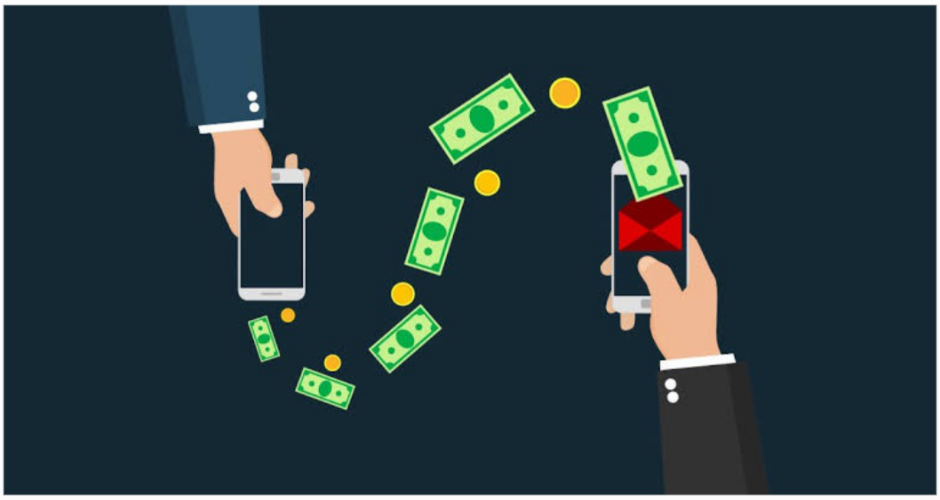
# What is peer-to-peer (P2P) trading?

Peer-to-peer (P2P) trading is a type of cryptocurrency exchange method that allows traders to trade directly with one another without the need for a centralized third party to facilitate the transactions.



In P2P trading, you can select your

preferred offer and trade directly with a counterparty rather than using an automated engine to execute your transactions. This means you have more freedom to pick the best rate and payment method for your needs—and with lower costs. You can also better safeguard your privacy because you're dealing directly with a counterparty.

These factors make P2P trading appealing to users looking for a more simple and straightforward way to trade cryptocurrencies.

## How does P2P crypto

## trading work?

P2P trading platforms work by matching buyers and sellers together to facilitate a trade. The platform will typically take a small fee for each trade conducted, and also require users to store their funds in a separate digital wallet controlled by the platform.

Because P2P exchanges link crypto purchasers and sellers, they're sometimes compared to marketplaces like Craigslist or Facebook Marketplace. Typically, buyers and sellers can also browse crypto advertisements or create their own.

Most P2P exchanges use a feedback or rating system to protect all participants in the transaction, providing a layer of protection for everyone involved. For example, if you meet someone on social media interested in buying Bitcoin and you'd like to sell, you can't do so on social media as it wouldn't be secure.

It's difficult to establish trust on platforms such as Facebook Marketplace or Twitter, for example, because they are not P2P platforms. You can't be certain that the buyer will follow through with the payment for the Bitcoin after receiving it.

On a P2P platform, however, you'll have the advantage of being able to check their reputation and ratings before engaging in any transactions.

## Advantages of P2P

There are many advantages to using P2P crypto trading platforms, including:

# Multiple payment methods

Because P2P crypto trading platforms simply connect buyers and sellers, they can provide a wide variety of different payment methods. This can include traditional payment methods, such as credit cards and PayPal, as well as digital currencies like Bitcoin, Ethereum (ETH), or Litecoin (LTC).

## Secure transactions

P2P trading platforms often use security features such as encryption and two-factor authentication to protect trade. As a result, users can feel confident that their funds are safe when engaging in transactions on these networks.

## Exposes you to a global marketplace where you can buy and

## sell to users globally

The global nature of P2P crypto trading allows users to work with anyone, regardless of location. This opens up a world of possibilities, as it allows you to trade in any currency or asset that you like.

## Restrictions do not apply even in nations with strict laws on

## crypto trading

Because P2P crypto trading platforms don't have a central authority, they can't be shut down by governments with strict crypto laws. This includes regulations specific to certain countries that may restrict how much cryptocurrency you can buy or sell.

## No trading fee or

## commissions

Because P2P trading platforms connect sellers directly with buyers, they don't charge any fees or commissions on transactions. This gives you the freedom to buy and sell currencies without worrying about extra costs impacting your bottom line.

## Great transaction

## speed

The transaction speed of P2P crypto trading platforms depends on the payment method used. For example, transactions made with credit cards are usually processed immediately. In contrast, those made via bank transfers may take a few days. Overall, though, the transaction speed is much faster than centralized exchanges.

# Flexible trade orders

P2P trading platforms allow you to set your own trade orders, giving you more control over your trades. You can set the price at which you're willing to buy or sell, as well as the amount of currency you want to trade. This flexibility is not available on centralized exchanges, where the order book is managed by the exchange, itself.