

What are bitcoins?

Bitcoins are units of digital currency that can be transferred over the Internet to anyone, instantly and for free. The Bitcoin software is free and open source so anyone can install it on their computer to participate in the peer-to-peer network that maintains and distributes the public ledger of all transactions. New bitcoins are created at a fixed rate by everyone who participates in the network and are assigned via a lottery-like system. About 10 million bitcoins have been generated so far. The rate of supply will gradually decrease until there are a total of 21 million bitcoins in existence, each one being divisible up to eight decimal places.

To get started, sign up for a free address at **blockchain.info/wallet** or download the blockchain app on your iPhone or Android.

Where can I get some?

Find someone who has them and ask them to send you some in exchange for goods, services, or cash. Local bitcoin enthusiasts in Vancouver can be found at **localbitcoins.com** and **meetup.com/bitcoinvan**. There are also several local, national, and international exchange markets for bitcoins operating online. The largest one in Canada is **cavirtex.com** and is run out of Calgary. Like a stock market, they link up buyers with sellers who want to trade bitcoins by allowing them to deposit and withdraw Canadian dollars directly from their bank accounts.

Why use them?

They're free, fast, secure, private, and global. Merchants don't get charged fees for accepting them and you don't get charged for transferring them, even internationally. There are no account setup fees, ATM withdrawal fees, prerequisites, or transfer limits. You can receive them anonymously if you want, and your account can never be frozen. You can send secure transfers and micropayments to whoever you like, as often as you like, from your phone or computer. Whether you're sending a fraction of a cent or a million dollars, bitcoin doesn't discriminate. They're more likely to appreciate in value over time than conventional currency because they're deflationary by design.

Are bitcoins legal? Will they be shut down?

Bitcoins are perfectly legal. They've received some criticism for enabling people to launder money, evade taxes, and buy illicit substances online, but as with cash, the responsibility to use them properly is up to you. Bitcoin is a disruptive technology that has the potential to do to the banking industry what email did to the post, what blogs and social media are doing to print and what digital music and video have done to the entertainment industry. They represent another giant leap into the age of information and individual freedom and pose a direct threat to banks, credit card companies, and national currencies issued by governments. Fortunately, they can't be stopped. The bitcoin network is peer-to-peer which makes it impossible to shut down because there are no central servers to raid or companies to sue - it's run by the people, for the people.

Where can I learn more?

Check out **vanbtc.ca**, come to our monthly meetup group (**meetup.com/bitcoinvan**) or send me an email: **asoltys@gmail.com**. I'm a local software developer who made the payment program that's running in this store and I'd be happy to send you some bitcoins and teach you more about them.

How is their price set?

Bitcoins aren't backed by any commodity or governing authority. Their value is intrinsic as a superior form of currency. Demand for them is a result of their ease of use, lack of fees, scarcity, security, divisibility, and global recognition.

The exchange rate represents the last price in dollars that some seller was able to charge some buyer in the bitcoin marketplace and is governed purely by supply and demand.