



BASIC INTRODUCTION TO BITCOIN PEER TO PEER





WHAT IS BITCOIN PEER TO PEER?

Simply put, it's the exchange or sharing of Bitcoin tokens between parties without the involvement of a central authority for an alternative form of payment.



DECENTRALISED PEER TO PEER EXCHANGES

Those exchange markets that do not, rely on a third-party service to hold client's funds. Instead, trades occur directly between users through an automated process.

What are the advantages of P2P exchanges?

Outlined are the advantages of the P2P exchanges, achieved by removing that single point of failure.

- ◇ They are reliable and eliminate every point of failure.
- ◇ **Security:** P2P exchanges do not hold Bitcoins for their users instead, they connect traders, allowing them to conduct deals directly. Not having to entrust your coins to a third party makes the process much safer. If nobody holds your funds but you, then nobody can steal or lose them intentionally, or accidentally.
- ◇ **Cheap operations:** Again, regular exchanges are operated by people, who have to be paid for their work. P2P exchanges are run by software, so there's little to no corporate overhead, and by extension, very small fees for the users, if any.

What are their downsides?

As such, these exchanges have to deal with a number of problems. For example, most of them are currently aimed at small, specific audiences of crypto enthusiasts and haven't had the need to cater to newcomers - because of that, they tend to be less intuitive to use.

For the same reasons - small audience and early stage of existence - decentralized exchanges usually have pretty low trading volumes than the regular ones.





How is fraud prevented?

The way trades are conducted on P2P exchanges leaves the users vulnerable to fraud. Bitcoin payments are final and cannot be refunded, and conversely, fiat money transfers are often refundable. Because of that, a buyer may send their fiat payment, receive the Bitcoins, and then request a refund from their bank, or whatever other financial organization they are using, and leave the seller with nothing.

In order to prevent such instances, P2P exchanges introduce all kinds of security features. For example, Coinffeine has a system of obligatory deposits: before a trade begins, both counterparties have to deposit a certain amount of Bitcoins. If all goes well and the trade completes uncontested, those deposits return back to the users.

Other applications we can use for Bitcoin peer to peer trading:

- ◇ Blockchain wallet
- ◇ Coinomi wallet
- ◇ IMToken for ERC20 tokens i.e. tokens on the Ethereum blockchain.



CENTRALIZED BITCOIN PEER TO PEER EXCHANGES

These are exchanges with trusted third parties, through which one can buy Bitcoin, convert Bitcoin to fiat or other cryptocurrencies; Litecoin, Ethereum, Ripple, Monero etc. A transaction fee is charged for execution of trades.



