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## [ PDF Database Document ] - BTCC Cryptocurrency Exchange

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<https://www.btcc.com/en-US/academy/crypto-basics/what-is-a-crypto-airdrop-a-beginners-guide>

### What Is a Crypto Airdrop? A Beginner's Guide

*Learn about the sorts of crypto airdrops, their objectives, and the advantages they offer to participants and projects. Discover how to locate and take part in airdrops, comprehend the risks involved and the tax ramifications, and examine noteworthy instances from the [cryptocurrency](#) market.*

The way we see financial transactions and investments has changed as a result of [cryptocurrency](#). As blockchain technology has grown, the [cryptocurrency](#) industry has seen the emergence of fresh and creative marketing techniques. The cryptocurrency airdrop is among the most widely used strategies. This tactic is giving away free tokens or money to a lot of wallet addresses. Airdrops are used by cryptocurrency projects to create excitement, draw in new users, and thank devoted community members. Projects can rapidly expand their user base and awareness by distributing tokens, which is crucial for promoting adoption.

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## What Is a Crypto Airdrop?

In a crypto airdrop, blockchain projects or cryptocurrency exchanges give out free tokens to customers' wallets as a marketing tool. The major objective is to promote the project and get more people to use it.

Airdrops are multipurpose in the cryptocurrency ecosystem. By addressing a large audience for little to no expense, they aid new enterprises in gaining momentum. By rewarding early adopters and devoted users, airdrops can encourage participation and build a sense of community.

Everyone involved can see the value of taking part. You can hold onto your free tokens for future profits or swap them for something else. Projects can benefit from airdrops in terms of exposure, user participation, and token circulation. By generating excitement in the crypto community and helping to bootstrap the project's user base, this technique increases the project's chances of success.

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## How Does Crypto Airdrop Work?

A number of essential processes are usually included in a crypto airdrop, including announcement, registration, verification, distribution, and token claim. Each step operates as follows:

**Announcement:** Projects use a variety of platforms, including email newsletters, official websites, cryptocurrency forums, and social media, to announce airdrops. They go into depth about the requirements for qualifying, which could include having a certain quantity of cryptocurrencies, participating in their community, or finishing particular activities.

**Registration:** You must register by entering your wallet address and finishing any necessary activities in order to take part in an airdrop. Joining a Discord community or Telegram group, keeping up with the project on social media, or subscribing to their newsletter are some examples of these chores. You might need to keep a certain quantity of a particular cryptocurrency in your wallet in order to participate in some airdrops.

**Verification:** The project confirms participants' eligibility following registration. By taking this step, the airdropped tokens are guaranteed to reach only legitimate users. Verification may involve confirming that you have the required number of tokens, that you have finished the relevant tasks, or that you have supplied a legitimate wallet address.

**Distribution:** The project gives the tokens to qualified members after verification is finished. Smart contracts on the blockchain are frequently used to automate this procedure, guaranteeing efficiency and transparency. The participants' wallets receive the tokens straight from the project's wallet.

**Claiming Tokens:** In certain situations, participants' wallets receive token deposits automatically. In other cases, you may need to adhere to particular guidelines that the project has established in order to collect your tokens. To claim your tokens, you may need to sign a message using your

wallet, finish extra verification procedures, or just visit the project's website.

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## Types of Crypto Airdrop

**Standard Airdrops:** The simplest kind of airdrop is the standard one. To get the tokens, all you have to do is register using your wallet address. The purpose of these airdrops is to swiftly and extensively distribute tokens in order to create excitement for a new startup. Early registration is essential because there are typically only a certain amount of tokens available. If demand is sufficiently great, tokens may occasionally be given out through a raffle mechanism. For instance, in order to raise awareness of its network, Stellar Lumens (XLM) gave wallet holders millions of tokens.

**Holder Airdrops:** These provide rewards to current bitcoin owners. You must possess a particular quantity of the project's tokens on a snapshot date in order to be eligible. You get more airdropped tokens the more tokens you own. This approach promotes user loyalty and long-term holding. For instance, holders of Ethereum may be eligible to acquire tokens from a new project provided they held a certain quantity of ETH at the time of the snapshot.

**Bounty Airdrops:** In order to receive tokens from a bounty airdrop, participants must complete certain requirements. These responsibilities may involve authoring blog entries, joining the project's community channels, introducing friends, or promoting the initiative on social media. Increasing the project's exposure and involvement is the aim. For example, projects frequently request that users join Telegram groups or retweet content. By completing these tasks, participants receive free tokens and the project expands its audience.

