Glossary of terms

Advertising technology (AdTech)

An umbrella term describing the tools that brands, agencies, publishers and platforms use to target, measure and analyze digital advertising efforts.

Airdrop

A marketing practice involving the unsolicited transfer of coins or tokens to numerous wallet addresses.

American Federation of Musicians (AFofM)

A labor union that represents professional instrumental musicians in the United States and Canada.

Anti-money laundering/combating the financing of terrorism (AML/CFT)

Measures to prevent criminals and terrorists from abusing the financial system.

Artificial intelligence (AI)

Machines' ability to simulate human intelligence through their programming.

Augmented reality (AR)

Enhancement of the real physical world aided by the use of technological devices to create an interactive environment.

Avatar

An icon or figure representing an individual in a virtual setting.

Binance Smart Chain

A blockchain network built for running smart, contract-based applications.

Bitcoin (BTC)

A form of digital currency that is recorded on a blockchain and is transferrable on a decentralized peer-to-peer network.

Blockchain

A distributed database or ledger comprised of "blocks," which record transactions and are securely linked using cryptography.

Collective bargaining agreements

Agreements between an employer and a union representing employees, such as SAG-AFTRA or AFofM.

Consumer protection

The protection of the public from the risks that arise when purchasing goods and services. Consumer protection legislation governs the relationships between individual consumers and businesses and covers areas such as product liability, privacy rights, fraud, misrepresentation and other unfair practices.

Creator/creator economy

A software-facilitated economy that allows creators to earn revenue from their creations, mainly on social media platforms.

Crypto-asset

A cryptographically secured digital representation of value or contractual rights that uses some type of distributed ledger technology (DLT) and can be transferred, stored or traded electronically. Cryptocurrencies, utility coins, security tokens and stablecoins are different types of crypto-assets.

Cryptocurrency

A digital or virtual currency that is stored on a blockchain and uses cryptography as a means of security. A key characteristic of cryptocurrency is that it is not governed by a central authority – examples include Bitcoin, Ethereum, Litecoin, and Bitcoin Cash.

Crypto token

A cryptocurrency that runs on top of another cryptocurrency's native blockchain. Cryptocurrencies with their own blockchain are normally referred to as "crypto coins," so this term has become a way to refer to cryptocurrencies other than Bitcoin or Ethereum.

Cyberworld

The world of inter-computer communication; a real or virtual world of information in cyberspace.

Decentralized autonomous organization (DAO)

An organization controlled by its members following rules encoded as a computer program, that is characterized as being transparent, with rules that are not permission based and without influence from central government.

Decentralized finance (DeFi)

Peer-to-peer financial services based on secure distributed ledgers similar to those used by cryptocurrencies, which work by removing intermediaries such as exchanges or banks.
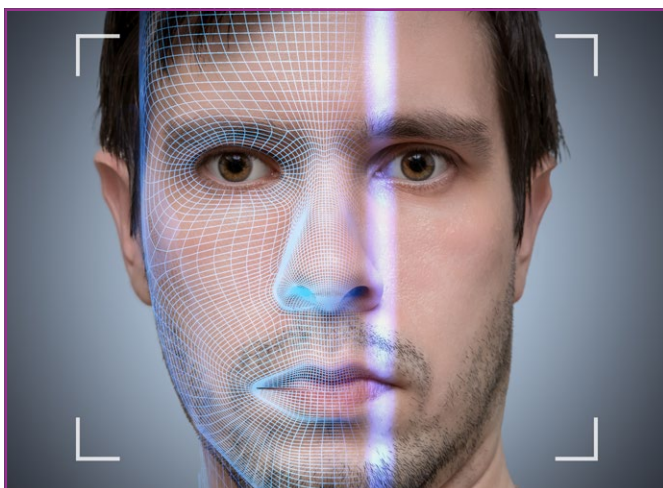
Deepfakes

Content resulting from the manipulation or generation of audio-visual media by AI, often a video or sound recording that replaces someone's face or voice with that of someone else.

Digital assets

Digital representations of various virtual or real-world assets that can be owned and transferred virtually – examples include cryptocurrencies, stablecoins and NFTs.

