

Delegating on Avalanche: A Comprehensive Guide

Key Features

Blockchain Overview

Launched in September 2020, Avalanche features AVAX as its native asset and places a significant focus on scalability and near-instant transaction finality. The network is structured with three distinct chains to manage different aspects of operations. The Exchange Chain (X-Chain) is primarily used to create and trade AVAX tokens and other assets under standardized rules. The Contract Chain (C-Chain) manages the network's smart contracts, and the Platform Chain (P-Chain) is where validators stake their AVAX to secure the network. This multi-chain approach underpins Avalanche's commitment to creating a versatile and user-friendly blockchain ecosystem

Block Time and Fee Structure

- Transactions are confirmed within 1 second, with transaction finality around 750 ms.
- All transaction fees are burned

Delegating Overview

Minimum Stake

- Minimum stake: 2,000 AVAX.
- There is also a maximum stake of the minimum of (3M AVAX or 5x the initial stake)

Warm-up/Bonding Periods

- Delegations are active and earning rewards immediately.



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Delegating Overview [Cont.]

Cool-down/Unbonding Periods

- The cool-down or unbonding period aligns with the chosen staking duration (e.g., a minimum of 2 weeks to maximum of 1 year).

To note On Avalanche delegations must be committed for a specific period of time. The minimum delegation duration is 2 week and the maximum if 1 year. Once a staking duration has been committed to for a delegation it cannot be changed.

Rewards Overview

Reward Structure Highlights

- Rewards are influenced by the stake duration, current supply, uptime of the validator and inflation rate.

Payout Timing

- Rewards are paid out after the chosen bonding or staking duration, as long as the staking duration and threshold of validator uptime is met.

Compounding rewards: No

Expected APR: 5.65%/ 6.72% representative of a 14 days/ 1 year staking duration

Slashing Overview

Slashing Possibility: No slashing. Validators who reject a vertex experience missed rewards, but there is no slashing mechanism in place.



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