

## **Tether (USDT)**

**Tether (USDT) is one of the top 10 cryptocurrencies. Their value pegged to the US dollar. As a stablecoin, USDT aims for a fixed exchange rate of 1:1 to the US dollar. Tether is mostly used for trading against Bitcoin and other cryptocurrencies. When you look at bitcoin prices on crypto exchanges, they are often compared to USDT.**

### **Functionality:**

**Tether does not have its own blockchain but can be issued on any blockchain. Currently, the most popular blockchains for issuing Tether are Ethereum (ETH) and Tron (TRX). USDT can be spent, traded or transferred like bitcoin or other cryptocurrencies. Only there are not the price increases as with other cryptocurrencies - stablecoins should remain stable in price.**

### **Why was USDT created?**

**The world's largest stablecoin was invented to solve two fundamental problems in the crypto space. On the one hand, the cross-border transfer of a stable currency with low fees should be made possible. On the other hand, lightning-fast trading in cryptocurrencies should be made easier: Tether makes it possible to park trading profits in USDT without having to leave the crypto ecosystem.**

### **Pros**

- **Widespread: All major crypto exchanges use Tether**
  - **Inexpensive and efficient: Fast cross-border transactions**
  - **Gateway to the Crypto World: Facilitates the transfer of fiat money into cryptocurrencies**
  - **Secure transactions: The use of established blockchains such as Ethereum**
- Controversies surrounding Tether (USDT)**

### **Cons**

- **Problems with regulators: There have always been problems with the US regulators**
- **Transparency and liquidity: Probably the biggest problem with Tether is the lack of transparency. The company has still not been able to prove through an independent audit that it actually has the necessary reserves in US dollars.**