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Digital Currency Mastery

TRAINING GUIDE



The **Complete Guide to Mastering** and
Succeeding in the New World of **Digital Currencies**

Part of the EZY Marketer product range

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INTRODUCTION



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As the name itself suggests, digital money is monetary value that is existent in the digital form. Digital money is present over the internet and can be in the form of various currencies.

For example- Bitcoin, Litecoin, Ripple, etc. As opposed to offline money that is available in the form of coins and cash, digital money is present in digital form of currency and cannot be accessed or touched by anyone.

Digital money is relevant across the globe and can be accessed by anyone on Earth with proper knowledge. The future of the global economy, digital money is all we need to know about before getting started to know about it more.

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CHAPTER 1



What is Digital Currency

What Is Digital Money?

Digital money (or digital currency) refers to any means of payment that exists in a purely electronic form. Digital money is not physically tangible like a dollar bill or a coin. It is accounted for and transferred using online systems. One well-known form of digital money is the cryptocurrency Bitcoin.

Digital money can also represent fiat currencies, such as dollars or euros. Digital money is exchanged using technologies such as smartphones, credit cards, and online cryptocurrency exchanges. In some cases, it can be converted into physical cash using an ATM.

How does Digital Currency work?

Different from national currencies that are specific to a nation or a country, digital money is present worldwide with global access. The working of digital money is an interesting concept to know about.

Let us discover more about the same. Also known as cryptocurrency, digital currency or digital money exists in an intangible form that cannot be felt or touched.

The working of digital money is something similar to the working of real money that exists on paper. Stored in bank accounts, digital money can be regulated much like real cash except the fact that it cannot be withdrawn in the form of real cash.

Stored as digital codes, digital money is kept secure in digital banks that can be accessed through mobile phones or computers. Facilitated by blockchain that is an amalgamation of digital nodes, digital money is designed by a set of protocols that are unique and uniform.

As the digital money concept is transparent yet private in terms of saving money from any fraud or scams, cryptocurrency is registered under a blockchain that is controlled by a group of currency owners.

A public blockchain ledger or a record of all transactions made for that specific cryptocurrency is provided to every buyer. As and when a new buyer enters the loop, the ledger gets updated and so, the whole list of records is kept transparent to those who own a share of the digital currency.

The role of miners in this system is immense. As miners are responsible for approving a new block or a transaction, they tend to create hashes that lead them to receive new units of cryptocurrency which they further distribute.



Due to the vast expanse of such networks, the regulation of digital money is tough. Yet the organized operations keep the concept accountable, transparent, and secure.

Benefits of Digital Money

As we have been through the working of digital money, let us move on to read about the advantages of digital money that will help us explore more.

1. Elimination of Middlemen

The first and foremost advantage of digital money is that it eliminates the middlemen who tend to charge their commission while dealing with transfers of money.

This means that since digital money can be transferred or received at any point of time, no middleman is required for the payer and payee to carry out that process.

2. Less or no Fee

While real cash cards require one to send/receive money, digital money cuts this cost and simply makes it less or no fee at all.

For instance, credit cards charge a certain amount of money when you wish to pay overseas. However, this cost can be cut when you deal in cryptocurrency and perhaps the additional charges can be done away with.

3. Permanence of Records

Since it is digital, it is permanent! Real cash frauds are everywhere to be heard about. However, digital money is known to be accountable, secure, and transparent.

This implies that the permanence of records makes it trustworthy and reliable for individuals to deal with. Furthermore, this suggests that no frauds can take place due to the utter security that is omnipresent in the working process of digital money.

4. Global Reach

While real cash can be categorized into different currencies that pertain to a particular nation or a country, digital money looks beyond such territories and has a global reach.

For instance, earlier an individual who wanted to pay in the US had to purchase USD cash. However, with the coming of digital currency, an individual sitting in Thailand can easily make a payment to another individual residing in Peru.

5. No Inflation

Another one from the benefits of digital money is that it cannot be inflated to deal with economic turmoil. As opposed to real cash that can face the wrath of inflation due to economic competition among countries, digital money is subject to no inflation as the cryptocurrency is separate from real cash. This makes it highly beneficial for users of digital money.



Risks With Digital Money

While there are endless benefits of digital money, there are numerous risks of the concept that one should know about. Let us get started right away!

1. Underdeveloped Infrastructure

One of the biggest risks of digital currency is that it still exists in an environment with an underdeveloped infrastructure.

Since almost all cryptocurrencies hail from start-ups, there is no strong foundation for the evolution of digital money and so, it lacks an adequately built infrastructure that can help the growth of digital money at a fast pace.

2. Uncertainty of Profits

Another very valid risk of digital money is that it is uncertain when it comes to profit-making capacity of the investors.

As the prices of cryptocurrencies are highly volatile and tend to go up and down in an instant, investors fear the uncertainty of the digital money and rather feel they can be at loss if things go south. Perhaps the worth of digital money is way too unprecedented and keeps fluctuating throughout.

3. Lack of Trust

Unlike real money, digital money lacks trust of the common masses. People are more comfortable in spending a currency that is tangible to them and their savings.

Even though the internet has opened up many doors for security and safety, it is still felt that digital money or cryptocurrency has a long way to go when it comes to people's trust.

4. Unidentifiable Beneficiaries

Another risk that many people suggest is the presence of unidentifiable beneficiaries in the concept of digital money. The payment of real money assures the identification of the receiver and the sender of money. However, it is different in the case of digital money.

As the transactions take place over the internet, one cannot identify the other person and so the beneficiaries are unidentifiable making the concept way too risky for people to invest in.

The Bottom Line

Digital money is a major innovation in financial technology. It overcomes the problems of cash and makes payment systems faster and cheaper. But it has the attendant problems of technology, as digital money can be hacked and can erode privacy. While it is still early days for digital money, it will play an important part in the future of finance.

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CHAPTER 2



Types of Digital Currency

When digital currencies experienced their first major boom, a myriad of different types began to dot the marketplace. But over time, a small handful have risen above the rest, ultimately establishing themselves as the foremost digital currencies in use today.

- **Central Bank Digital Currencies (CBDCs)**

Central bank digital currencies (CBDCs) are currencies issued by the central bank of a country. They are separate from fiat currencies, which are also backed by the authority and credit of a central bank and are another obligation of the institution. CBDCs ease monetary policy implementation by removing intermediaries from the policy by establishing a direct connection between the government and the average citizen. Banks and financial institutions responsible for distributing national currency are no longer required in the process.

Depending on their use and type of implementation in the economy, there can be two types of CBDCs. Retail CBDCs are designed to be used for daily transactions, much like fiat currencies. In a more limited implementation of the concept, Wholesale CBDCs are used for transactions conducted between banks and financial institutions.

- **Bitcoin**

Even if you're only beginning to learn about the world of digital currencies, there's a very good chance you've heard about Bitcoin.

Bitcoin was the first viable digital currency ever introduced, and its open source Blockchain software protocol is what sparked the explosion in other digital currencies we're witnessing today. Additionally, despite the growth of alternative digital

currencies, Bitcoin still maintains the highest exchange volume, market cap, and rate of use around the world.

- **Bitcoin Cash**

Bitcoin Cash came to life on August 1, 2017, as a result of a "hard fork" in the original Bitcoin network. Essentially, this means a group of Bitcoin miners adopted a new set of rules and guidelines, then split away from the primary Bitcoin blockchain to create a new blockchain that is now Bitcoin Cash.

So why did this "hard fork" come about?

Without getting too technical, we can simply say the split was caused by two differing views within the Bitcoin community in regard to the design and scaling of the primary Bitcoin blockchain. Ultimately, the disagreement was too great to reconcile. So the group of dissenting miners and users diverged from the Bitcoin blockchain network, and began the new blockchain of Bitcoin Cash.



Despite critics' negative predictions, Bitcoin Cash has cemented itself as one of the largest digital currencies.

- **Chainlink**

Chainlink (LINK) began as a proposal co-authored by Steve Ellis, Ari Juels and Sergey Nazarov. The three recognized that smart contracts were poised to revolutionize the

transactional world, eliminating the need for many legal agreements and digital agreements.

The primary issue preventing widespread adoption of smart contracts. Compatibility. The wide variety of consensus protocols forming the foundation of blockchains can't easily talk to one another. That's mostly for security and integrity reasons, which is a benefit; however, this inherently limits the inputs a blockchain can receive. Ellis, Juels and Nazarov presented a solution they called ChainLink: a Decentralized Oracle Network. In essence, Chainlink enables *any blockchain* to connect with *any other blockchain*.

- **Ethereum**

Compared to other digital currencies like Bitcoin, Litecoin, or Bitcoin Cash, Ethereum is a slightly different animal. That's because it's not purely a digital currency; it's also a distributed computing platform.

The Ethereum value token (Ether) serves as a digital currency just like any other. But the Ethereum blockchain network also offers a platform for decentralized application development – basically harnessing the power of thousands of computers.

Applications built to run on Ethereum must pay the network in Ether in order to run, and Ether is mined in much the same way as other digital currencies' value tokens (like Bitcoin).

This added utility gives Ethereum additional value and long-term potential, which is reflected in its robust growth, now with the second highest market cap after Bitcoin.

- **Ethereum Classic**

In the same way that Bitcoin Cash emerged after a split from the Bitcoin blockchain network, Ethereum had a "hard fork" split of its own, resulting in Ethereum Classic. As was the case with Bitcoin and Bitcoin Cash, disagreements regarding various technical aspects of the primary blockchain led to a divergence in the Ethereum network as well.



However, compared to the growth in Bitcoin Cash after splitting from Bitcoin, Ethereum Classic remains somewhat of an underdog in relation to its big brother. That said, many still feel it presents notable opportunity.

- **Litecoin**

Litecoin was developed and released by former Google employee Charlie Lee in 2011. It bears several commonalities with Bitcoin, and it's built upon the same open source cryptographic protocol (Blockchain). As a result, it's considered an "alt-coin" digital currency (alternative to Bitcoin).

But of the many alt-coins on the market today, Litecoin's network speed, market cap, and volume have made it very appealing to some newcomers to digital currencies.

- **Zcash**

The Zcash token (ZEC), created in 2016, runs on the Zerocash protocol. One of the primary goals of Zcash is uncompromising privacy, which itself is one of the main appeals of cryptocurrency. Zcash allows the sender, recipient, and amount transferred to be encrypted but allows users the choice to voluntarily disclose those details on the blockchain for purposes of public records or regulatory compliance.

Because of this focus on privacy and other features, Zcash has gained many followers in the cryptocurrency world.

- **Stellar Lumens**

One of the co-founders of Ripple went on to create in 2014 a protocol called Stellar, which has often been compared to Ripple. But while Ripple is closed source, Stellar is open source. Also, while Ripple markets itself primarily to large banks and consortiums, Stellar targets those institutions in addition to individuals (especially in developing countries).

Other unique features of Stellar are the consensus protocol called the FBA algorithm and a decentralized exchange. Stellar's primary coin is called Lumens (XLM), and it is another popular asset in many crypto investors' portfolios.

- **Other Digital Currencies**

These are some other popular digital currencies:

- **Cardano**
- **Dash**
- **EOS**
- **IOTA**
- **Ripple**
- **TRON**
- **Bitcoin SV**

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CHAPTER 3



An explanation of Blockchain Technology

Blockchain is most simply defined as a decentralized, distributed ledger technology that records the provenance of a digital asset.

What is Blockchain?

Blockchain, sometimes referred to as Distributed Ledger Technology (DLT), makes the history of any digital asset unalterable and transparent using decentralization and cryptographic hashing.



A simple analogy for understanding blockchain technology is a Google Doc. When we create a document and share it with a group of people, the document is distributed instead of copied or transferred. This creates a decentralized distribution chain that gives everyone access to the document at the same time. No one is locked out awaiting changes from another party, while all modifications to the doc are being recorded in real-time, making changes completely transparent.

Of course, blockchain is more complicated than a Google Doc, but the analogy is apt because it illustrates three critical ideas of the technology:

Blockchain is an especially promising and revolutionary technology because it helps reduce risk, stamps out fraud and brings transparency in a scalable way for myriad uses.

Blockchain consists of three important concepts: blocks, nodes and miners.

Blocks

Every chain consists of multiple blocks and each block has three basic elements:

- The **data** in the block.
- A 32-bit whole number called a **nonce.** The nonce is randomly generated when a block is created, which then generates a block header hash.
- The **hash** is a 256-bit number wedded to the nonce. It must start with a huge number of zeroes (i.e., be extremely small).

When the first block of a chain is created, a nonce generates the cryptographic hash. The data in the block is considered signed and forever tied to the nonce and hash unless it is mined.

Miners

Miners create new blocks on the chain through a process called mining.

In a blockchain every block has its own unique nonce and hash, but also references the hash of the previous block in the chain, so mining a block isn't easy, especially on large chains.

Miners use special software to solve the incredibly complex math problem of finding a nonce that generates an accepted hash. Because the nonce is only 32 bits and the hash is 256, there are roughly four billion possible nonce-hash combinations that must be mined before the right one is found. When that happens miners are said to have found the "golden nonce" and their block is added to the chain.

Making a change to any block earlier in the chain requires re-mining not just the block with the change, but all of the blocks that come after. This is why it's extremely difficult

to manipulate blockchain technology. Think of it as "safety in math" since finding golden nonces requires an enormous amount of time and computing power.

When a block is successfully mined, the change is accepted by all the nodes on the network and the miner is rewarded financially.



Nodes

One of the most important concepts in blockchain technology is decentralization. No one computer or organization can own the chain. Instead, it is a distributed ledger via the nodes connected to the chain. Nodes can be any kind of electronic device that maintains copies of the blockchain and keeps the network functioning.

Every node has its own copy of the blockchain and the network must algorithmically approve any newly mined block for the chain to be updated, trusted and verified. Since blockchains are transparent, every action in the ledger can be easily checked and viewed. Each participant is given a unique alphanumeric identification number that shows their transactions.

Combining public information with a system of checks-and-balances helps the blockchain maintain integrity and creates trust among users. Essentially, blockchains can be thought of as the scalability of trust via technology.

Uses

1. Cryptocurrencies: The Beginning of Blockchain's Technological Rise

Blockchain's most well-known use (and maybe most controversial) is in cryptocurrencies. Cryptocurrencies are digital currencies (or tokens), like Bitcoin, Ethereum or Litecoin, that can be used to buy goods and services. Just like a digital form of cash, crypto can be used to buy everything from your lunch to your next home. Unlike cash, crypto uses blockchain to act as both a public ledger and an enhanced cryptographic security system, so online transactions are always recorded and secured.

