

Bitcoin Explained

Bitcoin is a decentralized digital currency, without a central bank or single administrator, that can be sent from user to user on the peer-to-peer bitcoin network without the need for intermediaries. Transactions are verified by network nodes through cryptography and recorded in a public distributed ledger called a blockchain.

Bitcoin was invented in 2008 by an unknown person or group of people using the name Satoshi Nakamoto. The currency began use in 2009 when its implementation was released as open-source software.

Bitcoins are created as a reward for a process known as mining. They can be exchanged for other currencies, products, and services. Bitcoin has been praised and criticized. Critics noted its use in illegal transactions, the large amount of electricity used by miners, price volatility, and thefts from exchanges. Some investors and economists have characterized it as a speculative bubble at various times.

Despite its legal and regulatory status being unclear in many jurisdictions, Bitcoin has led to the launch of more than a thousand other virtual currencies collectively referred to as Altcoins.