

# Coins

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**Coins** (also often called *altcoins* or *alternative cryptocurrency coins*) are digital money, created using encryption techniques, that store value over time. Basically they are the digital equivalent of money. Bitcoin is the most famous example. Bitcoin is based on blockchain — public and distributed digital ledger — where all transactions can be seen. Data is stored collectively and shared between participants of a blockchain network. Blockchain guarantees transparency and reduces fraud.

Coins have the same characteristics as money: they are fungible, divisible, acceptable, portable, durable and have limited supply. Most ambitious crypto enthusiasts insist that coins will replace conventional money in the future.

The main characteristics of coins are:

1. they are tied to public-open blockchain—anyone is allowed to join and participate in the network;
2. they may be sent, received or mined.

Coins are not meant to perform any functions beyond acting as money.

Compare to [tokens](#)

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