**WHAT IS ERC-20?**

**ETHEREUM TOKEN**

To understand Ethereum's token concept, one must begin by first understanding some fundamental concepts.

Ethereum is a decentralized platform on which smart contracts are executed. So, the previous definition makes clear that Ethereum is not a digital currency (the native cryptocurrency of Ethereum is called ether). In other words, Ethereum is a piece of code that could automatically transfer the ownership of the home to the buyer and the funds to the seller after reaching an agreement, without the need of a third party.

For its part, Token is defined as a thing that serves as a representation of something else. In the blockchain, a token often represents a financial value or a digital asset, similar to how a casino's chips symbolize or represent fiat money only to be used in different machines and games of chance.

Having these concepts clear, it turns out that the Ethereum tokens are merely digital assets that are built on top of the Ethereum blockchain. Developers benefit from Ethereum's existing infrastructure to develop their applications, unlike developers who choose to build an entirely new blockchain.

At the same time, tokens strengthen the Ethereum ecosystem by boosting Ethereum's demand for ether, the native currency needed to drive smart contracts over which tokens are issued.

The Ethereum tokens can represent anything: from a physical object such as gold (Digix) to a native currency used to pay the transaction fees (Golem). In the future, tokens can even be used to represent financial instruments such as stocks and bonds.

The properties and functions of each token are entirely subject to the use that is established for them: they can be used as payment to access a network or for decentralized governance on an organization, among many other possibilities.

Tokens are often issued to the public through a general or open sale called the Initial Currency Offer (ICO). The creators of the ICO will issue tokens to others in exchange for ether or bitcoin and also other cryptocurrencies. They may have a fixed supply, a constant inflation rate, or even an offer determined by a sophisticated monetary policy.

There have been many ICOs recently, and in a short time, they have completely changed the way in which projects are financed. There is no mandatory distribution requirement, although if you are building a decentralized application, you would ideally like the chips to be owned by as many people as possible.

**ERC-20 TOKEN**

ERC20 is a standard interface that guarantees interoperability between tokens. The ERC20 tokens are merely a subset of Ethereum tokens that fit specific parameters.

To fully comply with the ERC20 standards, the developer must incorporate a particular set of functions in his smart contract that, at a high level, will allow him to perform the following actions:

*1. Obtain the total supply of tokens*

*2. Obtain the account balance*

*3. Transfer the token*

*4. Approve spending the token ERC20 allows seamless interaction with other intelligent contracts and decentralized applications in the Ethereum blockchain.*

The tokens that with some (but not all) of the standard functions, are considered partially compatible with ERC20 and could still interact depending on what features are missing. In general, an ERC20 token is not different from any other token, but it also conforms to the standard Ethereum token.

**WHY DOES ETHEREUM TOKEN NEEDS A STANDAR TOKEN**

Interoperability If all the tokens created in the Ethereum network use the same standard, those tokens will be easily interchangeable and will be able to work immediately with Dapps using the ERC20 standard.

What a "standardized" token does is that it uses a specific set of functions. If developers know in advance how a token will work, they can easily integrate it into their projects with less fear of making mistakes.

If several tokens behave similarly, calling the same functions in the same way, then a Dapp can interact more easily with different sub-currencies. Like bitcoin and ether, tokens ERC20 can also be tracked in the blockchain, which is the public ledger of all transactions that have occurred.

This is because the Ethereum tokens are just a specific type of smart contract that '' lives '' in the Ethereum blockchain. Currently, there are many projects leveraged in the Ethereum blockchain and in the ERC20 standard to issue the necessary files to operate their platforms. It is very likely that this market continues to grow with new and better applications that meet this standard to interact with each other.

**MYETHERWALLET**

MyEtherWallet (MEW), is the most popular Ethereum web wallet.

It is an open source tool, hosted on GitHub, which runs in the web browser and allows you to generate wallets and send Ether. Your code is open: anyone can access it and verify it.

The private key of the wallet is not stored on a server or travels over the Internet, but is generated on the user's computer. No data goes to any server.

Once an address is generated, a PDF can be downloaded with private and public keys, which can be printed. Or you can download a file to be saved on your PC or on a USB.

It is strongly recommended that the user secure and control access to their private keys, to prevent malicious access.

Users who want more security, can run MyEtherWallet without being connected to the Internet and send transactions Offline. For this you must download a file to your computer, disconnect from the internet and use disconnected MyEtherWallet, which provides an additional level of security. It is recommended to update the file periodically from the official site.

In my etherwallet, you can save and protect, the most of coins in which you invest that have the base code of ethereum blockachain.

It is also the only way to acquire tokens, from the ICOS, you buy the tokens from any ICO, and these are sent to your myetherwallet portfolio.

Many people, buy in ICOS, through their public accounts how to COINBASE, and never receive those tokens, because the transfer, is made, to a wallet with code ERC-20.