

# Bitcoin digital currency

A U.S. Senate hearing on the “risks, threats and promises” of virtual currencies has boosted the price of Bitcoin, the experimental currency which has risen by more than 5,700 percent in value since January



**Nov 2008:** Person or persons named **Satoshi Nakamoto** publishes research paper on digital currency called Bitcoin



**1 Blockchain:** System secured by cryptographic algorithm that contains coded series of numbers and letters – difficult-to-solve mathematical puzzle. Blocks create database of all transactions between Bitcoin users. **Blocks are sent out every 10 minutes**

**2 Wallet:** Client programme stores each Bitcoin's unique online registration number and address, virtual postbox to and from which bitcoins are sent



**Jan 2009:** First block of 50 bitcoins mined by Nakamoto

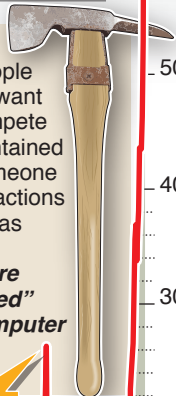
**Feb 2011:** Online drug bazaar **Silk Road** launched. All transactions – averaging 7,300 per day – conducted using Bitcoin. **FBI closes Silk Road in October 2013**

**Nov 19:** Bitcoin trades at **\$774** after hitting **\$900.97** – 5,707% increase since January 1

**\$9.3 billion**

Value of 12.01 million bitcoins in circulation  
Equal to about 0.06% of \$16,000bn U.S. economy

**3 Mining:** Every 10 minutes, people around world who want to earn Bitcoin compete to solve puzzle contained in block. When someone cracks code, transactions since last puzzle was solved are verified. **25 new bitcoins are collected or “mined” by owner/s of computer which cracked puzzle**



**Apr 10:** Bitcoin hits **\$266**

**Jan 1, 2013:** Trades at **\$13.56**

**Jun:** Wikileaks accepts Bitcoin for donations

