Would you like to know...

1. **... what Bitcoin is all about?**

What is Bitcoin? What sets it apart from other cryptocurrencies? How does Bitcoin work as a means of payment and an investment?

2. **... how to put Bitcoin on the balance sheet?**

When does it make sense, and what should you consider? How do you acquire Bitcoin and store it securely? How do you handle Bitcoin from a tax perspective?

3. **... how you can integrate Bitcoin into your business?**

Do you want to create more understanding and acceptance within your company? Would you like to develop a Bitcoin strategy and integrate it into your business processes?

4. **... what the connection between Bitcoin and energy is?**

Do you want to understand the relationship between energy and Bitcoin? Do you want to integrate Bitcoin mining into your infrastructure?

As a partner for Bitcoin mining and Bitcoin business solutions, terahash specializes in services related to Bitcoin energy infrastructure, complemented by a diverse range of educational and training offerings for the B2B sector.

terahash

Would you like to find out more about Bitcoin?

Then contact us!

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TO THE WEBSITE

What is Bitcoin?

Bitcoin basics in a nutshell

What exactly is money?

Money is a technology that helps to retain the value of job performance and which solves the problem of the double coincidence of wants. In Europe, gold and silver were used as money for thousands of years, as they were the best way to fulfil these functions.

Since the First World War, gold has been used as money less and less frequently. While in the past every dollar note and every mark was secured by a fixed amount of gold, nowadays the dollar and the euro are, for the most part, unsecured.

How is new money created?

In principle, money can be created through two processes: either by the central bank printing new money (quantitative easing or PEPP), or through the creation of deposit money by commercial banks, which create new money as part of their lending business.

This has the inevitable consequence that those in the economy who are closer to and/or more involved in the process of money creation – i.e. banks and large businesses – profit most from the issuance of new money. This leads to increasing inequality.

	Bitcoin	Gold	Central bank money
Durable	B	A+	C
Mobile	A+	D	B
Fungible	B	A	B
Verifiable	A+	B	B
Shareable	A+	C	B
Rare	A+	A	F
Long history	D	A+	C
Censorship-resistant	A	C	D

What exactly is Bitcoin?

As early as the 1970s, there were initial attempts to bring a digital currency into being. Several decades later, Bitcoin had finally solved all of the related problems. And in 2008, a white paper was published under the pseudonym Satoshi Nakamoto that described the way in which Bitcoin functions. Bitcoin is a protocol and historically the first and largest cryptocurrency.

For the first time in the history of humanity, everyone can own an asset that is limited, decentralized, borderless, censorship-resistant and cannot be confiscated.

- 1 Bitcoin = 100 million Sats (cf. 1 € = 100 cents)
- Bitcoin can be sent to anywhere in the world, quickly, cheaply and at any time
- Authorization from a third party, e.g. a bank, is not necessary

How are new Bitcoins created?

In contrast to present-day money (e.g. the euro), new Bitcoins cannot be created without work. This work is known as “mining”. Mining is the process of generating new Bitcoin blocks. Since mining requires energy, Bitcoin is distributed objectively without political influence, and is fundamentally anchored in physical reality.

The payout is determined mathematically and cannot be altered by an individual player, a business or the state – nobody can change the maximum Bitcoin money supply.

Why does the price fluctuate?

In the short term, the price of Bitcoin can fluctuate significantly. However, the price fluctuates far less in the long term. The more people use Bitcoin, the more stable and higher its value becomes.

What is inflation?

Inflation is the consequence of unsecured money creation. Nowadays, inflation is often seen as the rate of price increases for a handful of selected goods. However, the term originally described the expansion of the money supply. In the EU, the money supply increases by around 7 % per year on average, which means that savers lose 7 % of their purchasing power annually.

Inflation rate	Purchasing power half-life (years)
1 %	70
2 %	35
3 %	23
4 %	18
5 %	14
6 %	12
7 %	10
8 %	9
9 %	8
10 %	7

Bitcoin is scarce!

While there is no upper limit for the money supply of the euro, the Bitcoin supply is limited to 21 million Bitcoins.

Currently, nearly 20 million Bitcoins are already in circulation. The other 2 million will have been generated by 2140.
Bitcoin is in the “pricing phase” at the moment, which could take 10, 20 or 30+ years.

Due to this 21 million limit, saving once again makes sense. No matter whether you are one of the richest 1 % or the poorest 1 %, everyone plays by the same rules and nobody is at an advantage or disadvantage.