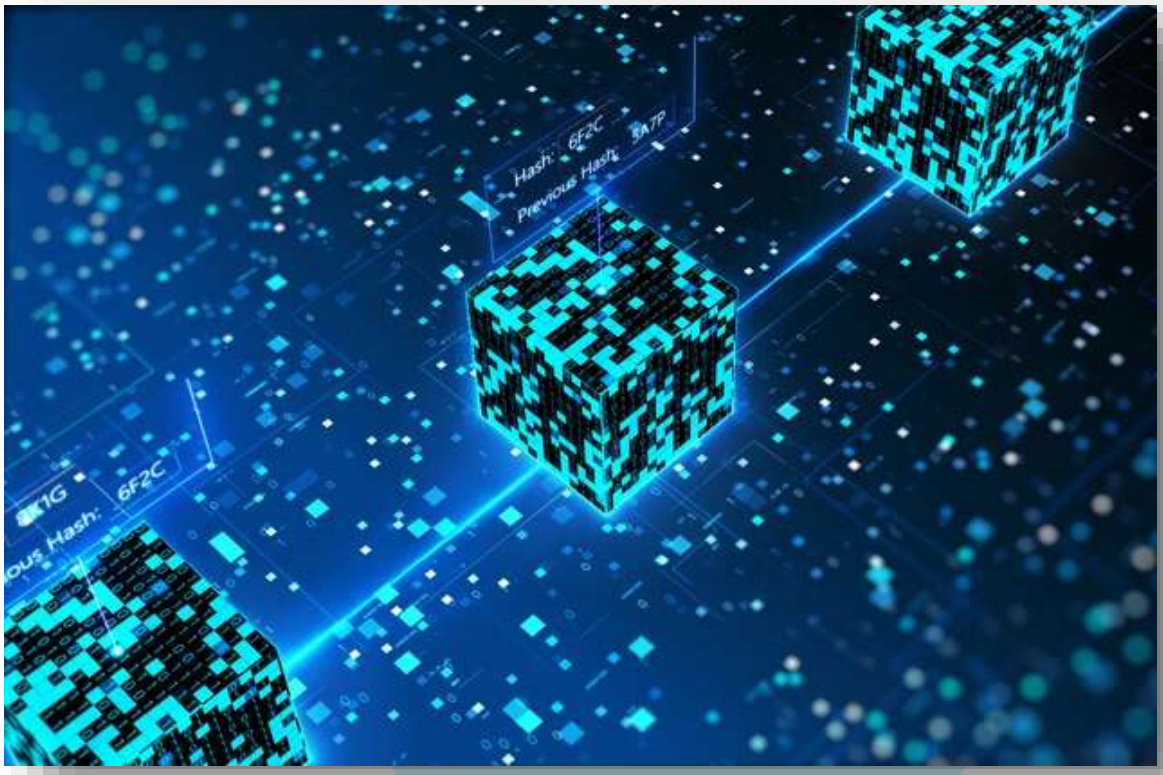
To date, there are roughly 6,700 cryptocurrencies in the world that have a total market cap around $1.6 trillion, with Bitcoin holding a majority of the value. These tokens have become incredibly popular over the last few years, with one Bitcoin equaling $60,000. Here are some of the main reasons why everyone is suddenly taking notice of cryptocurrencies:

- Blockchain's security makes theft much harder since each cryptocurrency has its own irrefutable identifiable number that is attached to one owner.

- Crypto reduces the need for individualized currencies and central banks- With blockchain, crypto can be sent to anywhere and anyone in the world without the need for currency exchanging or without interference from central banks.

- Cryptocurrencies can make some people rich- Speculators have been driving up the price of crypto, especially Bitcoin, helping some early adopters to become billionaires. Whether this is actually a positive has yet to be seen, as some retractors believe that speculators do not have the long-term benefits of crypto in mind.

- More and more large corporations are coming around to the idea of a blockchain-based digital currency for payments. In February 2021, Tesla famously announced that it would invest $1.5 billion into Bitcoin and accept it as payment for their cars.



Of course, there are many legitimate arguments against blockchain-based digital currencies. First, crypto isn't a very regulated market. Many governments were quick to jump into crypto, but few have a staunch set of codified laws regarding it. Additionally, crypto is incredibly volatile due to those aforementioned speculators.

Whether or not digital currencies are the future remains to be seen. For now, it seems as if blockchain's meteoric rise is more starting to take root in reality than pure hype. Though it's still making headway in this entirely-new, highly-exploratory field, blockchain is also showing promise beyond Bitcoin.

2. Beyond Bitcoin: Ethereum Blockchain

Originally created as the ultra-transparent ledger system for Bitcoin to operate on, blockchain has long been associated with cryptocurrency, but the technology's transparency and security has seen growing adoption in a number of areas, much of which can be traced back to the development of the Ethereum blockchain.

In late 2013, Russian-Canadian developer Vitalik Buterin published a white paper that proposed a platform combining traditional blockchain functionality with one key difference: the execution of computer code. Thus, the Ethereum Project was born.

Ethereum blockchain lets developers create sophisticated programs that can communicate with one another on the blockchain.

Tokens

Ethereum programmers can create tokens to represent any kind of digital asset, track its ownership and execute its functionality according to a set of programming instructions.

Tokens can be music files, contracts, concert tickets or even a patient's medical records. Most recently, Non-Fungible Tokens (NFTs) have become all the rage. NFTs are unique blockchain-based tokens that store digital media (like a video, music or art). Each NFT has the ability to verify authenticity, past history and sole ownership of the piece of digital media. NFTs have become wildly popular because they offer a new wave of digital creators the ability to buy and sell their creations, while getting proper credit and a fair share of profits.

Newfound uses for blockchain have broadened the potential of the ledger technology to permeate other sectors like media, government and identity security. Thousands of companies are currently researching and developing products and ecosystems that run entirely on the burgeoning technology.

Blockchain is challenging the current status quo of innovation by letting companies experiment with ground-breaking technology like peer-to-peer energy distribution or decentralized forms for news media. Much like the definition of blockchain, the uses for the ledger system will only evolve as technology evolves.

History of Blockchain

Although blockchain is a new technology, it already boasts a rich and interesting history. The following is a brief timeline of some of the most important and notable events in the development of blockchain.

2008

- Satoshi Nakamoto, a pseudonym for a person or group, publishes “Bitcoin: A Peer to Peer Electronic Cash System."

2009

- The first successful Bitcoin (BTC) transaction occurs between computer scientist Hal Finney and the mysterious Satoshi Nakamoto.

2010

- Florida-based programmer Laszlo Hanycez completes the first ever purchase using Bitcoin — two Papa John’s pizzas. Hanycez transferred 10,000 BTC’s, worth about $60 at the time. Today it's worth $80 million.

- The market cap of Bitcoin officially exceeds $1 million.

2011

- 1 BTC = $1USD, giving the cryptocurrency parity with the US dollar.
- Electronic Frontier Foundation, Wikileaks and other organizations start accepting Bitcoin as donations.

2012

- Blockchain and cryptocurrency are mentioned in popular television shows like *The Good Wife*, injecting blockchain into pop culture.
- *Bitcoin Magazine* launched by early Bitcoin developer Vitalik Buterin.

2013

- BTC market cap surpassed $1 billion.
- Bitcoin reached $100/BTC for the first time.
- Buterin publishes “Ethereum Project" paper suggesting that blockchain has other possibilities besides Bitcoin (e.g., smart contracts).

2014

- Gaming company Zynga, The D Las Vegas Hotel and Overstock.com all start accepting Bitcoin as payment.
- Buterin’s Ethereum Project is crowdfunded via an Initial Coin Offering (ICO) raising over $18 million in BTC and opening up new avenues for blockchain.

- R3, a group of over 200 blockchain firms, is formed to discover new ways blockchain can be implemented in technology.
- PayPal announces Bitcoin integration.

2015

- Number of merchants accepting BTC exceeds 100,000.
- NASDAQ and San-Francisco blockchain company Chain team up to test the technology for trading shares in private companies.

2016

- Tech giant IBM announces a blockchain strategy for cloud-based business solutions.
- The government of Japan recognizes the legitimacy of blockchain and cryptocurrencies.

2017

- Bitcoin reaches $1,000/BTC for the first time.
- Cryptocurrency market cap reaches $150 billion.
- JP Morgan CEO Jamie Dimon says he believes in blockchain as a future technology, giving the ledger system a vote-of-confidence from Wall Street.
- Bitcoin reaches its all-time high at $19,783.21/BTC.
- Dubai announces its government will be blockchain-powered by 2020.

2018

- Facebook commits to starting a blockchain group and also hints at the possibility of creating its own cryptocurrency.

- IBM develops a blockchain-based banking platform with large banks like Citi and Barclays signing on.

2019

- China's President Ji Xinping publicly embraces blockchain as China's central bank announces it is working on its own cryptocurrency

- Twitter & Square CEO Jack Dorsey announces that Square will be hiring blockchain engineers to work on the company's future crypto plans

- The New York Stock Exchange (NYSE) announces the creation of Bakkt - a digital wallet company that includes crypto trading

2020

- Bitcoin almost reaches $30,000 by the end of 2020

- PayPal announces it will allow users to buy, sell and hold cryptocurrencies

- The Bahamas becomes the world's first country to launch its central bank digital currency, fittingly known as the "Sand Dollar"

- Blockchain becomes a key player in the fight against COVID-19, mainly for securely storing medical research data and patient information

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CHAPTER 4



What is Cryptocurrency Trading and how does it work?

tbvWhat is cryptocurrency trading?

Cryptocurrency trading is the act of speculating on cryptocurrency price movements via a CFD trading account, or buying and selling the underlying coins via an exchange.

CFD trading on cryptocurrencies

CFDs trading are derivatives, which enable you to speculate on cryptocurrency price movements without taking ownership of the underlying coins. You can go long ('buy') if you think a cryptocurrency will rise in value, or short ('sell') if you think it will fall.

Both are leveraged products, meaning you only need to put up a small deposit – known as margin – to gain full exposure to the underlying market. Your profit or loss are still calculated according to the full size of your position, so leverage will magnify both profits and losses.

Buying and selling cryptocurrencies via an exchange

When you buy cryptocurrencies via an exchange, you purchase the coins themselves. You'll need to create an exchange account, put up the full value of the asset to open a position, and store the cryptocurrency tokens in your own wallet until you're ready to sell.

Exchanges bring their own steep learning curve as you'll need to get to grips with the technology involved and learn how to make sense of the data. Many exchanges also have limits on how much you can deposit, while accounts can be very expensive to maintain.



How do cryptocurrency markets work?

Cryptocurrency markets are decentralised, which means they are not issued or backed by a central authority such as a government. Instead, they run across a network of computers. However, cryptocurrencies can be bought and sold via exchanges and stored in 'wallets.

Unlike traditional currencies, cryptocurrencies exist only as a shared digital record of ownership, stored on a blockchain. When a user wants to send cryptocurrency units to another user, they send it to that user's digital wallet. The transaction isn't considered final until it has been verified and added to the blockchain through a process called mining. This is also how new cryptocurrency tokens are usually created.

What is blockchain?

A blockchain is a shared digital register of recorded data. For cryptocurrencies, this is the transaction history for every unit of the cryptocurrency, which shows how

ownership has changed over time. Blockchain works by recording transactions in 'blocks', with new blocks added at the front of the chain.

Blockchain technology has unique security features that normal computer files do not have.

- **Network consensus**

A blockchain file is always stored on multiple computers across a network – rather than in a single location – and is usually readable by everyone within the network. This makes it both transparent and very difficult to alter, with no one weak point vulnerable to hacks, or human or software error.

- **Cryptography**

Blocks are linked together by cryptography – complex mathematics and computer science. Any attempt to alter data disrupts the cryptographic links between blocks, and can quickly be identified as fraudulent by computers in the network.

What is cryptocurrency mining?

Cryptocurrency mining is the process by which recent cryptocurrency transactions are checked and new blocks are added to the blockchain.

- **Checking transactions**

Mining computers select pending transactions from a pool and check to ensure that the sender has sufficient funds to complete the transaction. This involves checking the transaction details against the transaction history stored in the blockchain. A second check confirms that the sender authorised the transfer of funds using their private key.

- **Creating a new block**

Mining computers compile valid transactions into a new block and attempt to generate the cryptographic link to the previous block by finding a solution to a complex algorithm. When a computer succeeds in generating the link, it adds the block to its version of the blockchain file and broadcasts the update across the network.

What moves cryptocurrency markets?

Cryptocurrency markets move according to supply and demand. However, as they are decentralised, they tend to remain free from many of the economic and political concerns that affect traditional currencies. While there is still a lot of uncertainty surrounding cryptocurrencies, the following factors can have a significant impact on their prices:



- Supply: the total number of coins and the rate at which they are released, destroyed or lost
- Market capitalisation: the value of all the coins in existence and how users perceive this to be developing
- Press: the way the cryptocurrency is portrayed in the media and how much coverage it is getting
- Integration: the extent to which the cryptocurrency easily integrates into existing infrastructure such as e-commerce payment systems

- Key events: major events such as regulatory updates, security breaches and economic setbacks

How does cryptocurrency trading work?

With IG, you can trade cryptocurrencies via a CFD account – derivative products that enable you speculate on whether your chosen cryptocurrency will rise or fall in value. Prices are quoted in traditional currencies such as the US dollar, and you never take ownership of the cryptocurrency itself.

CFDs are leveraged products, which means you can open a position for a just a fraction of the full value of the trade. Although leveraged products can magnify your profits, they can also magnify losses if the market moves against you.

- **What is the spread in cryptocurrency trading?**

The spread is the difference between the buy and sell prices quoted for a cryptocurrency. Like many financial markets, when you open a position on a cryptocurrency market, you'll be presented with two prices. If you want to open a long position, you trade at the buy price, which is slightly above the market price. If you want to open a short position, you trade at the sell price – slightly below the market price.

- **What is a lot in cryptocurrency trading?**

Cryptocurrencies are often traded in lots – batches of cryptocurrency tokens used to standardise the size of trades. As cryptocurrencies are very volatile, lots tend to be very small: most are just one unit of the base cryptocurrency. However, some cryptocurrencies are traded in bigger lots.

- **What is leverage in cryptocurrency trading?**

Leverage is the means of gaining exposure to large amounts of cryptocurrency without having to pay the full value of your trade upfront. Instead, you put down a small deposit, known as margin. When you close a leveraged position, your profit or loss is based on the full size of the trade.

While leverage will magnify your profits, it also brings the risk of amplified losses – including losses that can exceed your margin on an individual trade. Leveraged trading therefore makes it extremely important to learn how to manage your risk.



- **What is margin in cryptocurrency trading?**

Margin is a key part of leveraged trading. It is the term used to describe the initial deposit you put up to open and maintain a leveraged position. When you are trading cryptocurrencies on margin, remember that your margin requirement will change depending on your broker, and how large your trade size is.

Margin is usually expressed as a percentage of the full position. A trade on bitcoin (BTC), for instance, might require 15% of the total value of the position to be paid for it to be opened. So instead of depositing $5000, you'd only need to deposit $750.

- **What is a pip in cryptocurrency trading?**

Pips are the units used to measure movement in the price of a cryptocurrency and refer to a one-digit movement in the price at a specific level. Generally, valuable cryptocurrencies are traded at the 'dollar´ level, so a move from a price of $19**0**.00 to $19**1**.00, for example, would mean that the cryptocurrency has moved a single pip. However, some lower-value cryptocurrencies are traded at different scales, where a pip can be a cent or even a fraction of a cent.

It's important to read the details on your chosen trading platform to ensure you understand the level at which price movements will be measured before you place a trade.

