**What is a private blockchain and a private token?**

One of the most often used varieties of blockchain technology today is a private blockchain. Basically, there are three types of blockchain technology – Public, Private, and Federated. Businesses employ them in their own solutions based on how each of their traits is.

A solution won't work if private blockchain apps are used in places where a public or federated system is required. Therefore, it's crucial to understand the kind of private blockchain platforms you are utilizing.

A private blockchain is a particular kind of blockchain network where the network is controlled only by one authority or entity. Yes, it doesn't appear to directly relate to the fundamental idea of blockchain technology right now, does it? Private blockchain instances may appear to be a centralized network, but they can really provide some degree of decentralization.

Additionally, you cannot gain admission into a network like this without a valid cause. This kind of network is far more appropriate as an enterprise's internal technology.  Well, given that everything in today's world depends on technology, the old ones can't possibly stay up with the times.

As a result, several problems exist, including identity theft and data theft. Therefore, using private blockchains is the best choice for protecting a company's sensitive information. Therefore, no one is allowed to access this kind of network without appropriate authentication. Many blockchain businesses are attempting to develop a private version just for the sake of secrecy in order to ensure that any organisation may use blockchain. For instance, Ethereum was once only a public platform. However, EEA is now providing these high-end businesses with an Ethereum private blockchain that has the same functionalities and more privacy.

**Private token**

Cryptocurrencies that are built to be closed by default by obscuring transaction data are referred to as private tokens. It is essential to remember that these tokens still have public ledgers and are therefore public. The sole distinction is the degree to which transactional information is obscured to protect end-user privacy. Monero coin is an illustration of a private token.

**Features of Private Blockchain**

**Privacy**

In practice, private blockchain networks prioritize privacy above complete disclosures. So, private blockchains are undoubtedly for you if you're interested in a system where privacy is the main priority. On the other hand, because they frequently deal with cyber-attacks, businesses require security and privacy. Additionally, as they frequently work with sensitive material, it might be challenging to maintain order. Therefore, no hacker will be able to access the system if a corporation uses a private blockchain to tighten up its security features.

**High Performance**

The most effective blockchain platform is one like this one. Private blockchain examples can demonstrate how much more effectively they function than conventional public blockchain platforms. The reason for this is that only a small number of pre-authorized nodes are allowed admission in private. So, there is no way the nodes can take up more resources than normal. However, there are no restrictions on the number of nodes on a public blockchain. As a result, when there are too many users, the system rapidly slows down. The private network, however, is exempt from that problem.

**Scalability**

Private systems offer the finest performance and are more reliable. The same is true with scaling. A firm must be scalable to operate effectively. Therefore, it must also increase with time. But on a public blockchain, after a while, as the network expands, it also begins to slow down. An issue with scalability is what this is. Private networks, however, appear to be exempt from this problem since they may expand without ever slowing down. More so, this leads in decreased fees, speedier transactions, and so on.

**Strong Architecture**

Private networks now have one of the most stable network architectures. They are designed to withstand any problems. They thus include a high degree of security mechanisms that aid in preventing malicious activity. Some systems even include a function akin to a firewall that guards against both insiders and outsiders accessing the ledger's data. I believe technically, an organization may modify transaction if they want to, but it is incredibly improbable and will not go unnoticed.

**Benefits of Private Blockchain**

* Reduces the use of resource
* Low costs
* No Unauthorized Parties
* Regulations

**Conclusion**

Private blockchains are a unique technology that is best suited for businesses. There are currently many private blockchain-based solutions available. Furthermore, despite the common misconception that private blockchains are just upgraded versions of centralized database systems, the truth is considerably different. There are many of examples now that support that. For example, several high-end firms utilized Fabric as the backbone of their blockchain solutions. Furthermore, these solutions are operating quite well.

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