EXAMPLES OF CENTRALIZED EXCHANGES



- ◇ IBIC Exchange
- ◇ Binance
- ◇ Bitmex

<https://www.ibicexchange.com>

<http://www.binance.com>

<https://www.bitmex.com>

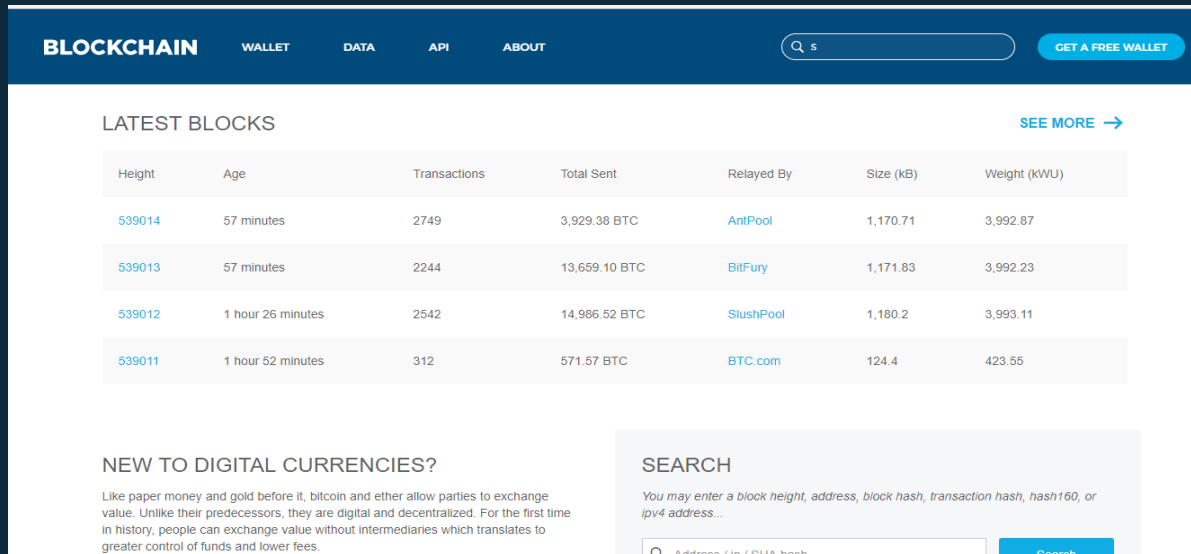
STEPS TO BITCOIN PEER TO PEER FORM OF TRADING

Before we outline the steps, we would need some software and devices which would aid our trading , they are as follows:

- ◇ A smart phone (Android or iPhone) to run the software.
- ◇ Blockchain wallet <http://www.blockchain.info> or download from play store.
- ◇ Coinomi wallet <https://www.coinomi.com> (this is a multi-token wallet, unlike blockchain that can only store maximum of three tokens. i.e. Bitcoin, Ethereum and Bitcoin Cash)
- ◇ After getting the outlined basic requirement, follow the step by step approach to setting up your account.

STEPS TO OPEN A BLOCKCHAIN WALLET

Step 1: open <http://blockchain.info> website, click “Get free wallet” button at the top right corner of the web page, see image below.



The screenshot shows the Blockchain.info website interface. At the top, there is a navigation bar with the following links: BLOCKCHAIN, WALLET, DATA, API, and ABOUT. A search bar is located on the right side of the navigation bar, and a button labeled "GET A FREE WALLET" is positioned in the top right corner. Below the navigation bar, the main content area features a section titled "LATEST BLOCKS" with a "SEE MORE" link and an arrow pointing right. The "LATEST BLOCKS" section contains a table with the following data:

Height	Age	Transactions	Total Sent	Relayed By	Size (kB)	Weight (KWU)
539014	57 minutes	2749	3,929.38 BTC	AntPool	1,170.71	3,992.87
539013	57 minutes	2244	13,659.10 BTC	BitFury	1,171.83	3,992.23
539012	1 hour 26 minutes	2542	14,986.52 BTC	SlushPool	1,180.2	3,993.11
539011	1 hour 52 minutes	312	571.57 BTC	BTC.com	124.4	423.55

Below the table, there are two sections: "NEW TO DIGITAL CURRENCIES?" and "SEARCH". The "NEW TO DIGITAL CURRENCIES?" section contains text explaining digital currencies. The "SEARCH" section includes a search bar and a "Search" button.

NEW TO DIGITAL CURRENCIES?
Like paper money and gold before it, bitcoin and ether allow parties to exchange value. Unlike their predecessors, they are digital and decentralized. For the first time in history, people can exchange value without intermediaries which translates to greater control of funds and lower fees.

SEARCH
You may enter a block height, address, block hash, transaction hash, hash160, or ipv4 address...
Address / In / SHA hash

Step 2: Complete the Registration Form and click the “Continue” button, and you would be automatically logged into your account.

