

# WHAT YOU SHOULD KNOW ABOUT CRYPTOCURRENCIES

Cryptocurrencies are decentralized forms of digital currencies. They are money that is created, held and spent electronically.



## Important Terms

### Cryptocurrency wallets

Are used to store credentials such as addresses and private verification keys to access cryptocurrency assets.



### Blockchain

Is the ledger that keeps the record of all transactions with the cryptocurrency of your choosing.



### Cryptocurrency mining

Is the verification of transactions done by other peers called miners who use their computer power to solve necessary math puzzles for the transaction to take place.



## The Potential Pitfalls



### Cryptocurrency promises might be used to manipulate and con naïve users.

- There are more than 5000 forms of cryptocurrency<sup>2</sup>, therefore it is hard to demarcate what is real and what is made up.

- Transactions cannot be reversed for change-back in case you are not satisfied with the service or good you were provided in exchange.

- Since their value is relatively volatile, value of your investment can diminish in a very short interval of time.

- You might easily lose your wallets and private keys, and therefore, your cryptocurrencies.

- They require complex technology which is hard to understand for most of us and this opens a wider door open for fake investment advisors.

## Protection of Cryptocurrency Assets

### Since the credentials are strings of numbers, their protection is the same as protecting any valuable data.

- Back up your address and private keys in multiple ways.

- Store your cryptocurrency in an external memory device.

- Encrypt all necessary information.

- Use multifactor authentication in all of your accounts.

- Don't share your account and private key details with anyone ever.

- Protect your devices from malicious intrusion.



### References:

1. The Practical Guide to Cryptocurrency Wallets, <https://satoshilibrary.com/cryptocurrency/cryptocurrency-wallets-types/>
2. All Cryptocurrencies, <https://coinmarketcap.com/all/views/all/>



Safe Space  
سیف سبیس

Safespace.qa © 2020