnected blockchains that are independent yet easily interoperable. It introduced the innovative Hub and Spoke Architecture and is known for utilizing the Tendermint protocol first. Within the Cosmos ecosystem, blockchains are predominantly developed using the Cosmos Software Development Kit (Cosmos SDK), which aids in crafting custom application-specific blockchains, promoting the development of a diverse and interconnected blockchain ecosystem.

Block Time and Fee Structure

- Block time ranges from 6.1 to 6.4 seconds.
- Transaction fees are distributed between the block proposer, validator and delegators in the staking pool

Delegating Overview

Minimum Stake

- No minimum stake, but only the top 180 validators with the most bonded (delegated) tokens are in the active set for each block.

Warm-up/Bonding Periods

- Rewards start to generate immediately when the staking transaction is complete, and the delegation becomes active.



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Delegating Overview [Cont.]

Cool-down/Unbonding Periods

- After initiating an unbonding transaction, there is a 21-day unbonding period during which rewards are not generated.
- Partial withdrawal of delegation is possible.

Rewards Overview

Reward Structure Highlights

- Rewards are influenced by the inflation rate and bonded ratio.

Payout Timing

- Delegators must manually claim their rewards, and there is no unbonding period for rewards.

Compounding rewards: No

Expected APR: ~19.23%



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Slashing Overview

Slashing Possibility: Yes

Causes of Slashing

- Double signing: If a validator signs two blocks at the same height on two interconnected chains and they share a common ancestor, the validator is slashed by 5% on the chain where the double signing occurred.
- Downtime: If a validator misses more than 95% of the last 10,000 blocks (approximately ~16 hours based on a block production rate of ~6 seconds), they are slashed by 0.01%.

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