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CHAPTER 5

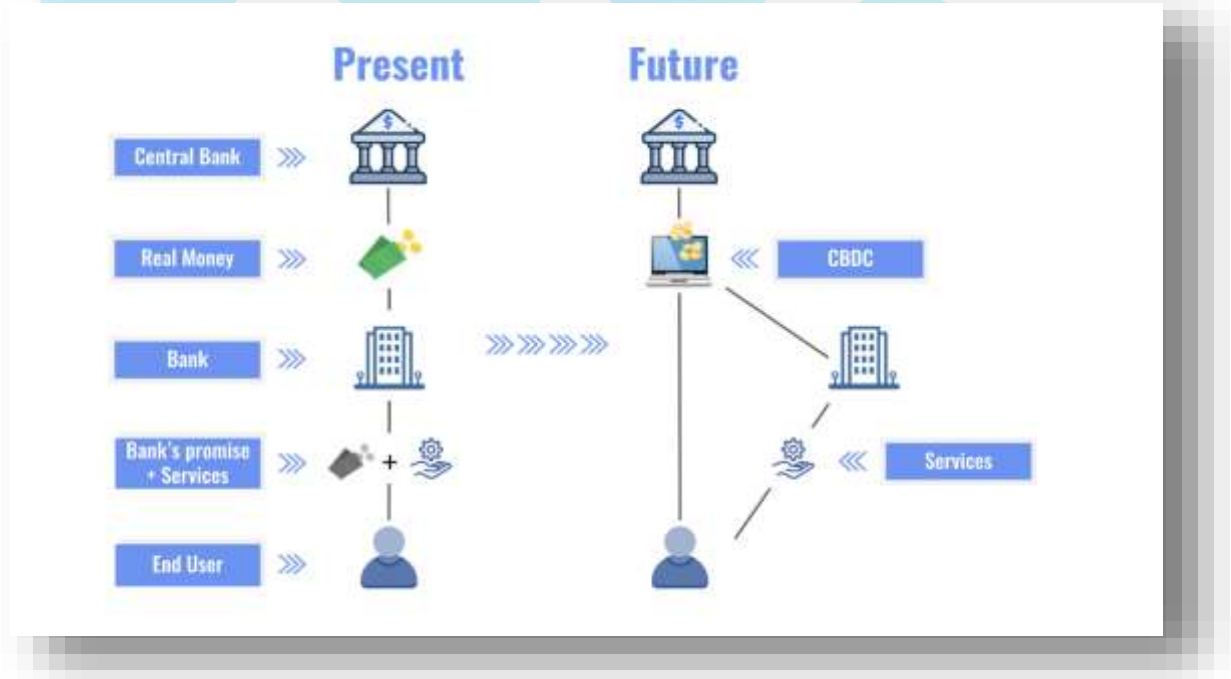


All about Central Bank Digital Currencies

How does Central Bank Digital Currencies (CBDCs) Work?

Fiat money is the term that refers to currency issued by a country's government. It comes in the form of banknotes and coins. It is considered a form of legal tender that can be used for the sale and purchase of goods and services along with kinds of transactions. A central bank digital currency is the virtual form of fiat money. As such, it has the full faith and backing of the issuing government, just like fiat money does.

CBDCs are meant to represent fiat currency. The goal is to provide users with convenience and security of digital as well as the regulated, reserve-backed circulation of the traditional banking system. They are designed to function as a unit of account, store of value, and medium of exchange for daily transactions. CBDCs will be backed by the full faith of the issuing government—just like fiat currency. Central banks or monetary authorities will be solely liable for their operations.



There were 83 countries around the world pursuing CBDC development as of October 2011. Their reasons for pursuing this venture varied. For example:

- Sweden's Riksbank began developing an electronic version of the krona (called e-krona) after the country experienced a decline in the use of cash.
- The United States wants to introduce CBDCs in its monetary system to improve the domestic payments system. Developing countries may have other reasons. For instance, a significant number of people in India are unbanked. Setting up the physical infrastructure to bring the unbanked into the financial ecosystem is costly. But establishing a CBDC can promote financial inclusion in the country's economy.

Types of Central Bank Digital Currencies (CBDCs)

There are two types of CBDCs: Wholesale and retail central bank digital currencies. We've listed some of the main features of each below.

Wholesale CBDCs

Wholesale CBDCs use the existing tier of banking and financial institutions to conduct and settle transactions. These types of CBDCs are just like traditional central bank reserves.



One type of wholesale CBDC transaction is the interbank payment. It involves the transfer of assets or money between two banks and is subject to certain conditions. This transfer comes with considerable counterparty risk, which can be magnified in a real-time gross settlement (RTGS) payment system.

A digital currency's ledger-based system enables the setting of conditions, so a transfer won't occur if these conditions are not satisfied. Wholesale CBDCs can also expedite and automate the process for cross-border transfers.

Current real-time settlement systems mostly work in single jurisdictions or with a single currency. The distributed ledger technology (DLT) available in wholesale CBDCs can extend the concept to cross-border transfers and expedite the process to transfer money across borders.

Retail CBDCs

Wholesale CBDCs improve upon a system of transfers between banks. Retail CBDCs, on the other hand, involve the transfer of central government-backed digital currency

directly to consumers. They eliminate the intermediary risk or the risk that banking institutions might become illiquid and sink depositor funds.

There are two possible variants of retail CBDCs are possible, depending on the type of access they provide:

- **Value- or cash-based access:** This system involves CBDCs that are passed onto the recipient through a pseudonymous digital wallet. The wallet will be identifiable on a public blockchain and, much like cash transactions, will be difficult to identify parties in such transactions. According to Riksbank, the development of a value- or cash-based access system is easier and quicker compared to token-based access.

- **Token- or account-based access:** This is similar to the access provided by a bank account. Thus, an intermediary will be responsible for verifying the identity of the recipient and monitoring illicit activity and payments between accounts. It provides for more privacy. Personal transaction data is shielded from commercial parties and public authorities through a private authentication process.

Advantages and Disadvantages of Central Bank Digital Currencies (CBDCs)

Advantages

CBDCs simplify the process of implementing monetary policy and government functions. They automate the process between banks through wholesale CBDCs and establish a direct connection between consumers and central banks through retail CBDCs. These digital currencies can also minimize the effort and processes for other

government functions, such as distribution of benefits or calculation and collection of taxes.

Disbursement of money through intermediaries introduces third-party risk to the process. What if the bank runs out of cash deposits? What if there is a bank run due to a rumour or an external event? Events like these have the potential to upset the delicate balance of a monetary system. A CBDC eliminates third-party risk. Any residual risk that remains in the system rests with the central bank.

It is possible to calibrate privacy features in a CBDC system. A value-based retail CBDC functions like cash and preserves privacy by making transactions pseudonymous. On the other hand, account-based access to CBDCs functions like a regular bank account and can be equipped with privacy features.

One of the roadblocks to financial inclusion for large parts of the unbanked population, especially in developing and poor countries, is the cost associated with developing the banking infrastructure needed to provide them with access to the financial system. CBDCs can establish a direct connection between consumers and central banks, thus eliminating the need for expensive infrastructure.

CBDCs can prevent illicit activity because they exist in a digital format and do not require serial numbers for tracking. Cryptography and a public ledger make it easy for a central bank to track money throughout its jurisdiction, thereby preventing illicit activity and illegal transactions using CBDCs.

Disadvantages

CBDCs don't necessarily solve the problem of centralization. A central authority (the central bank) is still responsible for and invested with the authority to conduct

transactions. Therefore, it still controls data and the levers of transactions between citizens and banks.



Users would have to give up some degree of privacy since the administrator is responsible to collect and disseminate digital identifications. The provider would become privy to every transaction conducted. This can lead to privacy issues, similar to the ones that plague tech behemoths and internet service providers (ISPs). For example, criminals could hack and misuse information, or central banks could disallow transactions between citizens.

The legal and regulatory issues pertaining to CBDCs are a black hole. What will be the role of these currencies and who will regulate them? Considering their benefits in cross-border transfers, should they be regulated across borders? Experiments in CBDCs are ongoing, and this could translate to a long-term frame.

The portability of these systems means that a strong CBDC issued by a foreign country could end up substituting a weaker country's currency. A digital U.S. dollar could substitute the local currency of a smaller country or a failing state. Let's look at

Ecuador, which replaced its official currency (the sucre) with the U.S. dollar in 2000 after high inflation forced citizens to convert their money to U.S. dollars.

Pros

- Simplifies the implementation of monetary policy and government functions
- Eliminates third-party risk
- Calibrates privacy features
- Allows the inclusion of the unbanked
- Prevents illicit activity

Cons

- Doesn't solve the problem of centralization
- Users may have to give up some degree of privacy
- Legal and regulatory issues are black hole
- Could substitute a weaker country's currency

Central Bank Digital Currencies (CBDCs) vs. Cryptocurrencies

The idea for central bank digital currencies owes its origins to the introduction of cryptocurrencies which are digital currencies secured by cryptography. This makes them hard to duplicate or counterfeit. They are decentralized networks that are based on blockchain technology. The invention of a secure and immutable ledger allows transactions to be tracked. It also enables seamless and direct transfers, without

intermediaries and between recipients simplifies the implementation of monetary policy in an economy.

The cryptocurrency ecosystem also provides a glimpse of an alternate currency system in which cumbersome regulation does not dictate the terms of each transaction. Established in 2009, Bitcoin is one of the world's most popular cryptocurrencies. No physical coins actually trade hands. Instead, transactions are traded and recorded on a public, encrypted ledger, which can be accessed by anyone. The process of mining allows all transactions to be verified. No governments or banks back Bitcoin.

Though the current cryptocurrency ecosystem does not pose a threat to the existing financial infrastructure, it has the potential to disrupt and simplify the existing system. Some experts believe the moves by central banks to design and develop their own digital currencies will act as a measure to pre-empt such an eventuality.

Examples of Central Bank Digital Currencies (CBDCs)

Central-bank-backed digital currencies haven't been formally established yet. Many central banks have pilot programs and research projects in place that are aimed at determining the viability and usability of a CBDC in their economy. China is the furthest along this route, having already laid down the groundwork and initiated a pilot project for the introduction of a digital yuan.

Russia's plan to create the CryptoRuble was announced by Vladimir Putin in 2017. Speculators suggest that one of the main reasons for Putin's interest in blockchain is that transactions are encrypted, making it easier to discreetly send money without worrying about sanctions placed on the country by the international community.

A number of other central banks have been researching the implementation of a CBDC, including:

- Sweden's Riksbank, which began exploring the issuance of a digital currency in its economy in 2017 and has published a series of papers exploring the topic.
- The Bank of England (BoE), which is among the pioneers to initiate the CBDC proposal.
- The Bank of Canada (BOC).
- The central banks of Uruguay, Thailand, Venezuela, and Singapore

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CHAPTER 6



Types of Crypto Coins

When Bitcoin launched in 2009, it didn't have much — or any — competition in the newly minted realm of digital currency. By 2011, though, new types of cryptocurrency began to emerge as competitors adopted the blockchain technology bitcoin was built on to launch their own platforms and currencies. Suddenly the race to create more crypto was on.

Today there are thousands of different types of cryptocurrency, and while each is designed to provide some new feature or function, most are founded on similar principles to those that established bitcoin.

What Are the Different Types of Crypto?



Different types of crypto generally fall into one of two categories:

• Coins, which can include Bitcoin and **altcoins** (non-Bitcoin cryptocurrencies)

• Tokens, which are programmable assets that live within the blockchain of a given platform.

Though many people use the words crypto, coins, and tokens interchangeably, it's important to understand how they differ from one another in order to gain a basic understanding of cryptocurrency.

Crypto Coins vs. Tokens

While coins and tokens are considered forms of cryptocurrency, they provide different functions. Coins are built on their own blockchain and they're intended as a form of currency. Ether (ETH) is the cryptocurrency based on the Ethereum blockchain, for example.

Generally, any blockchain-based cryptocurrency that is not bitcoin is referred to as an altcoin (more on those below).

Tokens are also built on an existing blockchain, but they aren't considered currency but rather programmable assets that allow for the creation and execution of unique smart contracts. These contracts can establish ownership of assets outside of the blockchain network. Tokens can represent units of value—including real-world items like electricity, money, points, coins, digital assets, and more—and can be sent and received.

For example the BAT, or Basic Attention Token, is built on the Ethereum platform and is used in digital advertising.

What Are Altcoins?

The name "altcoin" began as a shorthand for "alternative to Bitcoin," and most altcoins were launched to improve upon Bitcoin in some way. Some examples of altcoins include: Namecoin, Litecoin, Peercoin, Ethereum, and USD Coin.

Like Bitcoin, some cryptocurrencies have a limited supply of coins — which helps create demand and reinforce their perceived value. For example, there is a fixed number of Bitcoins that can be created — 21 million, as decided by the creator(s) of Bitcoin.

Though most altcoins are built on the same basic framework as Bitcoin and share some of its characteristics, each one offers investors something different. Some altcoins use a different process to produce and validate blocks of transactions. Some might offer new features, like smart contracts or an advantage like lower price volatility.

Tokens

Tokens are usually created and given out through an Initial Coin Offering, or ICO, very much like a stock offering. They can be represented as:

• Value tokens (like bitcoins)

• Security tokens (which are similar to stocks)

• Utility tokens (designated for specific uses)

Like American dollars, tokens represent value, but they are not exactly valuable themselves, in the same way a paper dollar's value may not be $1. But tokens can be used in transactions for other things.

A token differs from a coin in the way it's constructed within the blockchain of an existing coin like Bitcoin or Ethereum.

The 10 Most Common Types of Cryptocurrency



Here's a list of the 10 biggest cryptocurrencies by market capitalization. Because there are so many virtual currencies at wildly varying prices, market cap helps to identify those with the highest valuation. Note that the name of the blockchain platform may be different from its digital currency.

1. Bitcoin

Bitcoin was the first cryptocurrency to be created in 2009 by a person (or possibly a group) that goes by the pseudonym Satoshi Nakamoto. As noted above, there are more than 18.8 million Bitcoin tokens in circulation as of September 2021, against a capped limit of 21 million.

Bitcoin was designed to be independent of any government or central bank. Instead it relies on blockchain technology, a decentralized public ledger that contains a digital record of every Bitcoin transaction. Bitcoin established the basic system of cryptography and consensus (i.e., peer-to-peer) verification that is the foundation of most forms of crypto today.

So-called bitcoin miners use powerful computers to verify blocks of transactions and generate more bitcoins — a complex, time-consuming process called proof-of-work (PoW). The transactions are logged permanently on the blockchain — which helps to validate and secure each bitcoin and the network as a whole. Recently, the vast amount of energy required to create Bitcoin has raised concerns about environmental pollution.

2. Ethereum

Like Bitcoin, Ethereum is a blockchain network, but Ethereum was designed as a programmable blockchain, meaning it wasn't created to support a currency — but to enable the network's users to create, publish, monetize, and use applications (called "dApps"). Ether (ETH), the native Ethereum currency, was developed as a form of payment on the Ethereum platform.

As of September 2021, Ether was the number two virtual currency, behind Bitcoin. ETH is also generated using a proof-of-work system. But unlike Bitcoin, there is no limit to the number of ETHs that can be created.

Ethereum has helped fuel many initial coin offerings, since many of the ICOs used Ethereum blockchain. Ethereum has also been behind the boom in non-fungible tokens (NFTs) — digital versions of art or collectibles that are linked to a blockchain and made one-of-a-kind.

3. Cardano (ADA)

Cardano bills itself as a third-generation blockchain platform, to cast itself as a next-level player. Cardano relies on proof-of-stake (PoS), meaning that the complicated

PoW calculations and high electricity usage required for mining coins like Bitcoin aren't necessary, potentially making its network more efficient and sustainable.

