WINSTON & STRAWN LLP

What Is Bitcoin?

Bitcoin

Bitcoin is a cryptocurrency that was created and issued independent of a central bank or government. Users can purchase bitcoins through an exchange and store them in a digital wallet. They can then purchase goods or services from vendors who accept payment in bitcoin. Transactions using bitcoin are made using encrypted codes, which are exchanged across a peer-to-peer network with anonymity. Digital wallets hold bitcoin addresses, which are unique indicators consisting of alphanumeric characters. Those making purchases can start a transfer request from their bitcoin address.

If a bitcoin is generated or used, this event must be verified by the network and recorded on a public ledger called a blockchain. The process of creating blocks for the ledger is sometimes referred to as mining. There is a maximum amount of 21 million bitcoins that can be created. It's important to note that the value of bitcoins can fluctuate.

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

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