



## WHAT IS ICO / WHAT IS BLOCKCHAIN / WHAT IS BITCOIN

ICO is similar to a term we are much familiar, IPO. The only difference is that ICO is crowd-funded by selling coins on blockchain while IPO is crowd-funded by selling shares. In general, investors can use Bitcoin or Ether to purchase the newly issued coins. And the new startups can exchange the pool of cryptocurrency into fiat for the company's operation cost.

The tokens/coins issued through ICO are actually cryptocurrency instead of digital currency. Cryptocurrency is a digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank. They are usually issued through a smart contract in Ethereum blockchain. Over the two years, the ICOs have already crowd-funded 440 million US dollars and successfully started a new page for many blockchain startups.

The coin issued in ICO mainly has three roles :

- It represents company's product
- It represents the right of profit sharing
- It represents corporate bonds

### IT REPRESENTS COMPANY'S PRODUCT

It is the most common way of the coin usage. The coins can be used as a medium of exchange for certain amount of product or services. It could also be used for trading in a project.

### IT REPRESENTS THE RIGHT OF PROFIT SHARING

This role is gaining popularity as it functions very familiar to company share. The amount of coins could be thought of certain percent of a company's shares you own. The profit transfer could be done through Ethereum smart contract.

### IT REPRESENTS CORPORATE BONDS

The coin is like a loan. The coin owner is able to receive interest based on the pre-set rate. The fund transfer could also be done through Ethereum smart contract.

Regardless of the role of a cryptocurrency, an ICO usually raised around one to twenty million US dollars (1.2 million US dollars on average), and it benefits a lot on both investors and blockchain startups. In terms of investors, ICO has a strong liquidity, and blockchain technology also helps a lot in protecting investors' right. In terms of blockchain startups, ICO provides them a simpler and quicker way to do fund raising than a traditional method. It is also border-free that it can connect to every investors in the world.

Nevertheless, a red light is always given to many blockchain startups with great potential and good ideas mainly due to insufficient technical knowledge or support. And at the same time, with the increasing demand of hosting ICOs, it derives a lot of ICO that are under-qualified. As a matter of fact, [icoinvestment.club](http://icoinvestment.club) is determined to provide a solution to these enthusiastic startups to host their ICO and to provide a simpler way for investors to participate into them.

If you would like to learn more about how ICO will help building your startups, stay with us!

## WHAT IS BLOCKCHAIN?

"The blockchain is an incorruptible digital ledger of economic transactions that can be programmed to record not just financial transactions but virtually everything of value."

Don & Alex Tapscott, authors Blockchain Revolution (2016)

The blockchain is an undeniably ingenious invention – the brainchild of a person or group of people known by the pseudonym, Satoshi Nakamoto. But since then, it has evolved into something greater, and the main question every single person is asking is: What is Blockchain?

By allowing digital information to be distributed but not copied, blockchain technology created the backbone of a new type of internet. Originally devised for the digital currency, Bitcoin, the tech community is now finding other potential uses for the technology.

Bitcoin has been called "digital gold," and for a good reason. To date, the total value of the currency is close to \$9 billion US. And blockchains can make other types of digital value. Like the internet (or your car), you don't need to know how the blockchain works to use it. However, having a basic knowledge of this new technology shows why it's considered revolutionary.

## WHAT IS BITCOIN

Bitcoin is a digital currency that is rapidly gaining popularity because it solves many of the problems of other forms of currency. It's created and held electronically and can be used to buy goods and services or transfer money anywhere in the world. Bitcoin is the first currency to be globally accepted and there is no currency exchange, no minimums, no limits and it does not require a bank account.

Bitcoin was invented in 2008 as a peer-to-peer payment system for use in online transactions. Unlike any prior payment system, bitcoin is revolutionary in that it is not controlled by any government. This designation allows for the achievement of possibilities that have been previously unattainable in the world of finance. Namely, due to the fact that no central authority is responsible for bitcoin, it cannot be

debased, controlled or otherwise used as a political tool. Since bitcoin is also a peer-to-peer network, there is no need for a third party or "middleman" to facilitate transactions between a buyer and seller.

Instead of a central authority, the bitcoin transaction network consists of computers around the world running the bitcoin software, which operates the protocol for administering bitcoin transactions. That software can be downloaded and run by anyone, and any computer running the software can join the network. Each computer on the network also maintains a copy of the universal public ledger known as the "block chain".

**Sources:**

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