Cardano's cryptocurrency is called ADA, after Ada Lovelace, a 19th-century mathematician.

Cardano's main applications are in identity management and traceability. The first application can be used to streamline the collection of data from multiple sources. The latter can be used to audit a product's manufacturing path, and potentially prevent fraud and counterfeit goods.

Cardano is being built in five phases toward achieving its goal of developing the network into a decentralized application (dApp) platform with a multi-asset ledger and verifiable smart contracts. Each phase, or era, in the Cardano roadmap is anchored by its research-based framework and peer-reviewed insights, which have helped establish its scholarly reputation.

4. Binance Coin (BNB)

Binance is one of the world's biggest cryptocurrency exchanges, and Binance Coin (BNB) is a cryptocurrency token that was created to be used as a medium of exchange on Binance. It was initially built on the Ethereum blockchain, but now lives on Binance's own blockchain platform.

BNB was created as a utility token in 2017 that allowed traders to get discounts on trading fees on Binance, but now it can also be used for payments, to book travel, for entertainment, online services, and even financial services.

BNB was created with a maximum of 200 million tokens, about half of which were made available to investors during its ICO. Every quarter, Binance buys back and then

"burns" or permanently destroys some of the coins it holds to drive demand. In July 2021, Binance completed its 16th burn, of about 1.29 million BNB, roughly equal to $394 million at that time.

5. Tether

Tether was the first cryptocurrency marketed as a "stablecoin" — a breed of crypto known as fiat-collateralized stablecoins. The value of the tether is pegged to a fiat currency — in this case, the U.S. dollar.



Like other stablecoins, the tether is designed to offer stability, transparency, and lower transaction charges to users. Tether is not a speculative investment like some cryptocurrencies; rather it can be used by investors who want to avoid the extreme volatility of the crypto market. As of February 2021, 57% of bitcoin trading was conducted using tethers.

Tether is pegged to the U.S. dollar (which is why the ticker is USDT), and it allegedly maintains a 1:1 value with the dollar, although this claim has come under some scrutiny. According to the company, there is no guarantee provided by Tether, Ltd. for any redemption of tethers; i.e., tethers cannot be exchanged for U.S. dollars.

6. Solana

Solana is a blockchain platform that generates the cryptocurrency known as Sol. One of the more volatile currencies of late, the Sol was trading at about $191.00 on Sept.

10, 2021 — and one year ago it was worth $3.42. What accounts for its growing presence in the land of crypto?

Solana has made strides in decentralized finance (a.k.a. DeFi) and specifically its smart contract technology, which are programs that run on the platform according to preset conditions (like paper contracts, but without the middlemen). Solana was also behind the "Degenerate Ape Academy," a non-fungible token (NFT) that was launched in August 2021.

7. XRP

XRP was developed by Ripple Labs, Inc. And while some people use the terms XRP and Ripple interchangeably, they are different. Ripple is a global money transfer network used by financial services companies. XRP is the crypto that was designed to work on the Ripple network. You can buy XRP as an investment, as a coin to exchange for other cryptocurrencies, or as a way to finance transactions on Ripple.

Unlike Bitcoin and many other cryptocurrencies, XRP can't be mined; instead there is a limited number of coins — 100 billion XRP that already exist. Also, XRP doesn't rely on a complex digital verification process via blockchain the way Bitcoin and others do. The Ripple network employs a unique system for validating transactions in which participating nodes conduct a poll to verify transactions. This makes XRP transactions faster and cheaper than Bitcoin.

8. Dogecoin

Dogecoin (pronounced dohj-coin) is widely known as the first joke cryptocurrency; it was launched in 2013 as a way to poke fun at Bitcoin. Nonetheless, the currency captured people's attention and a fair amount of investment. In April of 2019, a tweet

from Elon Musk indicated he had a positive view of Dogecoin, which further raised Dogecoin's profile as a legitimate cryptocurrency.

Dogecoin is an altcoin like Bitcoin and Ethereum in that it's run on a blockchain network using a PoW system. But the number of coins that can be mined are unlimited (versus the 21 million-coin cap on Bitcoin).

Dogecoin is also associated with some headline moments in crypto; investors paid the equivalent of about $30,000 in Dogecoin to help send the Jamaican bobsled team to the Winter Olympics in 2014.

Despite its place as one of the biggest coins by market cap, it trades at one of the lowest prices: about 24 cents, as of Sept. 10, 2021.

9. Polkadot (DOT)

Polkadot was co-founded by Gavin Wood, also a co-founder of Ethereum, to take the capabilities of a blockchain network to another level. The blockchain's cryptocurrency is called dot.

In fact, Polkadot operates using two blockchains — the main "relay" network, where transactions are permanent, and a parallel network of user-created blockchains, called "parachains." Parachains can be customized for myriad uses like building apps (they can even support other coins), and they benefit from the security of the main blockchain.

What differentiates Polkadot from other blockchains is its core mission to solve the problem of interoperability by building so-called bridges between blockchains. Polkadot is not the only system trying to act as a translator to help blockchains talk to

one another, but since it was established in 2020, it has become one of the bigger networks in a relatively short time.

10. USD (USDC)

USD Coin (USDC) is a stablecoin that runs on the Ethereum blockchain and several others. It is pegged to the U.S. dollar. Meaning that, like the stablecoin tether (USDT) described above, a USDC is worth one U.S. dollar — the guaranteed 1:1 ratio making it a stable form of exchange.

The goal of having a stablecoin like USDC is to make transactions faster and cheaper. While there are questions about whether the tether stablecoin is fully backed by U.S. dollar reserves, some investors believe that USDC is more transparent: its reserves are monitored by the American arm of Grant Thornton, LLC, a global accounting firm. On March 29, 2021, Visa announced the use of USDC to settle transactions on its payment network. As of June 2021 there were 24.1 billion USDC in circulation.

The Role of Miners in Cryptocurrency



How exactly do you get your virtual hands on different types of cryptocurrency? You can buy it the old-fashioned way, by buying it on an exchange like Coinbase. You can also trade crypto on an exchange for other types of crypto (for example, using tethers to buy bitcoin). Some blogs and media platforms pay their content providers in crypto.

Then there are the miners. Miners usually don't pay directly for their crypto; they earn it in various ways: e.g., through a painstaking, high-tech process of verifying transactions on a blockchain network.

Sounds sweet, but mining isn't cheap. It requires powerful, expensive hardware and lots of electricity, and the competition can be fierce.

Hard Forks vs. Soft Forks and Why They Matter

Sometimes, a cryptocurrency — whether Bitcoin or an Altcoin — forks. The concept is similar to reaching a literal fork in the road, where you have to pick one direction or

the other. But with crypto forking is more complicated (of course), as it involves the nodes or computers that store, maintain, and validate the blockchain. Also, there are hard forks and soft forks.

In simplest terms, a fork creates a divergence in the blockchain protocol. A fork typically happens when the blockchain needs an upgrade or update; there's evidence of hacking or fraud; or a large enough group of miners decide to change the network's protocol.

Hard Forks

Developers might implement a hard fork for a variety of reasons, like correcting security risks found in older versions of the software, to reverse transactions, or add new functionality. For example, in September 2021 the Cardano blockchain forked in order to allow more smart-contract capabilities.

Some memorable hard forks include several on the Bitcoin platform that led to the creation of new crypto (e.g. Bitcoin Cash, Bitcoin Gold), and one on the Ethereum platform that addressed a massive crypto heist by reversing the fraudulent transactions on the old blockchain by forking to create a new blockchain.

Typically, a hard fork requires all miners on the platform to agree to the new update, which in effect creates a new branch of the blockchain.

Soft Forks

Soft forks are different from hard forks in that they are "backwards compatible." This means that the change to the software protocol only makes previously valid transactions invalid. Old nodes will still recognize the new blocks as valid.

Soft forks don't require any nodes to upgrade to maintain consensus, since all blocks with the new soft forked-in rules also follow the old rules, therefore old clients accept them.

The Takeaway

While Bitcoin launched the crypto craze a little more than a decade ago, today there are thousands of different cryptocurrencies that investors may want to learn about and invest in.

But cryptocurrencies aren't like other real-world, fiat currencies, like the dollar, euro or yen. Those are tangible currencies, governed by central authorities, and they all operate in the same way as a store of value. Meaning: You can exchange any fiat currency for goods and services. Cryptocurrencies — which can include different types of coins (e.g. stablecoins, utility coins) and tokens (programmable assets) — serve many purposes.

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CHAPTER 7



What is a Digital Wallet

Online shopping is about convenience. We're able to find just about any product we want and have it delivered to us in a relatively short time period. One of the major hurdles that eCommerce merchants still sometimes struggle with is cart abandonment at the checkout process.

Repeatedly entering in credit card and address information can get cumbersome, which is one reason why we've seen the rise of digital wallets. Today, it is possible to order anything from the comfort of your home or office without the need to enter your credit card details.

For eCommerce merchants, optimizing for a frictionless checkout experience is critical for increasing your conversion rate. After customers have paid with their digital wallet, the last step is often choosing their shipping.

In this chapter, we will help you understand the fundamentals of digital wallets, how coronavirus led to the rise of digital payment methods in eCommerce, and some best practices you should follow when integrating digital wallets.



Fundamentals of Digital Wallets

The world is quickly switching to a cashless economy. Credit cards and debit cards contributed immensely to this transitioning. But something else has come up, and the eCommerce space is now being ushered to the next-level method of processing online transactions - digital wallets!

What is a digital wallet?

A digital wallet is an app or cloud-based software that securely stores a user's payment details to enable them to make online purchases across different websites or physical stores without the need to give away their payment details.

With a digital wallet, you only need to enter and confirm your payment and shipping details once. You can then use it to complete online payments or transfer money without the need to carry your cards around when you go shopping.

How Does It Work?

A digital wallet works in a pretty simple way. First, you need to install the software on your device or access it through an online platform. Then, create an account where you add your personal information, payment details, and any other verification information needed.

After that, all you need is to have your bank confirm your payment details, and start using your wallet app to make payments online wherever you want with a single click or tap.

When shopping at physical stores, mobile wallets use near field communication (NFC) to complete payments. If the merchant's payment terminal has a contactless payment symbol, simply point your smartphone close to it, and confirm the purchase by scanning a QR code, entering a password, or tapping the required button.

Digital wallet vs. a Mobile wallet vs e-wallet



Digital wallets, mobile wallets, and e-wallets are closely related. While the three terms are mostly used interchangeably, they technically refer to three different things. You need to understand the difference between them so that you choose the one that is more convenient for you. Let us get up close with each one of them.

- **Digital wallet**

A digital wallet is cloud-based software that electronically stores customers' payment details online so that they can access them from anywhere when making online transactions. Your money remains in your bank or credit card account. Visa Checkout and Google Pay are good examples of digital payment technologies in this category.

Use a digital wallet if you want to go cashless and cardless, and shop from anywhere with any of your devices.

- **E-wallet**

An e-wallet is a prepaid electronic wallet that must be loaded with money before any transactions can be made. It is also used to store credit and debit card information, storing funds, making purchases, keeping loyalty credits, among other uses. You then

access your e-money via the e-wallet's website or mobile app to make purchases directly from the e-wallet balance.

It is an excellent option if you want to carry some e-money that you can use anywhere instead of carrying your cards.

- **Mobile wallets**

Just as the name suggests, this is a wallet that is housed in your mobile device via an app that you download and install. Most of them are device or operating-system dependent, except PayPal (PYPL) that works across all major devices. Good examples of mobile wallets are Samsung Pay, Apple Pay, and Android Pay.

Other mobile wallets are brand or retailer-specific. Think Walmart Pay and Capital One Mobile. It is a good option for you when shopping at physical stores because you can just "tap and pay" instead of swiping your cards all the time.



Just creat
account to
on 250+

Pros & Cons of Digital Wallets

Everything comes with its share of pros and cons. While digital wallets present several benefits to customers and businesses alike, they have their disadvantages too. Here is a list of the Pros and Cons of digital payment methods.

Pros

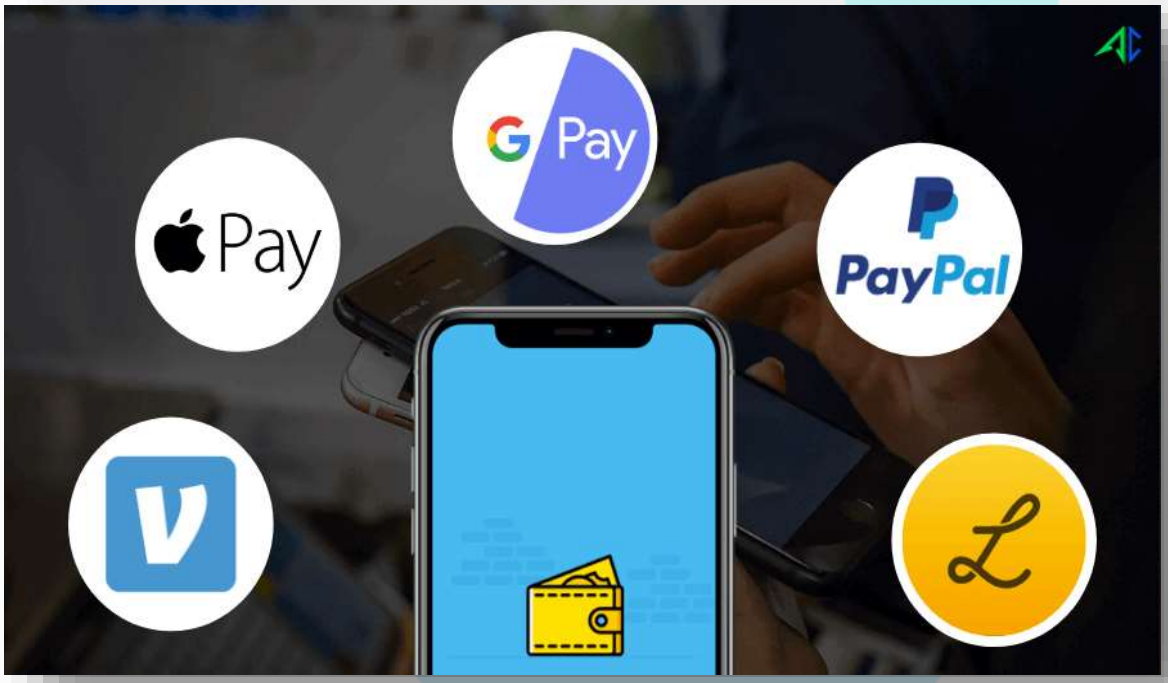
- They are easy to use and manage
- No need to carry physical cards around
- Time-saving due to a quick checkout process
- Customers can easily track their expenses by analysing their transaction history
- Enhanced security since merchants never see your payment details
- Users can easily store promotion codes, special offers, and loyalty rewards
- Low costs for business owners since they don't have to hire workers to complete sales and collect money from customers

Cons

- It takes time and money to install the requisite software and hardware to facilitate digital payments.
- Not all merchants accept digital payments
- Some mobile wallets are dependent on a specific device, brand, or operating system
- Spending money through a digital wallet may lead to overspending
- A small security lapse on the part of the customer can be costly
- If your device runs out of power, you may be forced to postpone your purchase

The Rise of Digital Wallets in eCommerce

The global digital payments market was valued at $3.1 trillion in 2017. Fast forward to 2020, and this value has increased by more than 50% to reach $4.7 trillion in three years only!



