

Delegating on The Open Network: A Comprehensive Guide

Key Features

Blockchain Overview

The Open Network (TON), initiated its mainnet in May 2020, is a blockchain platform developed with the intention of providing cross-chain interoperability on a secure and scalable basis. TON claims the capacity to handle millions of transactions per second (TPS), targeting a broad user base. Structurally, the network is composed of a master chain and the potential for up to 2^{32} workchains, a framework that aims for high operational throughput. The platform's transactions and various forms of digital interactions are managed through its native cryptocurrency, known as TON.

Block Time and Fee Structure

- Block time: 2-5 seconds
- 1 period = A 9 hour election period, followed by an 18 hour validation period, and then a 9 hour holding (for penalties and slashing review) period.
- Fee structure: All fees are calculated in Gas, a special currency for fees in TON. The transaction fees are a fixed amount of gas but gas itself has a variable conversion rate to TON. 50% of transaction fees are burned.

Delegating Overview

Minimum Stake

- For both a dual-pool structure and single-pool structure, the minimum stake per pool is 300,000 TON. However there can be a maximum of 400 validators in the active set and so the minimum amount to be in the active set is dynamic. This is currently around 490,000 - 510,000 TON.
- The maximum stake per delegator per pool is 10m TON, however only 1.8m TON will be actively earning rewards.



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Delegating Overview [cont.]

Warm-up/Bonding Periods

- Bonding is immediate, however, to earn rewards for the next cycle funds must be staked before the start of that cycle's election round. Any staking activity after the election round has started will earn rewards in the next cycle.

Cool-down/Unbonding Periods

- A withdrawal message can be sent at any time in the cycle however funds can only be withdrawn fully after the holding period has elapsed.

Rewards Overview

Reward Structure Highlights

- The rewards earned by a validator/delegator are dependent on a number of factors: block time, the number of validators, voting weight of the validator, transaction fees and the number of masterchains/basechains.

Payout Timing

- Accrued rewards are auto-compounded; therefore, a delegator must unbond any funds they wish to withdraw from the pool.

Compounding rewards: Yes

Expected APY: ~3.8-4.0%



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Slashing Overview

Slashing Possibility: Yes

Causes of Slashing

- If a validator does not participate in block creation and transaction signing for a significant amount of time during a validation round, it is potentially fined the Standard fine amount of 101 TON however this is variable and decided by other validators to ensure it matches the severity of the misbehaviour.

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