**Exclusive Airdrops:** A small number of people, such as early adopters or involved community members, are the focus of exclusive airdrops. Based on factors including their degree of involvement, contributions to the web3 project, or holding history, these people were selected. The purpose of exclusive airdrops is to honor important backers who have made a substantial contribution to the project's success. For example, Uniswap recognized early platform users' support in the early phases of the project by rewarding them with UNI tokens.

**Raffle Airdrops:** Raffle airdrops add a random component. Tokens are awarded to victors who are chosen at random from among participants who fulfill particular requirements or finish specific tasks. Since there is an equal chance of winning, this kind of airdrop can create excitement and promote wider involvement. Projects employ this strategy to successfully engage users and market their tokens. A project that asks people to follow their social media accounts and then chooses winners at random from those followers would be one example.

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## How to Look for Crypto Airdrops?

Keeping an eye on different websites, platforms, and social media outlets that promote current and planned airdrops is essential to finding cryptocurrency airdrops. Here's how to keep yourself updated:

### Websites

**BTCC News:** One of the leading international cryptocurrency exchanges, KuCoin, provides a news service that disseminates the most accurate and current information on impending crypto airdrops. It provides simple, step-by-step instructions on how to get free cryptocurrency and take part in future airdrops.

**Airdrops.io** is a comprehensive aggregator for current and upcoming airdrops. It includes thorough instructions on how to claim airdrops and outlines the qualifying conditions for each.

**Freeairdrop.io:** This website includes predicted airdrops from initiatives that have not yet been publicized but are anticipated by the community, and it offers detailed instructions for taking part in airdrops.

You can use **Earni.fi**, a special website, to see if your Ethereum, Cosmos, or BNB Chain addresses

qualify for any airdrops. It is a useful tool for frequent users and supports a number of blockchains.

**AirDropBob** is well-known for its user-friendly UI and comprehensive filtering capabilities, which allow you to sort airdrops by status, blockchain platform, and other criteria. It also includes a verification method to confirm the veracity of the listed airdrops.

## Platforms and Communities on Social Media

**Telegram Groups:** A lot of cryptocurrency projects use specific Telegram groups to publicize their airdrops. You may stay informed about the most recent possibilities by joining these organizations.

**Twitter:** Keep up with the official accounts of cryptocurrency initiatives and industry leaders. They frequently exchange details about impending airdrops.

**Crypto Forums:** Reddit's r/CryptoAirdrops and Bitcointalk.org are great places to find and debate airdrops with other members of the community.

You can stay ahead of the game and increase your chances of getting free tokens by remaining active on these sites and adhering to the appropriate channels.

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## Best Crypto Airdrops in 2024

The many tactics used by cryptocurrency projects to interact with users and disperse tokens are demonstrated by the following airdrops. In addition to rewarding early adopters, each airdrop

promotes ongoing involvement and loyalty, both of which are critical to the project's expansion and success:

**LayerZero (ZRO):** LayerZero is an interoperability protocol that facilitates smooth communication between dApps by connecting several blockchains. Users who interacted with LayerZero's integrated projects, such as Stargate and Curve, were the target audience for its eagerly awaited airdrop. Early adopters received tokens from the campaign, which promoted cross-chain features.

**ZKsync (ZK):** This Layer 2 Ethereum solution uses zero-knowledge proofs to speed up transactions and cut expenses. Users who regularly use the zkSync mainnet, including trading and bridging assets, will receive incentives from the planned ZKsync airdrop. This tactic promotes the scaling solution's wider acceptance.

**Hamster Kombat (HMSTR):** To reward its active players, the well-known play-to-earn game on Telegram, Hamster Kombat, started an airdrop. By playing the game, finishing tasks, and introducing friends, players were able to win tokens. The goal of this airdrop was to grow the game's community and increase user involvement.

**Renzo Protocol (REZ):** This EigenLayer-based protocol enables users to restake Ethereum. By minting and retaining ezETH, participants in the airdrop accrued points under a points-based system. This approach prepared users for the possible token drop by providing incentives for ongoing protocol involvement.

**Pixelverse (PIXFI):** This metaverse project started an airdrop aimed at its active community members and early adopters. Users received PIXFI tokens for taking part in and helping to build Pixelverse's virtual events. The goal of this campaign was to increase activity in the metaverse and cultivate a loyal user base.