Create Your Wallet

or [Login](#)

Sign up for a free wallet below

Email

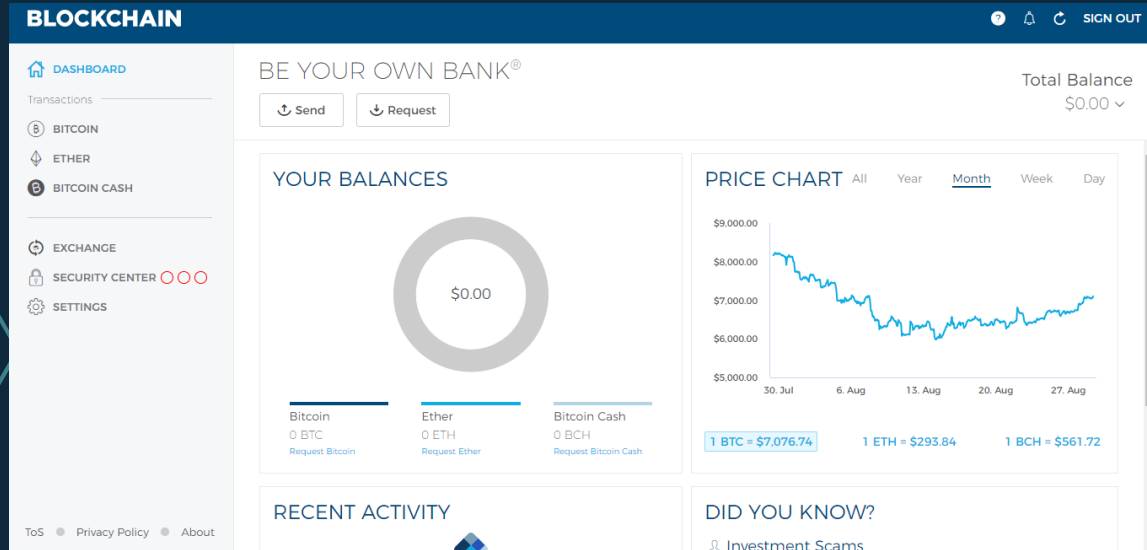
Password

Confirm Password

I have read and agreed to the [Terms of Service](#) & [Privacy Policy](#)

CONTINUE

STEP 3: Look up your Block Chain Dash Board.



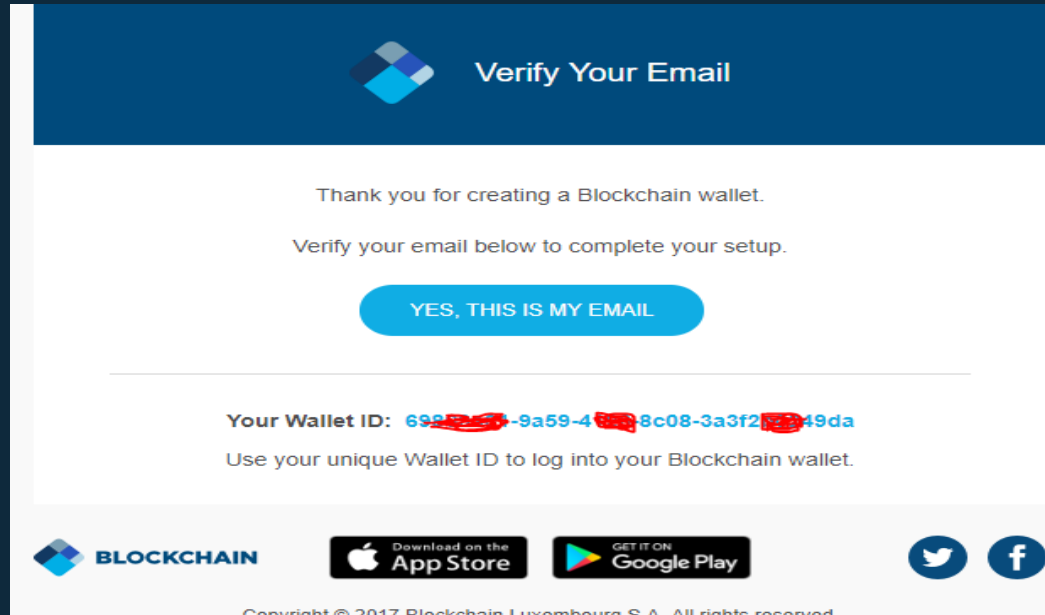
If you open a savings bank account, you will get a 10 digit numbers that is unique to identify your account number. Same process here too, just click “Request” button to get a 34 digits Alpha Numeric characters, which is your unique BTC receivers wallet address.