How Covid-19 Intensified the Growth of Digital Payments

Coronavirus has had a huge impact on how consumers shop and make payments. This has resulted in a significant rise in digital wallets in eCommerce.

Social distancing rules and lockdowns have made it difficult for people to pay physically with cash or cards. This has left many people with no option but to figure out online shopping and embrace contactless payments through digital wallets as the only safer way to shop and manage their money.

Going forward, digital wallets will only continue to rise because they have presented many people with some level of shopping convenience and security they had never known before. Statistics show that more than 6.1 billion people will use digital payments by 2023, and the digital payment industry will continue to grow by CAGR of 12% to reach $6.7 trillion by the same year.

What Does It Mean for SMBs?

So what does this increased use of digital wallets mean for SMBs? It means that businesses that will not integrate them in their payment options will lose big. Think of losing a sale because your customer can't see the PayPal or Amazon Pay button. Instead, what they see is a conservative and lengthy checkout process where they have to enter all details

In fact, 21% of buyers will abandon a shopping cart due to a lengthy checkout process. eCommerce retailers need to embrace digital wallets and offer different payment options during the checkout process to increase conversions.

Since digital wallets store customers' payment and shipping details, it means that buyers can complete a purchase in your store with a single click or tap of the button. That is how you increase conversions. That is how you win over the competition!

Benefits of Digital Wallets for Online Merchants

Mobile payment methods have a whole lot of benefits for online merchants. Here is a rundown of the most common benefits of integrating digital wallets in your business.

1. **Increased conversions:** A lengthy checkout process is a big turnoff to most customers and a leading reason for cart abandonment. Digital wallets reduce this process to a single click or tap, resulting in increased conversions at checkout.

2. **Cardless payment for your shoppers:** Shoppers don't have to postpone their purchase because they haven't carried their card with them, or because they have to rush to the next room to find the right card. That means more business for you.

3. **More payment options:** If you give your shoppers different payment options through digital wallets, they will reward you with more purchases and customer loyalty.

4. **Accept payment across devices:** With digital wallets and wallet apps, it doesn't matter the device your users are using to browse your store. They can make payments directly from their laptop, desktop, tablet, or smartphone.

5. **An extra layer of security:** Data security is a top concern for online shoppers. Digital wallets add an extra layer of security to your customers' data. Since they don't have to give away their payment details anytime they shop in your store, they can slide through the checkout process with confidence knowing that their information is secure.

6. **Save time and money:** When buyers shop in your physical store, they won't have to waste time queuing because digital wallets make it easy to complete payment in less than a minute. You also don't have to employ money salespeople to collect money from customers.

Setting Up Digital Wallets for Your eCommerce Store



With so much choice out there, it may be daunting to find the best digital wallets to add to your store. Here are the top three you should consider adding to your eCommerce store.

1. **PayPal:** It is the most popular digital wallet, and it is independent of the brand, device, or operating system that customers use to shop in your store.

2. **Apple Pay:** Its market share is greater than Android. It may be your go-to wallet app for your Apple device users.

3. **Amazon Pay:** 93% of mobile shoppers have an Amazon account, making it one of the most popular digital wallets to have in your store.

How to Add Digital Wallets to Your Website

Several factors come to play when integrating different digital payment options into your store. Here are some best practices that you should keep at the back of your mind:

1. **Devices:** You need to know the devices most of your buyers are using to shop in your store. If most of your customers are android users, you are better off offering Android Pay. If most of your buyers are iOS users, then go with Apple Pay.

2. **Checkout process:** Make sure that your wallet app reduces the checkout frictions as much as possible.

3. **Popularity:** You need to make sure that you offer the most popular digital payment options. PayPal and Amazon pay carry the day here.

4. **Don't mask your main Checkout button:** Let the digital wallet's call-to-action appear below your main Checkout button so that it doesn't deter your main CAT button.

5. **Monitor conversions:** Monitor the conversion rates for each digital payment option in your store and make changes accordingly.

Digital Wallet Examples

There are so many digital wallets out there that you can experiment with in your store to see what works best for you. Here are examples of the most commonly used digital payment methods.

- PayPal One Touch
- Apple Pay
- Samsung Pay
- Amazon Pay
- Google Pay
- Alipay

As you can see, digital wallets are giving consumers the much needed convenience and security when it comes to eCommerce shopping. Stats underscore the fact that wallet apps will soon become the next big thing in the eCommerce industry. Now is the time

to take the plunge and integrate a few digital wallets in your e-store and increase conversion rates at checkout.

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CHAPTER 8



How to secure Digital Wallets

An Electronic-wallet (e-wallet) is an electronic application that enables online e-commerce transactions like purchasing goods, paying utility bills, transferring money, booking flight etc. with a financial instrument (such as a credit card or a digital currency) using smart phones or computers.

A plethora of these e-wallets are provided online for downloading through "apps" to support both Point of Sale (PoS) transactions and peer-to-peer transactions between individuals.

Being preloaded with currency by the user, they are designed to be convenient to them over the traditional wallets, by providing better manageability over their payments, accounts, receiving of offers, alerts from merchants, storing digital receipts and warranty information and being secure by requiring to access only through correct passphrase, password and such authentication information.

A number of IT companies, Banks, Telecoms firms, online e-commerce portal, taxi-services, supermarket chains etc. provide e-wallets. A number of Personally Identifiable Information (PII's) of the customer like his/her name, mobile phone number and his/her protected personal information like Customer card numbers, secret PIN, net banking credentials etc is permanently stored in e-wallets, requiring just final authorization from the user through means like biometrics authentication, one-time passwords(OTP) etc. The payment process involves security mechanisms like certificate pinning and use of encryption.

Threats to E-Wallets and counter measures



1. **Impersonation, SIM swapping**

- Impersonation occurs when a fraudster steals information and then poses as a genuine user to do a transaction using the stolen e-wallet details and password.

- SIM swaps occurs when fraudsters first collect the user's information and use it to get his / her mobile phone SIM card blocked and obtain a duplicate one by visiting the mobile operator's retail outlet with fake identity proof. The mobile operator deactivates the genuine SIM card, which was blocked, and issues a new SIM to the fraudster who then generates one-time passwords using stolen information.

- For prevention against Impersonation and SIM swapping attacks:

  - Avoid falling prey to social engineering tricks
  - Financial service providers and support staff will never ask their customers for sharing their private information such as passwords or payment account numbers over e-mail requests or phone inquiries etc.

- Some Mobile network operators send an SMS to alert their customers of a SIM swap, the affected customer can act and stop this fraud in its tracks by contacting the mobile operator immediately.

2. Man-in-the-middle attack and Phishing

Sophisticated threats like Man-in-the-Browser or Man-in-the-Middle attacks intercept online transactions by reading payment data from the Internet browser while the user is typing his credit card or bank account details. Phishing attacks are used to steal users' login details and personal data, making e-wallet accounts susceptible to fraud.

For prevention against phishing attacks:

The URL of the web-page should be verified, by establishing the authenticity of the website by validating its digital certificate. To do so, go to File > Properties > Certificates or double click on the Padlock symbol at the upper right or bottom corner of the browser window. Emails or text messages asking the user to confirm or provide personal information (Debit/Credit/ATM pin, CVV, expiry date, passwords, etc.) should be ignored.

3. Malware Attacks

Malware attacks on apps have threatened the safety of user's money. An attacker can inject a malware to attack the app and collect details from his phone to misuse it.

For prevention against Malware attacks:

- **Keep the wallet software up to date:** Using the latest version of software allows receiving important stability and security fixes timely. Updates can prevent problems of various severities, include new useful features and help keep the wallet safe. Installing updates for all other software on the computer or mobile is also significant to keep the wallet environment safer.

- **Use security software:** Applications for detecting and removing threats, including firewalls, virus and malware detection and intrusion-detection systems, mobile security solutions should be installed and activated.

Best Practices for securing e-wallets



- **Enable Passwords on Devices:** Strong passwords should be enabled on the user's phones, tablets, and other devices before e-wallets can be used. Additional layers of security provided by these devices should be used.

- **Use Secure Network Connections**: It's important to be connected only to the trusted networks. Avoid the use of public Wi-Fi networks. More secure and trusted

WiFi connections identified as "WPA or WPA2" requiring strong passwords should be used.

- **Install Apps From Trusted Sources:** Reading the user ratings and reviews can provide some clues about the integrity of the e-wallet app. The user must check for the e-wallet provider to be showing strong legacy of securely, reliably and conveniently handling sensitive financial data and providing customer support (in the event of card loss or account fraud).

- **Keep Login Credential Secure:** Avoid writing down information used to access the digital wallets in plain view or storing them in an unprotected file to avoid their misuse.

- **Create a Unique Password for Digital Wallet:** Use hard-to-guess password unique to the digital wallet to prevent against the risk of unauthorized access.

- **Stay vigilant and aware of cell phone's network connectivity status and register for Alerts through SMS and emails:** The user should not switch off his cell phone in the event when numerous annoying calls are received, rather answering the calls should be avoided. This could be a ploy to get him to turn off his phone or put it on silent to prevent him from noticing that his connectivity has been tampered with. The customer should realize that when he is not receiving any calls or SMS notifications for a long time against his e-wallet uses, he should make enquiries with his mobile operator to be sure about not falling victim to such scam.

- **Identify Points of Contact in case of Fraudulent Issues:** For any fraudulent activity occurring on the user's account in the scenarios like when phone is lost or stolen, an individual card stored in the wallet is lost or account has been hacked,

appropriate points of contact for resolving the issues should be understood by the user. The user must completely understand the e-wallet provider's contract terms and conditions.

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CHAPTER 9



How to purchase Cryptocurrency

If you're new to the world of crypto, figuring out how to buy Bitcoin, Dogecoin, Ethereum and other cryptocurrencies can be confusing at first. Thankfully, it's pretty simple to learn the ropes. You can start investing in cryptocurrency by following these five easy steps.



1. Choose a Broker or Crypto Exchange

To buy cryptocurrency, first you need to pick a broker or a crypto exchange. While either lets you buy crypto, there are a few key differences between them to keep in mind.

What Is a Cryptocurrency Exchange?

A cryptocurrency exchange is a platform where buyers and sellers meet to trade cryptocurrencies. Exchanges often have relatively low fees, but they tend to have more complex interfaces with multiple trade types and advanced performance charts, all of which can make them intimidating for new crypto investors.

Some of the most well-known cryptocurrency exchanges are Coinbase, Gemini and Binance.US. While these companies' standard trading interfaces may overwhelm

beginners, particularly those without a background trading stocks, they also offer user-friendly easy purchase options.

What Is a Cryptocurrency Broker?



Cryptocurrency brokers take the complexity out of purchasing crypto, offering easy-to-use interfaces that interact with exchanges for you. Some charge higher fees than exchanges. Others claim to be “free” while making money by selling information about what you and other traders are buying and selling to large brokerages or funds or not executing your trade at the best possible market price.

While they’re undeniably convenient, you must be careful with brokers because you may face restrictions on moving your cryptocurrency holdings off the platform. With some brokers, for instance, you cannot transfer your crypto holdings out of your account. This may not seem like a huge deal, but advanced crypto investors prefer to hold their coins in crypto wallets for extra security. Some even choose hardware crypto wallets that are not connected to the internet for even more security.

2. Create and Verify Your Account

Once you decide on a cryptocurrency broker or exchange, you can sign up to open an account. Depending on the platform and the amount you plan to buy, you may have to verify your identity. This is an essential step to prevent fraud and meet federal regulatory requirements.

You may not be able to buy or sell cryptocurrency until you complete the verification process. The platform may ask you to submit a copy of your driver's license or passport, and you may even be asked to upload a selfie to prove your appearance matches the documents you submit.

3. Deposit Cash to Invest

To buy crypto, you'll need to make sure you have funds in your account. You might deposit money into your crypto account by linking your bank account, authorizing a wire transfer or even making a payment with a debit or credit card. Depending on the exchange or broker and your funding method, you may have to wait a few days before you can use the money you deposit to buy cryptocurrency.

Here's one big buyer beware: While some exchanges or brokers allow you to deposit money from a credit card, doing so is extremely risky—and expensive. Credit card companies process cryptocurrency purchases with credit cards as cash advances.

This means they're subject to higher interest rates than regular purchases, and you'll also have to pay additional cash advance fees. For example, you may have to pay 5% of the transaction amount when you make a cash advance. This is on top of any fees that your crypto exchange or brokerage may charge; these can run up to 5% themselves, meaning you might lose 10% of your crypto purchase to fees.

4. Place Your Cryptocurrency Order

Once there is money in your account, you're ready to place your first cryptocurrency order. There are hundreds of cryptocurrencies to choose from, ranging from well-known names like Bitcoin and Ethereum to more obscure cryptos like Theta Fuel or Holo.

When you decide on which cryptocurrency to purchase, you can enter its ticker symbol—Bitcoin, for instance is BTC—and how many coins you'd like to purchase. With most exchanges and brokers, you can purchase fractional shares of cryptocurrency, allowing you to buy a sliver of high-priced tokens like Bitcoin or Ethereum that otherwise take thousands to own.

The symbols for the 10 biggest cryptocurrencies based on market capitalization* are as follows:

1. Bitcoin (BTC)
2. Ethereum (ETH)
3. Tether (USDT)
4. Binance Coin (BNB)
5. Cardana (ADA)
6. Dogecoin (DOGE)
7. XRP (XRP)
8. USD Coin (USDC)
9. Polkadot (DOT)

10. Uniswap (UNI)

**Based on market capitalization as of June 28, 2021*

5. Select a Storage Method

Cryptocurrency exchanges are not backed by protections like the Federal Deposit Insurance Corp. (FDIC), and they're at risk of theft or hacking. You could even lose your investment if you forget or lose the codes to access your account, as millions of dollars of Bitcoin already has been. That's why it's so important to have a secure storage place for your cryptocurrencies.



As noted above, if you're buying cryptocurrency via a broker, you may have little to no choice in how your cryptocurrency is stored. If you purchase cryptocurrency through an exchange, you have more options:

- **Leave the crypto on the exchange.** When you buy cryptocurrency, it's typically stored in a so-called crypto wallet attached to the exchange. If you don't like the provider your exchange partners with or you want to move it to a more secure location, you might transfer it off of the exchange to a separate hot or cold wallet. Depending on the exchange and the size of your transfer, you may have to pay a small fee to do this.

- **Hot wallets.** These are crypto wallets that are stored online and run on internet-connected devices, such as tablets, computers or phones. Hot wallets are convenient, but there's a higher risk of theft since they're still connected to the internet.

- **Cold wallets.** Cold crypto wallets aren't connected to the internet, making them your most secure option for holding cryptocurrency. They take the form of external devices, like a USB drive or a hard drive. You have to be careful with cold wallets, though—if you lose the keycode associated with them or the device breaks or fails, you may never be able to get your cryptocurrency back. While the same could happen with certain hot wallets, some are run by custodians who can help you get back into your account if you get locked out.

