

## Learn about Cryptocurrency

### 1. What is cryptocurrency?

Cryptocurrency is a form of digital currency secured by advanced encryption (cryptography). It operates on decentralized networks like blockchain and is not controlled by governments or banks.

### 2. What is blockchain?

Blockchain is a public digital ledger that records all cryptocurrency transactions securely and transparently. It is decentralized, meaning no single entity controls it.

### 3. How is cryptocurrency different from regular money?

- Cryptocurrency is digital-only
- It operates on decentralized networks
- Transactions are irreversible
- Its value can fluctuate rapidly compared to traditional currencies

### 4. What is a crypto wallet?

A crypto wallet is a digital tool that lets you store, send, and receive cryptocurrencies like Bitcoin or Ethereum. Instead of holding actual coins, it keeps your private keys (secure passwords) that prove ownership and allows transactions on the blockchain. It works like a bank account and keychain combined. Without it you can't access or manage your crypto.

### 5. Is crypto trading legal?

Yes, crypto trading is legal in the UAE when conducted by licensed virtual assets service providers. Regulation is overseen by authorities such as the Dubai Virtual Assets Regulatory Authority (VARA), Financial Services Regulatory Authority (FSRA), the Securities and Commodities Authority (SCA), and Dubai Financial Services Authority (DFSA).

### 6. Why are cryptocurrencies volatile?

Cryptocurrencies are highly speculative in nature and are affected by multiple factors, including but not limited to the regulatory landscape, adverse media coverage, and the influence of chat groups. These factors, combined with the relatively smaller market size compared to traditional assets like stocks or gold, contribute to its volatility.