Copy and save your BTC receivers wallet address.
Note that your wallet address does not change for
any reason.

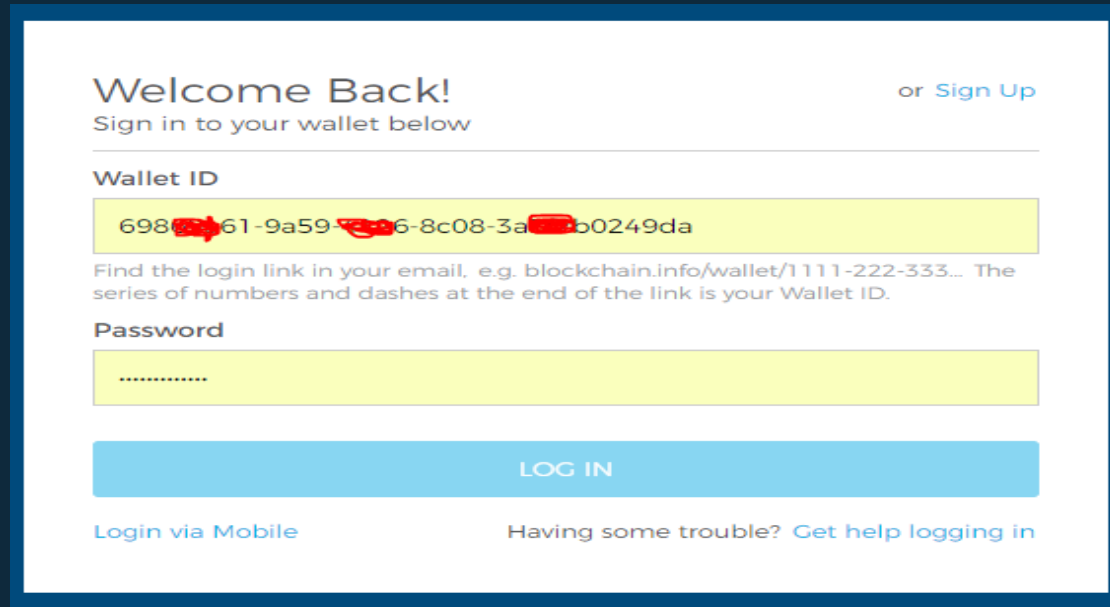


◇ Step 5: Verify your Email:

Do not forget to verify your Email ID associated with your blockchain wallet. You may find the mail like this image below.



◇ login to your New Blockchain Wallet account using your Wallet Identifier copied from your Email.



Welcome Back! [or Sign Up](#)

Sign in to your wallet below

Wallet ID

6986-61-9a59-6-8c08-3a-b0249da

Find the login link in your email, e.g. blockchain.info/wallet/1111-222-333... The series of numbers and dashes at the end of the link is your Wallet ID.

Password

.....

LOG IN

[Login via Mobile](#) [Having some trouble? Get help logging in](#)

Congratulations, you just completed your registration, and your block chain wallet is ready for usage. You can purchase Bitcoin from IBIC Exchange, contact the sales representative on 07066066563 or, place an order for your Bitcoin on our website <http://www.ibicexchange.com>

IMPORTANT TIPS TO BITCOIN PEER TO PEER FORM OF TRADING

It is advisable to have strong presence on social media, such as Twitter, Instagram, Facebook, Telegram, for outreach on sourcing of Bitcoin.

Contact an IBIC Exchange sales representative for purchase of your Bitcoin.

Join Crypto-community groups on these platforms.

IBIC Exchange Team is always available for consultation services for better investment calls and decisions.



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