

Glossary

Definitions of common terms used within the crypto and digital asset industry [Suggest Edits](#)

Airdrop

A marketing tactic in which a company sends tokens of their cryptocurrency into the wallet address of a member of a blockchain at no charge, to raise awareness of their cryptocurrency.

Blockchain

The fundamental basis of cryptocurrency. A blockchain is a digital ledger of transactions stored simultaneously on multiple nodes of the same network. Unlike traditional banking and payments solutions, a blockchain's open and decentralized network allows for instant, low-cost transactions where anyone can participate, while securing transactional history by cryptography and social consensus.

Burn

To remove tokens from circulation permanently. See also [Mint](#)).

Chain

A short-hand way to reference a blockchain. See also [blockchain](#) .

Coin

A short-hand way to reference a cryptocurrency (such as ETH) running on a given blockchain, or a single unit of that cryptocurrency. (See also [Token](#)).

Custody

The capacity of a third-party or an individual to retain and safeguard a user's assets in a wallet address. Custody solutions can be either custodial or self custody, depending on which entity has control over the private keys of the wallet address. (See also [Private Keys](#)).

ETH

The native cryptocurrency built into the Ethereum blockchain that is used to pay gas (or network fees) and can be staked to secure the network. (See also [Gas](#)).

Ethereum

A public blockchain network with smart contract functionality.

EVM (Ethereum Virtual Machine)

A virtual machine that executes code in a precise manner to create smart contracts on Ethereum. Many other blockchain networks are based on the EVM and are known as EVM-compatible blockchains.

Faucet

A developer tool that issues testnet tokens of no monetary value to be used for testing payment flows and interactions with smart contracts on blockchain test networks.

Gas

A network fee charged in ETH by EVM-compatible blockchains to execute transactions. Non-EVM blockchains such as Solana charge network fees in SOL. End users pay the fee by default, although developers can sponsor the fee to provide a simpler user experience.

Mint

To generate new tokens and put them into circulation (see also [Burn](#)).

NFT

A non-fungible token is a unique digital identifier that is recorded on a blockchain, and is used to certify ownership and authenticity. It cannot be copied, substituted, or subdivided.

On-chain

A short-hand way to reference "on the blockchain". Often used to denote an activity that takes place on a blockchain.

Primitive

A fundamental building block that developers can build on top of on a blockchain network.

Private key

An encrypted password that safeguards a user's holdings in a wallet address. This can take the form of a data string of letters and numbers 64 characters or longer. A user (or a user's app) must present a private key to authorize a transaction. Translated to the world of traditional finance, the private key could be compared to a personal signature or PIN code.

Public key

A public-facing address of a user's wallet that must be shared to receive funds. Every wallet address has both a private key and a public key. Translated to the world of traditional finance, the public key could be compared to an account number or ATM card.

Smart contract

A protocol on a blockchain network that is facilitated, verified, or enforced automatically with no third-party approval or interaction required.

Stablecoin

A cryptocurrency that is pegged to an off-chain reserve asset like the US dollar or the euro. Stablecoins are designed to provide a sound store of value and facilitate payments in a familiar currency. Circle issues two stablecoins, USDC and EURC, which reflect 1:1 the value of the US dollar and the euro respectively.

Testnet

A blockchain network used for testing purposes by developers, similar to a staging environment. A testnet will operate just like its corresponding mainnet (similar to a production environment), but the transactions on a testnet use tokens of no monetary value.

Token

A cryptocurrency running on a given blockchain, or a single unit of that cryptocurrency. (See also [Coin](#))

USDC

A US dollar-backed stablecoin issued by Circle on public blockchain networks. USDC is fully reserved and can always be exchanged 1:1 for US dollars.

Wallet

A software or hardware device that is designed to hold and safeguards a user's wallet address containing their digital assets (e.g. tokens or NFTs).

Wallet address

A data string that identifies a location where digital assets are stored on a public blockchain. Similar to a public key, however a public key serves to facilitate transactions for a wallet address. Updated 3 months ago * [Table of Contents](#) * * [Airdrop](#) * *

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