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Coinbase Wallet Miner Fee: Everything You Need to Know

The biggest problem [crypto](#) investors face right now is the high gas fees. While not as bad in early 2021, matters quickly worsened as the cryptocurrency skyrocketed in popularity. Now, people are trying to buy and sell cryptocurrencies, while many [blockchain](#) networks are straining under this new demand for transaction bandwidth. It's a similar story on [Coinbase](#), with merchants also paying mining fees to process their transactions. While no one likes to pay fees, they apply regardless of which exchange you use, they just call fees by different names.

In this article, we're taking a closer look at the coinbase wallet miner fee, why are the coinbase wallet miner fees so high? and everything you should know about it.

Coinbase Miner Fees Explained

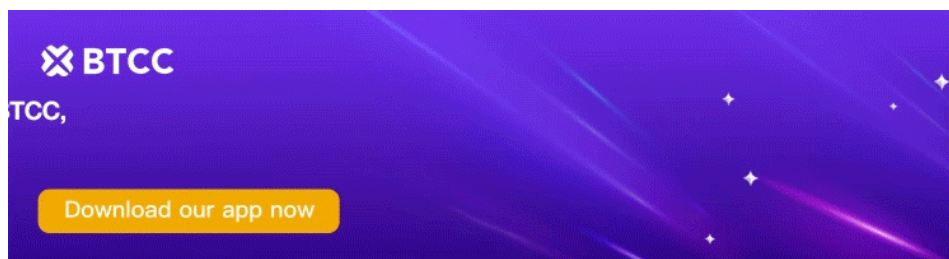
If you look at the Coinbase website, you will see that mining fees are a way to process transactions on the exchange. In particular, all outgoing transactions require a mining fee to be processed. While the platform used to collect these fees on behalf of its customers, Coinbase has changed this policy to now disclose in advance how much you will pay for a particular transaction.

In order to ensure that transactions are processed on the crypto network, transactions sent to external cryptocurrency addresses are typically subject to "mining" or "network" fees. These fees are paid to cryptocurrency miners, which are systems that deal with transactions and protect the network respectively. Coinbase pays these fees directly. Therefore, Coinbase will charge based on our estimate of the online transaction cost for wallet-to-private wallet sending. Any fees we charge will be disclosed when you trade. Coinbase does not charge a network fee for cryptocurrencies transferred from one Coinbase wallet to another.

As cryptocurrencies begin to gain wider adoption in applications such as [DeFi](#), payments, and other projects, networks are now busier leading to longer wait times and higher fees as users compete to confirm their transactions faster.

Mining fee is just a fee that Coinbase users have to pay. There are also often small transaction fees, usually several dollars per transaction. There are also credit card fees, around 2% per transaction. This tends to be the largest Coinbase-specific fee a user has to pay. However, in some countries these fees can be much higher, up to 4%. While mining fees are annoying, they are not a Coinbase-specific phenomenon - everyone currently trading Ethereum-based cryptocurrencies faces similar

issues. It's just that Coinbase is no longer willing to bear these costs for users.



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Why are Coinbase Wallet Miner Fees so High?

The main reason bitcoin mining fees are high is supply and demand. The bitcoin block size is 1MB, meaning that miners can only confirm 1MB of transactions per block (one block every ten minutes).

How to Reduce your High Coinbase Wallet Miner Fees?

The best way to reduce your mining or gas fees is to trade during off-peak hours. Although the crypto market is open 24/7, the early morning hours between 1am and 8am ET typically have the lowest volume. In contrast, evenings and late afternoons seem to be busiest.

Some days are also less busy. Sunday usually sees lower trading volume than the rest of the week. However, since crypto is a very news-driven market, a big new over the weekend could send gas costs skyrocketing.

The long-awaited [Ethereum](#) update, Ethereum 2.0, promises a significant reduction in fees on the platform. In contrast, all other tokens built on Ethereum (also known as ERC-20 tokens) will also have lower gas fees when this new update goes into effect. The Ethereum 2.0 implementation is expected to happen later this year. Until then, crypto investors on every exchange will just have to wait.