

What Is Cryptocurrency?

Cryptocurrency

Cryptocurrency is generally defined as a digital or virtual currency that uses cryptography for security and operates independent of a government, central bank, or similar authority. Cryptography is used to regulate the release of currency units and to verify financial transactions. Users of cryptocurrency generally send to each other through a peer-to-peer network, while remaining anonymous. The currency transfers occur through public and private keys. Every transaction is a file that includes the public keys of the sender and the recipient, as well as the amount of currency transferred. The transaction also requires the sender to confirm the transfer with a private key.

Cryptocurrency can be used to pay for goods or services with vendors that accept that form of payment. A number of cryptocurrencies are based on blockchain technology. Blockchain is a distributed ledger technology, with the ledger including every transaction that has ever occurred across the network.

Winston & Strawn's dedicated team of experienced attorneys offer extensive knowledge in digital currency, ICOs, and related matters.

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