

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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