Alternatives Ways to Buy Cryptocurrency

While buying cryptocurrency is a major trend right now, it's a volatile and risky investment choice. If investing in crypto on an exchange or via a broker doesn't feel like the right choice for you, here's are a few options to indirectly invest in Bitcoin and other cryptocurrencies:

1. Wait for Crypto Exchange-Traded Funds (ETFs)

ETFs are extremely popular investment tools that let you buy exposure to hundreds of individual investments in one fell swoop. This means they provide immediate diversification and are less risky than investing in individual investments.

There is a huge appetite for cryptocurrency ETFs, which would allow you to invest in many cryptocurrencies at once. No cryptocurrency ETFs are available for everyday investors quite yet, but there may be some soon. As of June 2021, the U.S. Securities

and Exchange Commission (SEC) is reviewing three cryptocurrency ETF applications from Kryptcoin, VanEck and WisdomTree.

2. Invest in Companies Connected to Cryptocurrency

If you'd rather invest in companies with tangible products or services and that are subject to regulatory oversight—but still want exposure to the cryptocurrency market—you can buy stocks of companies that use or own cryptocurrencies and the blockchain that powers them. You'll need an online brokerage account to buy shares of public companies like:

- **Nvidia (NVDA).** This technology company designs and sells graphics processing units, which are at the heart of the systems used to mine cryptocurrency.
- **PayPal (PYPL).** Already a popular choice for people buying items online or transferring money to family and friends, this payments platform recently expanded to allow customers to buy and sell select cryptocurrencies with their PayPal and Venmo accounts.
- **Square (SQ).** This payment services provider for small businesses has purchased over $220 million in Bitcoin since October 2020. In February 2021, the firm disclosed that Bitcoin made up around 5% of the cash on its balance sheet. In addition, Square's Cash App allows people to buy, sell and store cryptocurrency.

As with any investment, make sure you consider your investment goals and current financial situation before investing in cryptocurrency or individual companies that have a heavy stake in it. Cryptocurrency can be extremely volatile—a single tweet can make its price plummet—and it's still a very speculative investment. This means you should invest carefully and with caution.

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CHAPTER 10



Best places to buy Bitcoin

We've found out **top 20 places to buy bitcoin**. Some are exchanges, some are platforms to buy from but not sell back to, and others are physical ATM-style structures.

Whichever way you plan to buy your bitcoin, you must do your homework to ensure you understand how the company operates. There are numerous places to buy bitcoin available and we would always recommend that you conduct your own thorough research and due diligence before making your own personal choice.

Although we have listed several providers below, it should be noted that this is through online research, not personal experience.

1. eToro

Best for: Beginners

The eToro website contains a wealth of information on the details of buying bitcoin, making this exchange well suited to those just starting out in bitcoin trading.

Traders who sign up with eToro get a virtual trading account with $100,000 in it to allow them to practise strategies before trading with real money.

The company also offers trading courses and features a Learning Lab which houses a variety of tools to support clients with their trading experience.

In the UK, eToro is regulated by the Financial Conduct Authority (FCA) and money is kept in tier one European banks. Unlike other exchanges in this list, eToro supports deposits and withdrawals to and from external wallets and does not charge any trading fees.

Cryptoasset investing is unregulated in most EU countries and the UK. No consumer protection. Your capital is at risk. 67% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you can afford to take the high risk of losing your money.

2. Pepperstone

Best for: CFDs

Having launched in 2010, Pepperstone is a relatively new broker. However, it has grown exponentially over the past 10 years to become a reputable, popular broker.

Pepperstone is known for its low trading fees and is regulated by the FCA, Australian Securities and Investments Commission (ASIC), and other regulatory bodies – all listed on its website.

It uses some of the best trading platforms available, such as MetaTrader 4, MetaTrader 5 and cTrader, available on mobile, tablet and desktop.

Pepperstone offers bitcoin trading on a CFD-basis (this means you are trading on the price movements of the currency and not buying/owning the coin itself).

Therefore, you will not need a digital wallet to trade with Pepperstone. A free demo account is available. Cryptocurrency CFD trading with Pepperstone is only available for professional clients.

As well as bitcoin, you can trade other cryptocurrencies, such as Ethereum and Bitcoin Cash.

Risk warning: Spread bets and CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. 76.6% of retail investor accounts lose

money when trading spread bets and CFDs with this provider. You should consider whether you understand how spread bets and CFDs work and whether you can afford to take the high risk of losing your money.

3. Coinbase

CLICK HERE an you'll get $10 in free Bitcoin when you buy or sell $100 or more in crypto.

Best for: Keeping your money safe

Based in California, Coinbase is one of the leading crypto exchanges in the world and a popular choice when buying bitcoin. The company offers both a wallet (which is free) and an exchange for customers.

According to Coinbase, 98% of digital currency is stored offline in vaults and safe deposit boxes. The company also has a 48-hour withdrawal cancellation option in place to protect users from fraudulent activity and offers investors the option of adding a second person's name to the approval list for added withdrawal security.



Coinbase accepts payment by credit and debit card and charges a flat fee of $3.99 for the privilege – low cost compared to other US and UK exchanges.

The Coinbase debit card supports around nine cryptocurrencies at the time of writing and automatically converts it when you want to use fiat currency.

The card is free in the US but in the UK, a fee of £4.95 applies. There are also other fees applied for things like withdrawing more than the daily limit or using the card abroad. Make sure you check the related fees before using the card.

4. Capital.com

With offices in London, Cyprus, Gibraltar, Belarus and Australia, Capital.com offers traders the opportunity to use award-winning AI technology to gain access to more than 3,800 markets.

The easy-to-use proprietary platform is available on the web, desktop and mobile, and you can trade indices, commodities, cryptocurrencies, shares and currency pairs with the best in technical indicators, charts and multiple order types at your fingertips.

In addition, the AI technology analyses your trading behaviour to help you make more powerful decisions.

Capital.com has no fees for traders – which means that you can deposit, withdraw and trade without commissions or costs. Capital.com make their money for the platform through the spread, which is like many other brokers.

The spread cost is completely transparent, with the costs incorporated into the quote, not as an additional cost.

There are three different accounts available, and the one you choose depends on the minimum deposit, which starts at just $20.

- Standard accounts have a minimum deposit of up to $3,000
- The Plus account is from $3,001 – $9,999
- The Premium account is from $10,000

User experience is the same in all account types, so you will enjoy the same trading no matter what your deposit level.

One of the most impressive parts of the Capital.com offering, especially for beginners, is education. With a custom-built app called **Investmate**, users can set goals for their learning and the pace at which they want to learn – and have the trading knowledge that they need in their pocket.

30+ courses using varied learning materials are all in the application, to be used as and when they are needed.

You can also find a glossary, guides on different trading instruments and strategies – including how to trade using spread betting and margins.

The Capital.com trading platform is speedy, intuitive and simple, with a smooth interface and great customisation options, and with a demo account and premium research, education and trading experience it is an excellent choice of platform with minimal negatives.

76.72% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you can afford to take the high risk of losing your money.

5. Uphold

Uphold was launched in 2015, and since then it has handled more than $4 billion in transactions, trading in 184+ countries with more than 30 currencies.

Uphold allows clients to trade directly between different asset classes in one transaction – so you can trade anything to anything.

With Uphold, you can trade 58 digital currencies, precious metals like gold, silver, platinum and palladium, as well as fractional equities in shares of US companies like Amazon, Tesla and Apple.

Uphold also focuses on Socially Responsible Investing (SRI) by providing an opportunity to trade on carbon tokens for more than just a financial return.

New traders will like the transparent pricing – there are no commission or account fees, and no withdrawal or deposit costs, but the trading fees are built into the spread. Uphold will present a complete price for each trade that includes fees, so you will know exactly what the trade will cost.

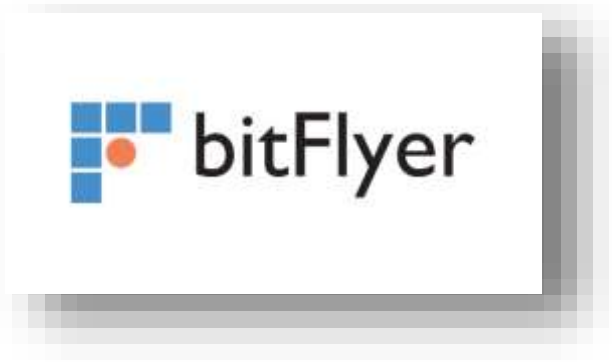
Uphold also offers a debit card option, where you can pay for goods and services using any asset in your portfolio – and earn cashback as well as crypto on your purchases.

Uphold makes it simple to buy, sell and trade cryptocurrency including bitcoin and 57 other altcoins.

The 0.8-1.2% spread cost is all that you will pay on a transaction, and there are no other commissions or fees.

6. bitFlyer

BitFlyer is a Japanese company that was launched in 2017 and is licensed in the US, Europe and Japan.



As an exchange, bitFlyer offers several cryptocurrencies for trading, with no account fees.

BitFlyer differs from some other altcoin exchanges because the fees for buying and selling cryptocurrency are the same whether you are a maker or a taker, although these are slightly different depending on the location.

For example, maker/taker fees in the US are 0.12%, whereas in Europe they are 0.20%.

There are two different account levels – **Trade and Trade Pro**.

The only real difference between the two is that the Pro account gets some preferential rates and an unlimited number of deposits and withdrawals.

Deposits are quick, free and simple if you do bank transfers, but there is a small withdrawal fee if you are moving cryptocurrency off the platform – this depends on the coin itself, but as an example, the withdrawal fee for bitcoin is 0.0004BTC. If you want to deposit via PayPal, there is a charge of 4.9% plus 0.35 EUR per transaction.

Aside from the basic bitFlyer trading platform, there is another exchange that is built for professional traders, known as **bitFlyer Lightning**.

As a relative newcomer to the cryptocurrency trading scene, bitFlyer offers something for every trader and is fully audited by Ernst & Young.

7. BlockFi

BlockFi is a New Jersey-based exchange created to provide credit services based on cryptocurrency, that was launched in 2017.

As a credit platform, it offers market-leading rates with institutional quality benefits, and the opportunity to earn cryptocurrency through interest rather than just buying and selling.

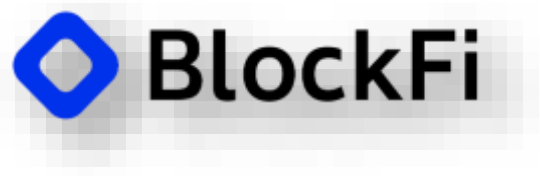
The **BlockFi Interest Account** offers up to 7.5% interest for holding a specific altcoin balance – up to 7.5% in some cases – and this interest is accrued daily and paid monthly with no hidden fees and no minimum balance needed.

The Trading account offers the opportunity to buy and sell several cryptocurrencies and stablecoins, making immediate trades simple and affordable.

One of the other offerings that BlockFi has, that most other crypto exchanges do not have, is the opportunity to borrow against your cryptocurrency holdings to get a loan in USD (this is only available to US residents, however).

This loan has a 50% LTV and the interest charged is 4.5%, with 12-month payment terms and a minimum loan amount of $5,000.

BlockFi is regulated by the New York State Department of Financial Services (NYSDFS), but it is not protected by the FDIC or SIPC.



This exchange is not decentralised and there are strict Know Your Customer and AML protocols in place; so to buy or sell cryptocurrency, you will need to verify your ID when you open an account.

The cost of trading is built into the spread, with an additional cost of around 1% on all transactions. This makes it quite cost-effective, although prices may be considerably

higher for trades made with low liquidity coins. Once you have bought your bitcoin, it immediately starts accruing interest.

8. CoinSmart

CoinSmart was founded in 2018 and is a trading platform designed to make buying and selling cryptocurrencies easy for those living in Canada – and at the moment, the service is **only available in Canada**.

Highlights of the CoinSmart platform include a simple interface, learning tools and 24/7 support, alongside enterprise-grade security and reporting tools for tax auditing purposes.

Users can deposit with CAD, EUR and USD, using Interac, wire transfer, SEPA and crypto, and there are nine cryptocurrencies available to trade.

The trades are all commission-based, with 0.20% on a single trade, and 0.30% on a double trade.

The Education Hub is a collection of articles, blogs and how-to guides that can help beginners learn about trading. 24/7 support is available through a comprehensive FAQ section, as well as email and live chat options.

For the advanced trader, different trading tools are available including limit orders and stop loss, as well as read time charting and customised orders with order book functionality.

The basic account has all the functionality needed to make trades, but there is a Premium account aimed at professional traders that adds OTC trading, preferential pricing and a dedicated account manager to the basic account.

Buying bitcoin with CoinSmart is easy because the platform is designed with the idea that cryptocurrency should be accessible to everyone.

One-click trading and straightforward pricing alongside great educational resources help to make the whole process simple.

The platform is secured using 2FA, and there are strict KYC/AML regulations in place to ensure that all user data is verified. Most of the cryptocurrency assets are held in cold storage, to help protect them from hackers.

There is not much choice of cryptocurrency available on CoinSmart, but the client support and the easy-to-use interface make this a great platform for new and experienced traders in Canada.

9. Kraken

Kraken is a Bitcoin and cryptocurrency exchange that places itself as 'on the forefront of the blockchain revolution since 2011'.

Styled as a crypto exchange for everyone, there is a whole Resource Centre full of the basics of trading cryptocurrency.

The feature-loaded interface is easy to use for beginners, and the long and short-term investment strategies, including margin and futures trading, are suitable for the more experienced investor.

The exchange has fees that are volume-based and investor friendly, with bigger trades attracting 0% trading fees – but the exchange is very upfront about the costs involved with buying and selling Bitcoin on a maker-taker structure.

Kraken allows deposits to be made in cryptocurrency, and accepts the following fiat currency:

- USD
- EUR
- CAD
- JPY
- GBP
- CHF
- AUD

Accounts can be funded by wire transfer and SWIFT, but not through credit and debit cards.

The Starter Account allows basic deposits, exchanges and withdrawals for cryptocurrency, and just needs basic information like name, date of birth and address.

The Intermediate and Pro accounts allow for withdrawals into fiat currency but needs more Know Your Customer (KYC) information like a valid Social Security number, photographic ID and proof of residence.

With the Pro account, higher limits and access to the anonymous 'dark' trading pool and over the counter desk for large transactions.

The Kraken mobile application is available for both iOS and Android, allowing for simple buying and trading of Bitcoin and other cryptocurrencies and full use of trading strategies.

10. Gemini

Gemini is a security-first platform to buy and sell cryptocurrency that was founded in 2014 in New York City by Tyler and Cameron Winklevoss – the well-known twins who sued Zuckerberg over the creation of Facebook.

Regulated by the NYSDFJ, Gemini is one of only a handful of cryptocurrency exchanges that are regulated and available in all 50 states as well as 50 or more countries around the world.

Traders can buy, sell and exchange more than 30 cryptocurrencies, and while crypto conversion is free, there is a convenience charge on each transaction of 0.50% over market price, and a trading fee of $0.99 to $2.99 or 1.49% for transactions over $200.

The trading platform offers multiple tools so traders can do more than just buy and sell cryptocurrency, and the mobile application is available on iOS and Android, fully optimised to buy and sell on the go.

With the mobile app you can set price alerts, and even complete an account set up directly in the application.

Buying Bitcoin through Gemini is simple and straightforward – just deposit either fiat currency or other coins into your account, and decide if you want to buy straight away, or wait until it reaches your preferred price.

