



Five-Minute Bitcoin Primer

What is Bitcoin and How Does it Work?



Bitcoin is Many Things...



Global Digital Currency



Decentralized and Transparent
Financial System



OPEN Source

And Holds Many Benefits...



Instantaneous Transaction
Processing



Private and Secure



No Financial Third-Party
Intervention



Little to No Fees

And Has Many Practical Uses...



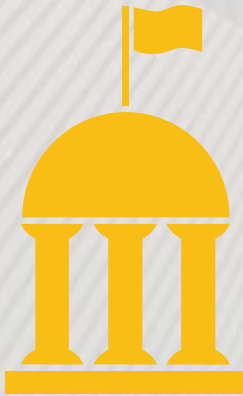
P2P Transfers and Payments



Trading and Investing



Remittances



Political Donations



Charitable Giving

But at it's core, it is actually two things...

Let's take a look at Bitcoin (big B) and
bitcoin (little b).



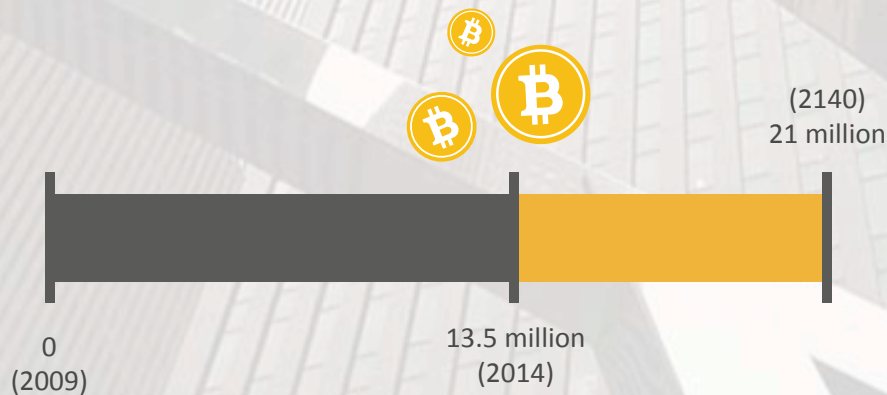
“Little b”

You probably know about **bitcoin**, the digital currency...

b

=

Digital Currency or
Unit of Account



Amount of bitcoin in circulation

“Big B”

However, you may not be as familiar with **Bitcoin**, the network where bitcoin transactions are completed.



=

Bitcoin Network

Bitcoin Network Basics



Global P2P transaction network...



Similar to...



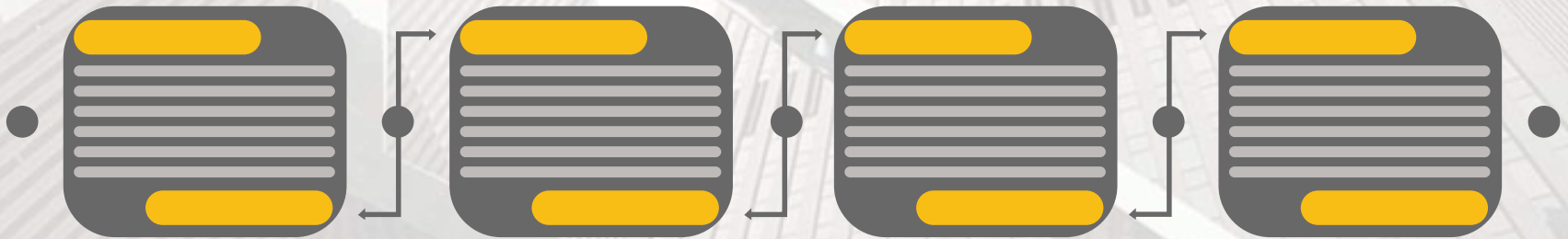
BUT, with no third-party intervention needed for processing the transaction.

Bypassing traditional financial institutions in the transaction process is a key differentiator between Bitcoin and fiat currencies.

However, if no third-party is involved in processing Bitcoin transactions, then how does it get done safely and efficiently?

