

What is staking

Staking is a process in certain types of cryptocurrency networks. mostly those who use a PoS mechanism.

How does it work?

1. Locking up crypto assets: User will transfer their cryptocurrency to a wallet and lock it up so they can participate in the network
2. Validating Transaction: By staking the coins, the users can help to validate transactions on the blockchain. its pretty similar to mining in PoW systems, but it doesnt need the same amount of computational power
3. The rewards: By staking your cryptocurrency, you can earn rewards, its very similar to earn interest in a savings acc. The rewards for staking are mostly given in the form of additional cryptocurrency

Staking serves two purposes its helps to secure the blockchain by making it costly for validators to act dishonestly. and it provides an opportunity for stakers to earn some passive income from holding there currency