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# Crypto Airdrop Scams That Are Common

Many nefarious elements exploit the lucrative nature of crypto airdrops to defraud unsuspecting users of their crypto assets. Common crypto airdrop schemes to be aware of include:

**Dusting Attacks:** Scammers transfer tiny sums of cryptocurrency to your wallet. These negligible sums are employed to monitor your transactions and potentially establish a connection between your wallet and your genuine identity.

**Phishing Scams:** Scammers generate fraudulent websites or send emails that appear to originate from legitimate organizations. They entice you to connect your wallet to a malicious site or provide your private credentials. For instance, a fraudulent airdrop claim site may request that you input your seed phrase or private key in order to retrieve your tokens, which serves as a warning sign.

**Pump-and-dump schemes:** Fraudulent projects generate excitement surrounding a new token by employing fabricated airdrops to artificially inflate its value. Upon reaching a high price, they dispose of their holdings, resulting in a decline in the token's value and the possession of worthless tokens by other investors.

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## How to Prevent Crypto Airdrop Scam?

You may take advantage of cryptocurrency airdrops while lowering your risk of frauds by being alert and according to these guidelines.

**Use Burner Wallets:** Make use of burner wallets by setting up a distinct wallet just for airdrops. In the event that the airdrop proves to be fraudulent, this reduces your exposure. Don't keep much cryptocurrency in this wallet.

**Confirm Sources:** Always verify the URL of the website and the social media pages advertising the

airdrop. Keep an eye out for odd domain names or minor spelling corrections. The branding of genuine projects will be the same on all platforms.

**Protect Personal Information:** Don't give out your recovery phrases or private keys. These details are never requested for legitimate airdrops. Store this data offline and safely, for example, in a hardware wallet or on paper in a secure location.

**Investigate the Project:** Do extensive research before taking part in any airdrop. Examine the team members, whitepaper, and project website. Look for conversations about the project on social media and trustworthy cryptocurrency communities.

**Verify Transparency:** Reputable programs will have comprehensive and unambiguous paperwork regarding their airdrop, including guidelines, deadlines, and qualifying requirements. They will also be open and honest about their goals and team.

**Interact with the Community:** Participate in project-related forums and official social media accounts. Check to see if the project team answers queries and issues and whether the community is active. A warning indicator could be evasive responses or a lack of interaction.

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## Things to Think About When It Comes to Taxes and Airdropped Tokens

In most cases, receiving airdropped tokens is considered taxable income. Your tax return must reflect the airdrop tokens' fair market value (FMV) as ordinary income. Gaining ownership of the tokens—that is, being able to sell, trade, or dispose of them freely—determines the FMV.

As an illustration, \$900 would need to be reported as income if you were to get 300 tokens, each worth \$3. Your ordinary income tax rate will apply to this income.

Country and even region-specific tax regulations might be confusing. One example is the United States, where airdrops are first taxed as ordinary income and then as capital gains or losses when sold.

Details can change a lot in different nations like Australia and the United Kingdom.

These differences highlight the need of seeking advice from a tax expert familiar with crypto legislation in your country. This will make sure you don't get in trouble with the law by not breaking any rules in the area.

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## Conclusion

Taking part in crypto airdrops is a thrilling way to get free tokens, which could increase your portfolio's value. But there are hazards, including as scams and tax ramifications, that come along with these chances. Always do your research to confirm the authenticity of an airdrop, and keep yourself updated on the different kinds of airdrops and what they entail.

Keep an eye out for frauds by safeguarding your private keys, using burner wallets, and doing extensive research on projects. Before you sell or receive airdropped tokens, make sure you understand your tax responsibilities. If you need help navigating these difficulties, consult a tax specialist. You may engage in crypto airdrops securely and minimize dangers by remaining educated and being cautious.

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## Why Choose BTCC?

BTCC is known as the world's longest-running exchange. Since its establishment, the platform has withstood multiple bull and downturn markets without reporting a single hacking incident, making it one of the most trusted exchanges in existence.



The firm's products are designed to meet the needs and desires of both rookie and experienced traders. Here are five reasons for using the exchange:

- **Available Cryptocurrencies on the Exchange**

As a leading cryptocurrency exchange, BTCC's platform supports over 300 cryptocurrencies, allowing investors to diversify their digital portfolios and explore numerous investment opportunities in the digital currency market. The site also provides access to newer but equally intriguing alternatives, including Litecoin (LTC) and Ripple (XRP).

The number of trading coins is projected to increase as BTCC is committed to innovation and adopting new yet promising digital currencies in order to reach a wider spectrum of traders.