You can buy and sell Bitcoin on the website, or through the mobile app.

11. Crypto.com

Crypto.com was created as a place to buy, sell and trade cryptocurrency, and is a decentralised exchange where users can exchange fiat or cryptocurrency for more than 100 of the most popular altcoins.

Crypto.com has more than 10 million users and provides services in 90+ countries globally. For security, 100% of user crypto is kept in cold storage, while the hot wallets that are used to ensure fast transaction speeds contain corporate funds.

All fiat currency is held in regulated custodian bank accounts, and there are strict security protocols around access to wallets based on the principle of least privilege.

You can deposit 20+ fiat currencies using a credit or debit card, as well as through bank transfer, and through the app you can buy cryptocurrency at the true cost (with a commission).

The Crypto.com offering includes a VISA card with the potential to earn up to 8% in CRO (The Crypto.com currency), a Pay application that lets you use your cryptocurrency balance to make payments online where accepted, an instant loan based on your cryptocurrency balance with no late fees and instant sending of crypto to other app users with no fees.

With the Crypto.com app, you can earn up to 8.5 % pa for staking crypto, and up to 14% if you stake stablecoins (which are designed to offer price stability because they are aligned with an asset).

The exchange platform at Crypto.com offers tracking for all major cryptocurrencies, and with bitcoin you can easily see an up-to-date price when you decide to buy.

Crypto.com allows users to purchase BTC and other altcoins at the 'real price' with commission paid on deposits via credit or debit card, so it might be a cheaper way to buy if you are using fiat currency.

Trading fees are a small percentage (up to 3%, depending in volume) so it is possible to trade both current crypto holdings and fiat for BTC, too.

12. Olymp Trade



Founded in 2014, Olymp Trade is a relative newcomer as a trading platform but has more than 25 million users worldwide.

Traders can buy and sell stocks, commodities, forex, cryptocurrencies and ETFs with a minimum deposit of $10. Based in St. Vincent and the Grenadines, Olymp Trade is regulated by the IFC.

All deposits and withdrawals are free, whether you use bank transfer, cards or e-wallets, but there is an inactivity fee after 180 days of $10 (or equivalent) per month.

Commission is about 8% of the trade on Olymp Trade, and the spreads are about average on currency pairs. There are no fees for deposits or withdrawals, with a minimum withdrawal amount of $10.

The trading platform is available on web, mobile and desktop and is straightforward to use with a seamless user experience. The interface is customisable, and you can use various indicators and analysis tools while making trades on options on forex.

The mobile app is native for both iOS and Android and is designed to have the full functionality of the web and desktop platform, with notifications and alerts.

If you want to use Olymp Trade for buying Bitcoin, it is worth noting that you can only trade cryptocurrency CFDs rather than buying and owning the altcoins.

Traders on the platform are designated different statuses, depending on the amount of deposit.

- **Starter** is up to $499 deposit, which offers basic functionality.
- For those that deposit $500 to $1,999, the **Advanced** status offers more open positions, faster withdrawal requests, monthly consultations with professionals, built-in trading strategies and private webinars. You can get a 10% discount on Forex fees too.

Advanced status comes from depositing more than $2,000, and includes risk-free trades, individual training and exclusive daily investment ideas as well as everything else that is available in the lower status groups.

There are lots of educational resources available on Olymp Trade, including a Learn How to Trade in 30 Minutes course and other articles, tutorials and videos all listed by theme and category.

Research is in-house and includes forecasts, technical analytics and a blog with lots of useful information, with analysis like charting, an economic calendar and fundamental data.

Customer service is available in multiple languages and can be accessed 24/7 via phone, email or live chat.

13. Bitpanda

Best for: Choice of payment method

Bitpanda serves a European customer base and has a good selection of payment methods. The cost of buying and selling bitcoin on Bitpanda is on a par with Coinbase (1.49%); however, a full fee breakdown is not easily found on the website and the fees are included within the buying price.

The level of privacy users receive depends on their usage; with a verified email only, you can buy bitcoin but have limits on the amount you can sell. By verifying your ID, you can buy bitcoin with a credit card and purchase substantially more using other payment methods.

14. SwitchMarkets.com

With Switch Markets you can trade Forex, CFDs, Crypto, Commodities and more on either a live trading account or a demo account.

This regulated broker offers ideal trading conditions no matter what your style of trading.

You have the choice of a zero commission account or a zero spreads account, and you can deposit as little as $50 to start trading.

There's even leverage up to 1:500 available if you want it.

Unlike most brokers that offer a VPS, Switch Markets will give you a high-spec VPS completely free with your trading account – this is well worth it if you are an EA trader.

Read its reviews and you will see that its customer support is exceptional and available around the clock – something often overlooked when choosing a broker.

Withdrawals and deposits are fast too.

This is an ideal broker for those looking to improve their trading skills.

There are cashback promotions, free trader tools and EAs (such as Risk Manager) when you open a demo or live account.

This is an ideal broker for those looking to improve their trading skills.

It has partnered with some of the best trading education providers to give you free membership to a world-class education – fantastic for beginner traders.

15. CoinBurp

Best for: Speed and simplicity

Based in the heart of London, CoinBurp is rapidly growing towards being one of the best reviewed exchanges in the UK. An increasingly easy choice when buying or selling cryptocurrency and Bitcoin, the company is rated number 1 on Trustpilot UK.

CoinBurp prides itself in its instant GBP deposits, automated GBP withdrawals and excellent customer service. Security-wise, the company is partnered with BitGo, through which it can offer an up to $100M insurance guarantee on customer assets held in cold storage.



You can make deposits on CoinBurp via an instant GBP Faster Payments bank transfer or a speedy EUR SEPA transfer, with all withdrawals and deposits of £100/€100 or over being free and with no trading fees, making CoinBurp one of the least expensive cryptocurrency trading platforms in the world.

16. Binance CLICK HERE for Binance

Best for: Currency choice

Binance is one of the world's leading cryptocurrency exchanges.

Binance has free deposit and withdrawal fees for UK customers and a 0.1% trading fee.

The company is well known for supporting a wide range of digital currencies which means bitcoin traders have a vast array of options for trading multiple currencies.

17. Robinhood

Best for: Keeping costs to a minimum

Robinhood allows users to buy and sell bitcoin free of charge. The company has only recently introduced a web version, having been solely mobile-based, so is better suited to those who are comfortable using their phone to manage their money. Up to now,

Robinhood has only been accessible in 16 states, but its website states that it is coming to the UK in early 2020.

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CHAPTER 11



Common mistakes new Crypto Investors make

- **Mistake of Buying crypto at an All-Time High**

Investing while the market is high or at an all-time high is among the worst errors you can make as an investor. That's what happened to investors earlier this year when they invested in Bitcoin when it was trading at $30,000.00 to $66,000.00. Those who have already purchased at the peak panic-sold are now deep underwater. Also when the price dropped back down it started going sideways.

The cryptocurrency market is unpredictable, with prices dropping in a short period. The stock market has dropped by half in only a few days. Always think and analyze before scheduling your investment. You should think about how you'll get that money into the market. This will reduce the amount of risk you're incurring.

To avoid risk, many seasoned investors choose to use a DCA (dollar-cost-averaging) method. They get a particular quantity of bitcoin on the same day every month or week. They may boost this amount somewhat if the market is down, or lower something if the market is much up. The focus is on.

You have already accomplished this with a savings account in which a set amount of money gets invested. When it comes to investing in cryptocurrencies, you should apply the same technique.

- **Don't know market Dynamics**

Bitcoin only accounts for around half of the stock's liquidity. Lots of altcoins exist, and they all function in tandem with Bitcoin **digital currency**. Poor and bad investment decisions might result from a lack of knowledge of these relationships. Those who make a living trading cryptocurrency are familiar with these dynamics.

- **You must avoid lack of knowledge before investing.**

Anyone who has an interest in blockchain technology can create a cryptocurrency. Quite a few digital currencies might not have been legitimate organizations or businesses.

Before you buy in a cryptocurrency, make sure you conduct your due diligence (DYOR) on the organization. Read the whitepaper for more information. Check CoinDesk or another trustworthy source for any true news about them. Check to see whether they get covered by well-known YouTubers like Coin Bureau, Lark Davis, or Benjamin Cowen.

Do not invest in a cryptocurrency based on the buzz, the trend, or clueless advice. These things to do so are a common crypto blunder. When it comes to investing, there is a technique. And it is important to have a system in place when researching cryptocurrencies. So, you don't take part in scams like pump and dump or a malicious maneuver.

- **Mistake of spending whole money on crypto**

It's tempting to put all your investment into bitcoin during a bull market. Don't when the gains are swift and intense. But keep in mind that this industry is new and quite volatile.

We usually hear about the individual who converted $1,000 into $100,000. But we seldom hear about the hundreds of others who lost a lot of money investing their last dollar. There are tens of thousands of individuals who can no longer be able to afford an old version/model of Tesla.

Don't invest your groceries and money immediately in Bitcoin. Until you want to live on low. Wait for the market to come around. Only put your money where you can lose it. That works up to around $5,000 for us, or whatever a kidney costs these days.

- **Mistake of not using Use 2FA**

Strengthening the security of your coins is an important step in developing your bitcoin investing plan. The most critical habit you can develop to enhance the security of your assets is to enable 2FA on all sensitive websites.

- **Poor trading chart reading**

Once you've grasped some fundamental concepts like producers and consumers, you may learn how and where to interpret trade charts indicators. It knows the technical charts and more on how to tie the project's basics to such chart statistics. This evaluates past data, a trading strategy supported by sound fundamentals and financials of the venture. It will help the future. You'll get a sense, when markets change or whether assets are mispriced.

Final Takeaway

In the end, it all comes down to how much information you have regarding effective investing in the industry. The bitcoin market operates in cycles, with values fluctuating. If you buy high, you'll have to wait for a whole new market cycle to profit, that is, a new market followed by a new bull market which can take well over a year. As a result, never, ever put money in the danger that you cannot afford to lose. Before investing, one needs to do the related market research on the respective currency to understand the risk and the profit prospects.

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CHAPTER 12



Legal risks associated with Crypto Currency

Along with the explosion of interest in digital currency and all of its implications for both new and traditional businesses, there is a growing need for clarity regarding the legal implications of these new technologies and currencies. As governments around the world, regulatory agencies, central banks, and other financial institutions are working to understand the nature and meaning of digital currencies, individual investors can make a great deal of money investing in this new space. On the other hand, investors assume certain legal risks when they buy and sell cryptocurrencies.

While digital currency might be easy to confuse for conventional electronic money, it is not the same; similarly, it is unlike conventional cash currencies because it cannot be physically owned and transferred between parties. Much of the murkiness of the legal standing of digital currency is due to the fact that the space has only recently become popular as compared with more traditional currency and payment systems. Below, we'll explore some of the emerging legal implications associated with investing in cryptocurrencies.



Cryptocurrencies as Property

One of the most critical legal considerations for any cryptocurrency investor has to do with the way that central authorities view cryptocurrency holdings. In the U.S., the IRS has defined cryptocurrencies as property rather than currencies. This means that individual investors are beholden to capital gains tax laws when it comes to reporting their cryptocurrency expenses and profits on their annual tax returns, regardless of where they purchased digital coins.

This aspect of the cryptocurrency space adds layers of confusion and complexity for U.S. taxpayers, but the difficulty does not end there. Indeed, it remains unclear whether digital currency investors who have purchased their holdings on foreign exchanges must face additional reporting measures come tax time. According to a report by CNBC, "anyone with more than $10,000 abroad usually needs to fill out the Report of Foreign Bank and Financial Accounts (FBAR)... with the Treasury Department each year. Another law—the Foreign Account Tax Compliance Act, or FATCA—requires certain U.S. taxpayers to describe their overseas accounts on Form 8938, when they file their taxes with the IRS."

Former federal tax prosecutor Kevin F. Sweeney offered a hint as to how foreign cryptocurrency exchanges could complicate tax matters for U.S. digital currency investors: "there probably is an FBAR requirement, but I wouldn't go as far as to say there is always one," he explained, adding that the lack of guidance from the IRS has created a "black hole" of uncertainty for investors and tax professionals alike. "It would seem awfully unfair if they would expect taxpayers to know that—and to then issue penalties for taxpayers who didn't do that—when practitioners can't even 100% figure out if there's an FBAR requirement," Sweeney added during his interview with CNBC.

All of this suggests that digital currency investors should take special precautions to follow the advice of tax professionals when it comes to reporting cryptocurrency profits and losses. Because the rules are constantly changing, what may have been legally permissible last year or even months ago may now be cause for legal concern.

Decentralized Status



One of the great draws of many digital currencies is also a potential risk factor for the individual investor. Bitcoin (BTC) has paved the way for other cryptocurrencies in that it is decentralized, meaning that it has no physical presence and is not backed by a central authority. While governments around the world have stepped in to assert their regulatory power in various ways, BTC and other digital currencies like it remain unattached to any jurisdiction or institution.

On one hand, this frees investors from being beholden to those institutions. On the other hand, however, this status could result in legal complications. The value of digital currencies is dependent entirely upon the value that other owners and investors ascribe to them; this is true across all currencies, digital or fiat. Without a central authority backing the value of a digital currency, investors may be left in the lurch should complications with transactions or ownership arise.

Another potential risk associated with cryptocurrencies as a result of their decentralized status has to do with the particulars of transactions. In most other

transactions, currency with a physical presence changes hands. In the case of electronic money, a trusted financial institution is involved in creating and settling deposits and debt claims. Neither of these concepts applies to cryptocurrency transactions.

Because of this fundamental difference, legal confusion between parties in various types of digital currency transactions is a real possibility. Once again, because of the decentralized state of these currencies, the path of legal recourse in these situations can be difficult to assess.

Business Registrations and Licensing



A growing number of businesses are taking advantage of digital currencies as a form of payment. As in other financial areas, businesses may eventually be required to register and obtain licensure for particular jurisdictions and activities. However, due to digital currencies ' complex and evolving legal status, this area is significantly less clear for businesses operating in the crypto market.

Companies that only accept cryptocurrencies, for example, may not need to register or obtain licenses at all. On the other hand, they may be required to submit to special considerations depending upon their jurisdiction. The onus of responsibility falls on

business owners and managers to ensure that they follow proper legal procedures for their operations at both the local and state levels.

For example, at the federal level, financial institutions must maintain certain protection activities against money laundering and fraud, the transmission of funds, and more. Considerations like these also apply to businesses dealing with digital currencies.

Fraud and Money Laundering

There is a widespread belief that cryptocurrencies provide criminal organizations with a new means of committing fraud, money laundering, and a host of other financial crimes. This may not directly impact most cryptocurrency investors who do not intend to use this new technology to commit such crimes. However, investors who find themselves in the unfortunate position of being a victim of financial crime do not likely have the same legal options as traditional victims of fraud.



This issue also relates to the decentralized status of digital currencies. When a cryptocurrency exchange is hacked and customers' holdings are stolen, for instance, there is frequently no standard practice for recovering the missing funds. Digital currency investors thus take on a certain amount of risk by purchasing and holding cryptocurrency assets.

It is for this reason that developers and startups related to digital currency have focused such a great deal of attention on creating secure means of holding digital coins and tokens. Still, while new types of wallets are being released all the time, and while cryptocurrency exchanges are always improving their security measures, investors have so far not been able to fully eliminate the legal risks associated with owning cryptocurrencies, and it's likely that they never will.

