**All you need to know about Counterparty**

***What is Counterparty?***

A counterparty is a cryptocurrency built on the bitcoin blockchain. It is a decentralized platform, established for creating and exchanging custom tokens, and also has decentralized smart contracts. This digital coin was launched in January 2014 and has steadily grown ever since. Unlike other cryptocurrencies, the concept behind Counterparty is completely novel and unique.

The Counterparty token (XCP) can neither be mined and nor was it sold in an ICO. It came into existence by using “Proof-of-Burn” method. What this means is that a certain amount of bitcoins were transferred to an unspendable address, and in exchange of this bitcoins, Counterparty tokens were created on bitcoin blockchain. This method was adopted to avoid pre-mining or ICOs.

The transferred bitcoins were burned, ensuring that they can never be spent again. “Proof-of -burn” method of coin generation also ensures a fair and equal opportunity to everyone, including the founder of the project. For creating Counterparty, a total of 2130 bitcoins were burned, which resulted in the generation of 2.65 million XCP tokens. Thus generated tokens are now used to make custom tokens and smart contracts.

***Brains behind Counterparty***

1. **Robby Dermody**

He is a co-founder of Counterparty, who also created Counterwallet. Robby has over 18 years of professional experience in software development system administration, sales, operations, professional services, and entrepreneurship.

1. **Adam Krellenstein**

He is another co-founder of Counterparty. Adam is the lead developer and chief architect of the Counterparty protocol.

Other members include Evean Wagner (co-founder), Ivana Zuber (general manager), Ouziel Slama (developer), Peter Todd (technical advisor) and Zavain Dar (business advisor). The Counterparty Foundation, an independent non-profit organization, is dedicated to monitoring the growth and open development of the Counterparty platform.

***How does Counterparty work?***

Since Counterparty doesn’t have its own blockchain, it uses bitcoins platform. Therefore XCP transactions are in fact bitcoin transactions fundamentally, with some additional data rooted into them. However, none other from Counterparty clients can identify this additionally implanted data.

While executing a Counterparty transaction, a fee is involved by default. This fee is for bitcoin as its blockchain platform verifies the transaction and engages it to XCP. When the bitcoin transaction fee is mined by minus, the Counterparty clients read it as a confirmation, and XCPs get transferred from one block to another.

Counterparty clients are designed to read both bitcoin and XCP. It uses this to maintain its own account for XCP transactions.

***Total supply and a market cap of Counterparty***

As explained earlier Counterparty was created through a Proof-of-Burn method, where 2130 bitcoins were burned to create 2.65 million of XCP tokens. As of date, there are about 2.615 million units of Counterparty tokens in circulation. Currently, a single XCP token can be purchased for $1.79, and a total value of $2423 was traded through XCP in the last 24 hours.

Counterparty has a market cap of $4,689,300 and is currently placed at a 406th position in the crypto space. The supply of Counterparty is fixed, as no more XCP tokens will be created after this and no more bitcoins will be burned for this purpose.

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