

## Cryptocurrency and blockchain glossary



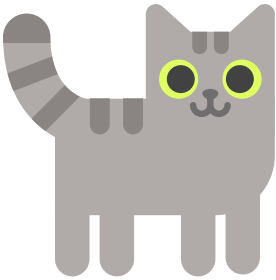
### Cryptocurrency

Cryptocurrency is an encrypted virtual currency used for carrying out secure digital transactions, which can also remain anonymous. The first currency was the Bitcoin created in 2009 and there are now over 1,000 currencies available. Each bitcoin has a complicated ID, known as a hexadecimal code, which is harder to steal than credit-card information. There is also a finite number of bitcoins so there is less chance they will go missing.



### Crypto-unicorn

A crypto-unicorn is a crypto start-up valued at more than \$1 billion. The first was a company called Coinbase a brokerage, which allows you to buy and sell digital money.



### Crypto-kitties

Crypto-kitties is a digital platform based on blockchain technology, which allows people to merge bits of blockchain code to create another entity with its own unique characteristics and code. The game Crypto-kitties allows people to buy kitties (made of blockchain codes) and breed them to create new kitties. As of December 3 2017, \$1.3m worth of ethereum coins have been spent creating kitties, with some being valued at 246 ethereum coins or \$113,000, which is a lot for a non-tangible asset. <https://www.cryptokitties.co/>



### Blockchain

Blockchain is a decentralised ledger, which authorises and records all transactions between a network of peers. Using this technology transactions can be confirmed based on a set of parameters without the need for a centralised authority such as a bank to certify them. Once complete the transaction is recorded on the ledger to provide a transparent history of interactions between parties.

In more simple terms, blockchain is like the stubs in your cheque book, which contain a number of transactions that are linked in some way. Instead of using a bank to authorise those transactions, the computers behind blockchain authorise payments using software and the information provided by an organisation or individual, which sets out the terms and conditions that each party states must be met before a payment can be processed.

Blockchain can also be used to ensure contracts are delivered as expected. Each term of the contract can be written in code and computers confirm that each activity matches the contractual requirements that have been set out. It also provides companies with a clear track record of each action that has been carried out under a particular contract.