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CHAPTER 13



Cryptocurrency Regulations around the World

As cryptocurrency's transformation from speculative investment to a balanced portfolio stablemate continues to gather pace, governments around the world remain divided on how to regulate the emerging asset class. Below, we break down the current digital currency regulatory landscape by country.

United States

Despite a large number of cryptocurrency investors and blockchain firms in the United States, the country hasn't yet developed a clear regulatory framework for the asset class. The Securities and Exchange Commission (SEC) typically views cryptocurrency as a security, while the Commodity Futures Trading Commission (CFTC) calls Bitcoin (BTCUSD) a commodity, and the Treasury calls it a currency. Crypto exchanges in the United States fall under the regulatory scope of the Bank Secrecy Act (BSA) and must register with the Financial Crimes Enforcement Network (FinCEN). They are also required to comply with anti-money laundering (AML) and combating the financing of terrorism (CFT) obligations.

Meanwhile, the Internal Revenue Service (IRS) classifies cryptocurrencies as property for federal income tax purposes. Crypto investors should closely monitor a high-profile court case between Ripple Labs Inc. and the SEC, as well as threats by the agency to sue leading digital currency exchange Coinbase Global Inc. (COIN), for further regulatory clarity.

Canada

Regulators have generally taken a proactive stance toward crypto in Canada. It became the first country to approve a Bitcoin exchange-traded fund (ETF) in February 2021. Additionally, the Canadian Securities Administrators (CSA) and the Investment Industry Regulatory Organization of Canada (IIROC) have clarified that crypto trading

platforms and dealers in the country must register with provincial regulators. Furthermore, Canada classifies crypto investment firms as money service businesses (MSBs) and requires that they register with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). From a taxation standpoint, Canada treats cryptocurrency similar to other commodities.

United Kingdom

The United Kingdom considers cryptocurrency as property but not legal tender. Additionally, cryptocurrency exchanges must register with the U.K. Financial Conduct Authority (FCA) and are banned from offering crypto derivatives trading. Moreover, the regulatory body has introduced cryptocurrency-specific requirements relating to know your customer (KYC), as well as to the above-mentioned AML and CFT. Although investors still pay capital gains tax on crypto trading profits, more broadly, taxability depends on the crypto activities undertaken and who engages in the transaction.

Japan



The land of the rising sun takes a progressive approach to crypto regulations, recognizing cryptocurrencies as legal property under the Payment Services Act (PSA). Meanwhile, crypto exchanges in the country must register with the Financial Services Agency (FSA) and comply with AML/CFT obligations. Japan treats trading gains generated from cryptocurrency as “miscellaneous income” and taxes investors accordingly.

Australia

The land down under takes a relatively proactive stance toward crypto regulation. Australia classifies cryptocurrencies as legal property, which subsequently makes them subject to capital gains tax. Exchanges are free to operate in the country, provided that they register with the Australian Transaction Reports and Analysis Centre (AUSTRAC) and meet specific AML/CTF obligations. In 2019, the Australian Securities and Investments Commission (ASIC) introduced regulatory requirements for initial coin offerings (ICOs) and banned exchanges offering privacy coins.

Singapore

Similarly to the United Kingdom, the island state classifies cryptocurrency as property but not legal tender. The country's Monetary Authority of Singapore (MAS) licenses and regulates exchanges as outlined in the Payment Services Act (PSA). Singapore, in part, gets its reputation as a cryptocurrency safe haven because long-term capital gains are not taxed. However, the country taxes companies that regularly transact in cryptocurrency, treating gains as income.

South Korea

The country doesn't consider cryptocurrencies as legal tender or financial assets. As such, digital currency transactions avoid capital gains tax. The South Korean Financial Supervisory Service (FSS) oversees crypto exchange regulation, with operators subject to strict AML/CFT obligations. As of September 2021, cryptocurrency exchanges and other virtual asset service providers must register with the Korea Financial Intelligence Unit (KFIU), a division of the Financial Services Commission (FSC).

China

The emerging global power doesn't class cryptocurrencies as legal tender; however, it does classify them as property for the purposes of determining inheritances. The People's Bank of China (PBOC) bans crypto exchanges from operating in the country, stating that they facilitate public financing without approval. The world's largest crypto exchange, Binance, initially launched in China but relocated its headquarters to the Cayman Islands in 2017 following the country's crackdown on crypto regulation. Furthermore, China placed a ban on bitcoin mining in May 2021, forcing many engaging in the activity to close operations entirely or relocate to jurisdictions with a more favorable regulatory environment.

India

Like most countries, the subcontinent outlines that cryptocurrencies are not legal tender. Despite this, the country's Central Board of Direct Taxation specifies that investors must pay taxes on crypto trading profits. In 2018, the Reserve Bank of India (RBI) banned financial institutions from transacting in virtual currencies; however, the Supreme Court reversed this decision in March 2020. Still, regulations remain uncertain in the country. For instance, India proposed a law in early 2021 that would make it illegal to issue, hold, mine, and trade cryptocurrencies other than state-backed digital assets.

European Union

Cryptocurrency is legal throughout most of the European Union (EU), although exchange governance depends on individual member states. Meanwhile, taxation also varies by country within the EU, ranging from 0% to 50%. In recent years, the EU's Fifth and Sixth Anti-Money Laundering Directives (5AMLD and 6AMLD) have come into effect, which tighten KYC/CFT obligations and standard reporting

requirements. In September 2020, the European Commission proposed the Markets in Crypto-Assets Regulation (MiCA)—a framework that increases consumer protections, establishes clear crypto industry conduct, and introduces new licensing requirements.

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CONCLUSION



In the span of a few years, cryptocurrencies have grown from digital novelties to trillion-dollar technologies with the potential to disrupt the global financial system. Bitcoin and hundreds of other cryptocurrencies are increasingly held as investments, and they are used to buy everything from software to real estate.

Credit card companies such as Visa and Mastercard decided to ease cryptocurrency transactions for their customers. PayPal also announced recently that they will be allowing their customers to buy products using cryptocurrencies such as Bitcoin, Litecoin, Ethereum, or Bitcoin Cash. Even governments are also investing in this technology!

So, before you get into the cryptocurrency market, with this guide, you get educated in them, learn the terminology, the risks, and ways to ensure your assets while you learn how to get the best value for your money.

Happy Learning!

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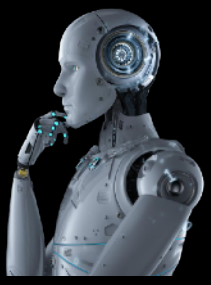
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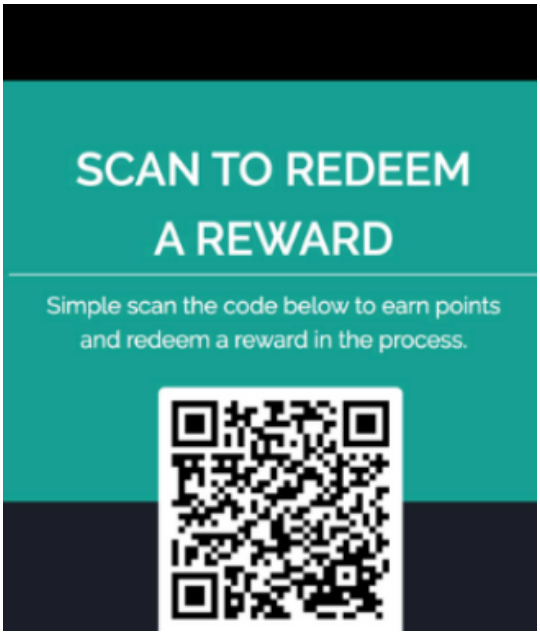
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YOUR SMART CITY Rewards

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Smart Cities International, LLC. Mikheil Gakhokidze St. N 49, Tbilisi - Georgia.

YOUR SMART CITY TOOLS

YOUR SMART CITY Smart-Contest

Local Businesses Are Going NUTS Over This Technology

YOUR SMART CITY Smart-Contest

Break Through App Creates "Simple Viral Contests That Build Subscribers Lists For You And Your Customers"

Sell Simple Breakthrough Viral Apps To Local Businesses For Monthly Fees (Commercial Rights Included)

Your SUCCESS with your online marketing campaigns is all about to what degree you can get your website visitors to opt-in on your lead capture page. Normally an opt-in % of 1 - 2% is considered acceptable. (1 - 2 persons for each 100 visitor to your page). But, what if you could *increase this to 30%?* Or to 50%!? Yes, even up to 83% in some of the test-campaigns we have done!

But, - how in the world is this even possible?

Say WELCOME to the most amazing online marketing technology ever created: An extremely comprehensive new software package turning your next online advertising campaign into a super-effective, super exciting game and contest-based campaign making it very hard for your website visitors to NOT opt-in! And here is the «secret sauce»: With a built-in truly SMART extra feature almost guaranteeing your campaign will go VIRAL! Say WELCOME to:



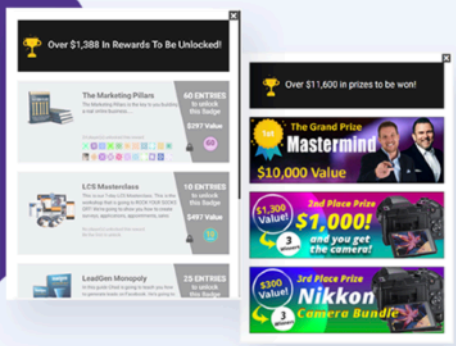
Getting your online campaign to go VIRAL Is the SECRET SAUCE to your success! This is about getting people to promote your campaign for you, who in turn brings in new people who are doing the same! And this is exactly what your SMART CONTEST software will do for you!

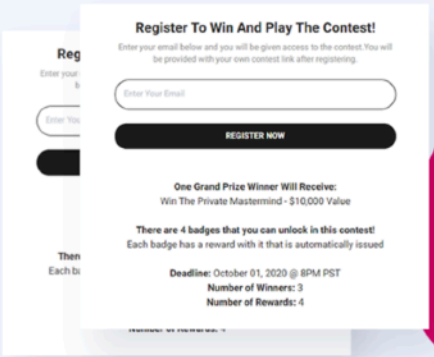
The Magic Sauce That Makes Your «SMART City Smart Contest» Uber Successful With Building Massive Lists And Exciting Audiences:

Phase #1

The user is presented with a grand prize and instant rewards

that they can view inside of your galleries. It's all embedded inside of the app. The user will also see the current leaderboards (which is going to motivate them even more).





Phase #2

The user then signs up for the contest

(BINGO! That's a LEAD for us that goes right into the autoresponder) This is how we were able to build 13,000 leads in 2 days (Leads that instantly receive our followup emails... which means we got PAID!!!)

Phase #3

That signup NOW becomes a player!

They are off to the races sharing their link with everybody. WHY? It's very simple, they see that there are points, badges and rewards that are waiting for them. They are also banking on the entries to see if they can win the grand prize.



YOUR SMART CITY Smart-Contest



Phase #4

They are also out there making your contest (ultimately your offer) go VIRAL!

They are out there sharing on social media, joining your pages, groups, watching videos on YouTube. We will show you how to do this so they are out there BLASTING your link every single day!

Phase #5

They earn the POINTS, are issued the BADGE and their REWARD is issued to them instantly



You Take Two Minutes Each Month To Create
A Simple Drag n Drop Contest
That Brings In Leads While You Sleep!



100% without having to pay a cent for your ads!



100% with having to use SEO at all!



100% without any help from any affiliates!

YOUR SMART CITY Smart-Contest

SMART CITIES INTERNATIONAL, LLC.
Mikheil Gakhokidze St. N 49, Tbilisi - Georgia.

YOUR SMART CITY Smart-Contest

YOUR SMART CITY

All of the above, PLUS much more, will also be delivered through our YOUR SMART CITY revolutionary new city portal concept!

WE ARE LOOKING FOR COUNTRY MANAGERS AND CITY PORTAL FRANCHISE OWNERS FOR CITIES IN MANY COUNTRIES!

The "**YOUR SMART CITY**" online city portal concept will finally be launched later in 2022. This is a revolutionary concept with multi million dollar revenue potential and a *one million dollar profit potential* for the franchise owner in a city with a 50 thousand population and above.

The many very profitable income sources within one portal for each city are too many to mention here. But allow us to share just a few examples:

- Amazing products and services based on a revolutionary **decentralised**, blockchain based technology in the areas of **new smart-phones**, new health and healing technology using these smart-phones, new *decentralised* food production technology **capable of multiplying annual harvests 10 x** and much more!
- **Play4Good**, a new online gaming technology delivered through each portal based on an exciting tournament concept with exciting prices and huge benefits for participating charity organisations. Plus, another VERY interesting and fun source of substantial income for you!



- Help setting up a global blockchain based and 100% decentralised data storage network and to create a 100% passive income for yourself in crypto for doing this!
- Help setting up a **NEW version of the Internet**, and make great passive income, again paid to you every day in crypto!
- Help setting up a global network for what is known as IOT, (Internet Of Things) and earn a great passive income from potential thousands of IOT hubs in your city!
- Make a lot of money from assisting the merchants in your city to improve their business in the new digital age.
- Earn an increasing income from businesses in your city advertising on YOUR city portal!
- Your city portal will play an important role in delivering a totally REVOLUTIONARY new way for everyone **to CREATE their own source of energy,** (electricity) without the need of involving a third party! And, each home owner will create an interesting income for themselves in crypto for activating their "secret unit".
- All of the above plus several other later to be announced income opportunities will also be connected to YOUR city portal!

If you are interested in the possibility of owning your own **YOUR SMART CITY** city portal for your city, make sure to be on our mailing list for exciting updates during the next few weeks and months!

Smart Cities International, LLC

email: admin@smartcities-international.com



HOME ABOUT US MAP TOUR OF PAPHOS GAMES CULTURE GIZMOH SOCIAL



INTERACTIVE CITY MAP | SEARCH

Links

- Local news
- International news
- The MOBILE Revolution and need for decentralization for your privacy and freedom!
- City map
- Business & finance
- Learn about CRYPTO currencies and the new DeFi economy.
- Entertainment and art
- Churches
- Education
- Play our games, - win prices!
- City history
- Gizmoh Social!



Global NEWS - Local NEWS !

- Global news
- Political news
- Science news
- PAPHOS news
- And much more !

Your opportunity to make:

YOUR SMART CITY

To a REALLY smart city!

Help us to build our own internet network!



This FREE GIFT will give you a 100% passive income of anything from €150 to €600 and more per month!

Apply for your 100% FREE hot-spot box now! Also, find out how you can become affiliate and build a life-changing income for yourself and your family!

YES! Want to learn more!

This is our city!



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Happening in PAPHOS now



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YOUR SMART CITY OPPORTUNITIES!

Click here to go to a page where «Your SMART City» will introduce you to a few exclusive, top serious business/income opportunities which could improve your life and change the financial future for you and your entire family!

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YOUR Smart City TOOLS is our online software solutions portal with innovative software packages designed to help any business looking for online marketing success!





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KINIRAS Hotel - in the center of The Old City, - the perfect place for a romantic stay in Paphos. Lots of bars/restaurants within walking distance!





Come and taste the best wine and best food in the world! An amazing experience!

YOUR
SMART CITY