

What is XRP Ripple?

XRP, the native cryptocurrency of the Ripple network, is developed and issued by the Ripple company. Ripple has been around since 2012.

Ripple (XRP) is a payment network for banks with the aim of making international payment transactions between banks and companies more efficient and cost-effective. The project is primarily dedicated to payment transactions between different currency areas and tries to make them efficient.

For this reason, Ripple is more likely to compete with established payment methods such as SWIFT payments than with other cryptocurrencies.

Unlike other cryptocurrencies, XRP is controlled by only one company – Ripple. Again, this can become dangerous

What problem does Ripple want to solve?

Banks or payment service providers face two problems with transactions across national borders (in different currency areas): On the one hand, liquidity must be available in all currencies involved and, on the other hand, it must be ensured that the payment also works. Ripple has developed very innovative solutions for this over the past few years.

Challenges with Ripple

The cryptocurrency XRP is often criticized and sometimes controversial. The main reason for this is that XRP was not issued decentrally, but is largely held centrally by the developers themselves. Around 55% of the total XRP coins are currently reserved for the developers and stored in an escrow account. This escrow account ensures that the developers do not have ongoing access to their entire reserved 55 billion XRP, but only 1 billion coins per month. For this reason, Ripple is more likely to compete with established payment methods such as SWIFT payments than with other cryptocurrencies.

The future of Ripple and XRP

Since 2012, Ripple has been working to leverage the internet, blockchain technology, and XRP to enable fast, cheap, and reliable asset transfers around the world.

For example, some cryptocurrency payment platforms offer deposits and withdrawals in XRP. Ripple wants to revolutionize payments and is working to standardize international transactions using FinTech applications. Ripple is also encouraging regulators around the world to introduce blockchain into traditional payment transactions.