- **Easy to use**

When choosing a decent cryptocurrency exchange, simplicity of use is an important thing to consider. The BTCC app has an intuitive and user-friendly layout that is appropriate for both new and experienced traders, making trading on the platform simple and efficient. It contains features like as price alerts and real-time market data, which improve the trading experience. The program also includes security features like two-factor authentication and cold storage for cash.

The site includes a competent charting system that displays information such as a cryptocurrency's 24-hour price movement, 24-hour low/high, and daily volume. These features make it simple to use and available to the great majority.

- **Reputable Customer Service**

BTCC has a good reputation in terms of customer service. The exchange offers users service via live

chat and email on its website. It has official accounts on several social media platforms, including X (previously Twitter), LinkedIn, Instagram, YouTube, and Facebook. The website also has a part with blogs, news, and support centres for users who require assistance.

When users encounter problems or have complaints while using the cryptocurrency exchange, they can receive prompt customer service via email and live chat. BTCC provides 24/7 online customer care.

- **BTCC Trading Features and Tools**

BTCC offers a wide range of trading services, including spot trading, futures trading, and margin trading. It offers high leverage choices for many trading pairs, making it suited for a wide range of traders.

- **Welcome Bonus and Campaigns**

BTCC currently provides several campaigns. Investors can join in these campaigns and earn interesting prizes. For example, new users can earn rewards up to 10,055 USDT by completing relevant missions such as registration, identity verification, making first deposits, and cumulative futures trading volume. Existing users can earn up to 1,255 USDT per referral when they invite their friends to join BTCC.

[\*\*Trade on BTCC Now\*\*](#)

## **BTCC FAQs**

### **Is BTCC safe?**

Based on its track record since 2011, BTCC has established itself as a secure cryptocurrency exchange. There have been no reports of fraudulent activity involving user accounts or the platform's infrastructure. By enforcing mandatory know-your-customer (KYC) and anti-money laundering (AML) procedures, the cryptocurrency trading platform gives consumers greater security. For operations like withdrawals, it also provides extra security features like two-factor authentication (2FA).

## **Is KYC Necessary for BTCC?**

Indeed. Before using BTCC goods, users must finish the Know Your Customer (KYC) process. A facial recognition scan and legitimate identification documents must be submitted for this process.

Usually, it is finished in a few minutes. This procedure has the benefit of strengthening the security of the exchange and satisfying legal requirements.

Because their accounts will have a lower daily withdrawal limit, those who do not finish their KYC are unable to make deposits. It should be noted that those who present a legitimate ID without a facial recognition scan will likewise have restricted withdrawal options.

## **Is There a Mobile App for BTCC?**

Indeed. For users of iOS and Android, BTCC has a mobile app. The exchange's website offers the mobile app for download. Since both the web version and the mobile app have the same features and capabilities, they are comparable.

## **Will I Have to Pay BTCC Trading Fees?**

Indeed. BTCC levies a fee for trade, just like a lot of other centralised exchanges. Each user's VIP level, which is unlocked according to their available money, determines the different costs. The BTCC website provides information on the charge rates.

## **Can I Access BTCC From the U.S.?**

You can, indeed. According to its website, BTCC has obtained a crypto license from the US Financial Crimes Enforcement Network (FinCEN), which enables the cryptocurrency exchange to provide its services to investors who are headquartered in the US.

According to BTCC's User Agreement document, its goods are not allowed to be used in nations and organisations that have been sanctioned by the United States or other nations where it has a licence.

## **BTCC Guide:**

- [How to Trade Crypto Futures Contracts on BTCC](#)
- [BTCC Guide-How to Deposit Crypto on BTCC?](#)

- [What is Crypto Futures Trading - Beginner's Guide](#)
- [What is Leverage in Cryptocurrency? How Can I Trade at 100X Leverage?](#)
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- [Ethereum Price Prediction 2024, 2025, 2030: How High Can ETH Go in 2024?](#)
- [Bitcoin \(BTC\) Price Prediction 2024, 2025, 2030 — Is BTC a Good Investment?](#)
- [Ripple \(XRP\) Price Prediction 2024, 2025, 2030 — Will XRP Reach \\$1 After SEC Lawsuit?](#)
- [Pi Coin Price Prediction 2024,2025,2030 — Is Pi Coin a Good Buy?](#)
- [Pepe \(PEPE\) Price Prediction 2024, 2025, 2030 - Will PEPE Reach \\$1](#)