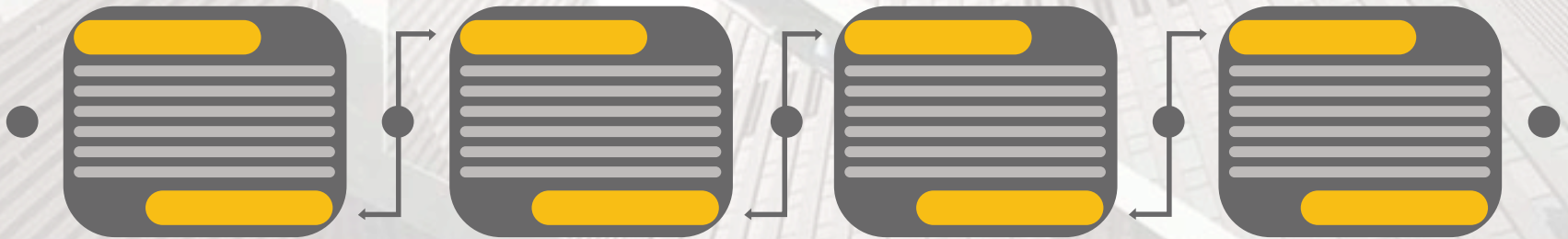
Answer: the **Blockchain** - the Bitcoin network's revolutionary underlying technology...

What is the Blockchain?



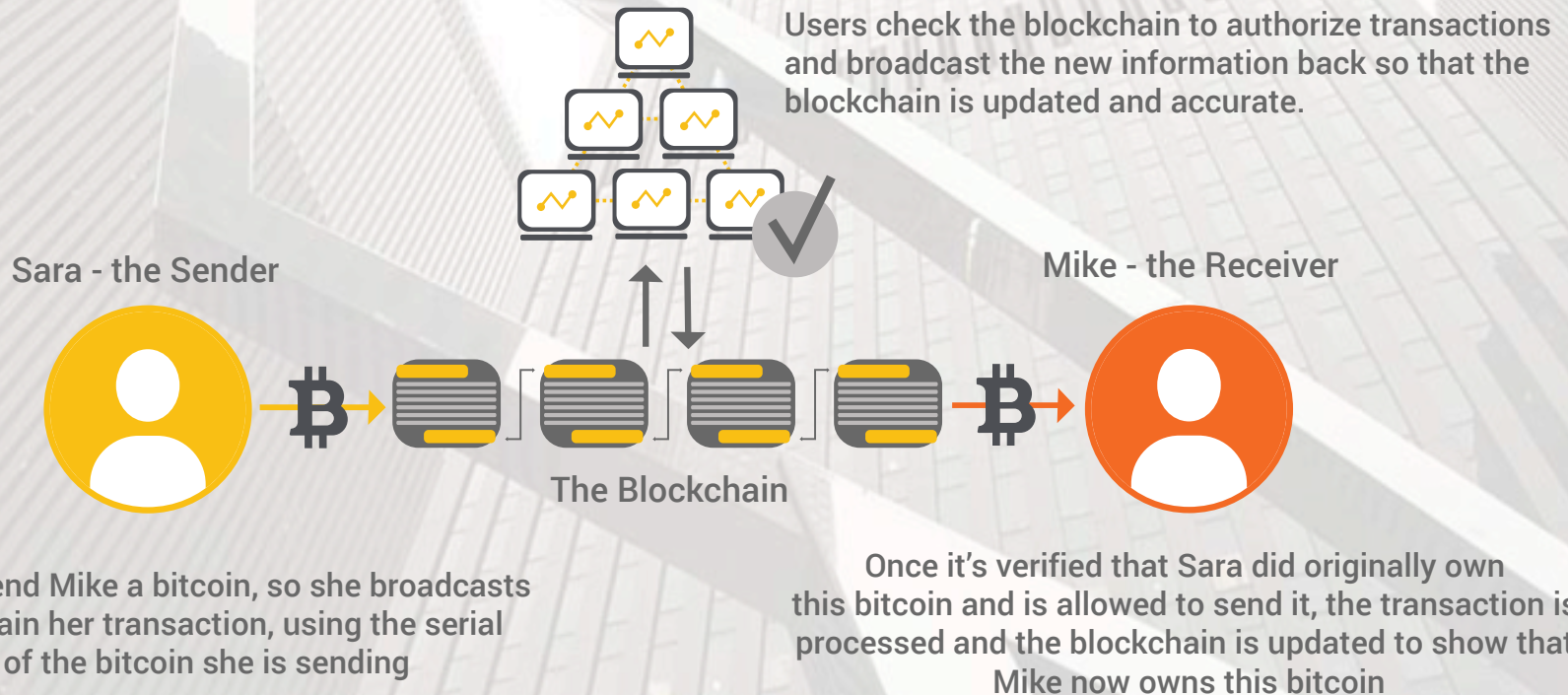
The Blockchain is the underlying protocol that powers the Bitcoin network. It allows transaction and information authentication in a decentralized system AND...

