

Swiss Finance Partners Group

Your Preferred Financial Service Provider



Ethereum Vs Bitcoin: What's The Main Difference

2019



Ethereum Vs Bitcoin: What's The Main Difference?

While Bitcoin has long been dominant in the cryptocurrency scene, it is certainly not alone. Ethereum is another cryptocurrency related project that has attracted a lot of hype because of its additional features and applications.

Ethereum: More Than Just Money

The first thing about Ethereum is that it is not just a digital currency. It is a blockchain-based platform with many aspects. It features smart contracts, the Ethereum Virtual Machine (EVM) and it uses its currency called ether for peer-to-peer contracts.



Ethereum's smart contracts use blockchain stored applications for contract negotiation and facilitation. The benefit of these contracts is that the blockchain provides a decentralized way to verify and enforce them. The decentralized aspect makes it incredibly difficult for fraud or censorship. Ethereum's smart contracts aim to provide greater security than traditional

contracts and bring down the associated costs.

The smart contract applications are powered by ether, Ethereum's blockchain based cryptocurrency. Ether, as well as other crypto-assets, are held in the Ethereum Wallet, which allows you to create and use smart contracts. The system has been described by the New York Times as..

“a single shared computer that is run by the network of users and on which resources are parceled out and paid for by ether.”

Implement Smart Contracts With Your Own Cryptocurrency

Ethereum allows you to create digital tokens that can be used to represent virtual shares, assets, proof of membership and more. These smart contracts are compatible with any wallet, as well as exchanges that use a standard coin API. You can copy the [code](#) from Ethereum's website and then use your tokens for many purposes, including the representation of shares, forms of voting and also fundraising. You can either have a fixed amount of tokens in circulation or have a fluctuating amount based on predetermined rules.

You Don't Need Kickstarter When You Have Ethereum

One great feature of Ethereum is that it gives developers a means to raise funds for various applications. For your new project, you can set up a contract and seek pledges from the community. The money that is raised will be held until the goal is reached or until an agreed upon date. The funds will be released back to the contributors if the goal is not met, or go on to the project if it is successful. Kicking out Kickstarter means that the third party is taken out, along with their rules, and also the fees they charge (when you include processing fees, Kickstarter can take up to 10% of a project's budget).

Skip the Traditional Management Structure With Democratic Autonomous Organizations

Not only can source also help to organizational your idea off can collect people who project and how you



Ethereum help you funding, but it can provide the structure to get the ground. You proposals from the backed your then hold votes on should proceed. that you can skip

This means

the expense of a traditional structure, such as hiring managers and doing paperwork.

Ethereum also protects your project from outside influences, while its decentralized network means that you won't face downtime.

The Finer Details: Differences Between Ethereum and Bitcoin

There are also many smaller aspects that differ between the two blockchain-based projects. Bitcoin's average block time is about 10 minutes, while Ethereum's aims to be 12 seconds. This quick time is enabled by Ethereum's GHOST protocol. A faster block time means that confirmations are quicker. However, there are also more orphaned blocks.

Swiss Finance Partners Group

Another key difference between them is their monetary supply. More than two-thirds of all available bitcoin have already been mined, with the majority going to early miners. Ethereum raised its launch capital with a presale and only about half of its coins will have been mined by its fifth year of existence.

The reward for mining Bitcoin halves about every four years and it is currently valued at 12.5 bitcoins. Ethereum rewards miners based on its proof-of-work algorithm called Ethash, with 5 ether given for each block. Ethash is a memory hard hashing algorithm, which encourages decentralized mining by individuals, rather than the use of more centralized ASICs as with Bitcoin.

Bitcoin and Ethereum also cost their transactions in different ways. In Ethereum, it is called Gas, and the costing of transactions depends on their storage needs, complexity and bandwidth usage. In Bitcoin, the transactions are limited by the block size and they compete equally with each other.

Ethereum features its own Turing complete internal code, which means that anything can be calculated with enough computing power and enough time. Bitcoin does not have this capability. While there are certainly advantages to the Turing-complete, its complexity also brings security complications, which contributed to the DAO attack in June.

Ethereum and Bitcoin: Two Very Different Beasts

While many will compare the cryptocurrency aspect of both Ethereum and Bitcoin, the reality is that they are vastly different projects and have different intentions. Bitcoin has emerged as a relatively stable digital currency, while Ethereum aims to encompass more, with ether just a component of its smart contract applications.



Contact Us

London Office (Head Office)

71-75 Shelton Street
Covent Garden
London
WC2H 9JQ
United Kingdom

Tel. +44-203 693 3938
Tel. +44-203 514 7595
london@swissfinpartners.com
www.swissfinpartners.com

Geneva Office

Rue du Marché 30,
1201 Geneva
Switzerland

Tel. +41-22-539 1694
Tel. +41-22-539 1695
geneva@swissfinpartners.com
www.swissfinpartners.com

New -York Office

Madison Avenue, 151 East, 80th
9th Floor,
New York, NY, US

Tel. +1-646-453 4986
Tel. +1-646-453 4987
new-york@swissfinpartners.com
www.swissfinpartners.com

Honk Kong Office

Admiralty Tower
18, Hardcourt Road, (8th Floor)
Central Hong Kong (HK)

Tel. +1-852 580 814 05
Tel. +1-852 580 814 08
hong-kong@swissfinpartners.com
www.swissfinpartners.com

Swiss Finance Partners Group

Disclaimer: The contents of Swiss Finance Partners Brochure are protected by applicable copyright laws. No permission is granted to copy, distribute, modify, post or frame any text, graphics, video, audio, software code, or user interface design or logos.

This Brochure is solely intended to provide thorough and reliable information for clients and prospective clients interested in the services profiled herein in the spirit of providing maximum timely disclosure for all interested parties. The information in this Brochure is for general information purposes only. It does not constitute professional advice, whether legal or otherwise, and does not purport to be comprehensive.

All intellectual property rights, including copyright and database rights, in this site and its contents (including but not limited to text, images, software, illustrations, artwork, high resolution photography, video clips, audio clips and any after-sales material, hereinafter referred to as “the materials”) are owned by or licensed by the Owner or otherwise used by the Owner as permitted by applicable law.

The names, images and logos identifying the Owner or third parties and their products and services are subject to copyright, design rights and trademarks of the Owner and/or third parties. Nothing contained in these Terms and Conditions shall be construed as conferring by implication, estoppel or otherwise, any license or right to use any trademark, patent, design right or copyright of the Owner or any third party.

Links available in the Brochure will allow you to link to websites not maintained or controlled by the Owner. The Owner provides these links for your convenience and is not responsible for the contents of any linked websites. The Owner cannot and does not warrant the accuracy, completeness, non-infringement, merchantability or fitness for a particular purpose of any information available through these links and makes no representation or endorsement whatsoever about any other website which you may access through the Site. It is your responsibility to ensure that any website you choose to use is free of potentially destructive items such as viruses.



Copyright Statement

This presentation is copyright © 2019 by Swiss Finance Partners Group Ltd. and is protected by copyright as a privately owned work and/or compilation, pursuant to Swiss copyright laws, international conventions, and all other relevant copyright laws.