What is the Blockchain?



Records all transactions in a public ledger, making the Bitcoin network fully transparent.

What goes into completing a bitcoin transaction on the blockchain?



Happy Recap

- Bitcoin holds a number of **key benefits** over fiat currencies:
 - Lower fees
 - Instantaneous transactions
 - No financial third-party intervention required
 - Greater privacy and security
- There are also many **practical uses** for Bitcoin:
 - Payments and P2P transfers
 - Remittances
 - Trading
 - Charitable giving
 - Asset transfer
 - Smart contracts

Happy Recap

- There is a difference between bitcoin Bitcoin (big “B”) and (little “b”)
 - **Big “B”:** *Bitcoin* is the network where bitcoin transactions are completed
 - **Little “b”:** *bitcoin* refers to the digital currency or unit of account
- **Blockchain** is the underlying technology that powers the Bitcoin network and allows it to operate without third-party oversight
- The blockchain has **two key functions**:
 - Provide a **public record** of all bitcoin transactions giving the Bitcoin system full transparency
 - Allow transactions and information to be authenticated in a **decentralized manner** without third-party participation

About itBit

itBit is a global exchange offering institutional and retail investors a powerful platform to buy and sell bitcoin.

Built by Wall Street professionals, itBit is institutional-grade and 100% compliant within every jurisdiction it operates. The company's stringent compliance program ensures the highest level of customer security and protection.

Co-founded in 2012 by CEO Charles Cascarilla, itBit has offices in two key financial markets, New York and Singapore, which enables the exchange to serve global customers around the clock.



The itBit Advantage



Regulatory Compliance

- Fully compliant in all countries we operate
- Best-in-class AML/KYC program



Bank-Level Security

100% of customer bitcoins stored in offline cold wallets



Global Presence

- Around the clock customer support
- Multiple bank accounts worldwide



Financial Expertise

itBit's team has diverse market expertise across digital currency and financial industries



Start trading today

[Open New Account](#)[Learn More about itBit](#)

Connect with itBit

[itBitblog](#)

Legal Disclaimers: The information contained in this itBit Welcome Guide (this "Welcome Guide") provides only a general overview of itBit Pte. Ltd. ("itBit"). Accordingly, while itBit makes every attempt to ensure that the information contained in this Welcome Guide is true and accurate when made, itBit is not responsible for any errors or omissions, or for the results obtained from the use of the information contained herein. All information in this Welcome Guide is provided "as is," with no guarantee of completeness, accuracy, and timeliness or of the results obtained from the use of this information. In no event will itBit, its related entities, or the owners, agents or employees thereof be liable to you or anyone else for any decision made or action taken in reliance on the information contained in this Welcome Guide or for any consequential, special or similar damages, even if advised of the possibility of such damages.

In no event shall the information contained in this Welcome Guide be construed as the rendering by itBit, its related entities, or the owners, agents or employees thereof of professional advice or services. As such, the information provided in this Welcome Guide should not be used as a substitute for consultation with professional advisors. Before making any decision or taking any action regarding trading, you should always consult with a licensed financial advisor and tax advisor to determine the suitability of any investment.

Bitcoin trading involves a high degree of risk. The Bitcoin market is new and unproven and may not grow. Currently, there is relatively small use of Bitcoin in the retail and commercial marketplace in comparison to relatively large use by speculators, thus contributing to price volatility that could adversely affect an investment in Bitcoin. It should not be assumed that trading Bitcoin will be profitable or that it will not result in losses. In order to participate in the trading of Bitcoin, you should be capable of evaluating the merits and risks of the investment and you should be able to bear the economic risk of losing your entire investment. No material contained in this Welcome Guide should be considered as an offer by itBit to sell or a solicitation by itBit of any offer to buy Bitcoin.