Digital Millennium Copyright Act (DMCA)

A U.S. copyright law that implements two 1996 treaties of the World Intellectual Property Organization (WIPO).

Distributed ledger technology (DLT)

A digital system that enables the registration and validation of transactions on a decentralized network in multiple places simultaneously.

Ether (ETH)

The transactional token that facilitates activity on the Ethereum network and is similar in operation to cryptocurrencies, such as Bitcoin, but includes additional functionalities.


Ethereum

A decentralized platform powered by blockchain technology, most commonly known for its native token, Ether (ETH).

EU Financial Supervisory Law

A framework according to which a multilayered system of EU prudential authorities monitors systemic risks and aims to ensure consistent and coherent financial supervision in the EU.

EU taxonomy

A tool to help investors understand whether an economic activity is environmentally sustainable and meets international standards and policy commitments.
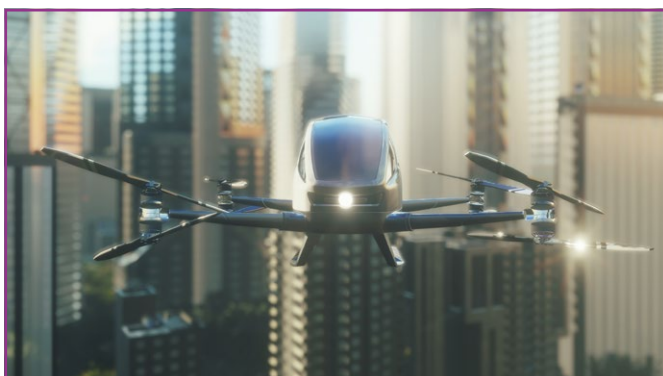
eVTOL

Electric vertical takeoff and landing aircraft.

Extended reality (XR)

An umbrella term for computer-generated environments merging physical and virtual worlds.

Fair, reasonable and non-discriminatory (FRAND) terms

A voluntary licensing commitment that standards organizations often request from the owner of an intellectual property right (usually a patent) that is, or may become, essential to practice a technical standard.

Fair use

Under U.S. copyright law, an exception that permits limited use of copyright-protected material without requiring permission from the rights holder.

Fear, uncertainty and doubt (FUD)

A particular mindset within the crypto world that is pessimistic in nature when it comes to a certain asset or market.

Financial Action Task Force (FATF)

An intergovernmental organization combating money laundering and terrorism financing.

Financial instruments

A real or virtual document that can be created, modified, purchased, traded or settled for, representing a legal agreement involving any kind of monetary value.

Financial services

Professional services involving the investment, lending and management of money and other assets.

Fractionalization

The ability to divide a blockchain token into smaller fractions, enabling it to be owned by different people.

GameFi

A game finance platform servicing blockchain games, investors and traders.

Gas

The fee, or pricing value, required to successfully conduct a transaction or execute a contract on the Ethereum platform.

General Data Protection Regulation (GDPR)

The primary piece of legislation relating to data protection and privacy in the EU and also implemented in the UK. It came into force in May 2018.

German Financial Supervisory Law

A framework according to which the operations of banks and financial service providers are supervised in Germany, and which covers aspects such as whether those institutions have adequate capital and liquidity and whether they have established appropriate risk control mechanisms.

Hold on for dear life (HODL)

A mantra among crypto enthusiasts denoting a long-term approach to cryptocurrency investing.

Initial DEX offering (IDO)

An alternative to ICO, involving launching a project through a decentralized liquidity exchange.

Initial exchange offering (IEO)

Similar to IDO, except that a project is launched on a centralized exchange.

Influencer

A person with the ability to influence potential buyers by promoting or recommending products or services on social media.

Ingestion

The process of importing data from a source to a target site for storage and analysis.

Initial coin offering (ICO)

An unregulated means to raise money for a venture to create a new coin, token, app, or service.

Intellectual property (IP)

Intangible property rights that are a result of intellectual effort. Intellectual property rights include patents, trademarks, designs and copyrights.

Interoperability

The ability for different computer software systems to exchange information, communicate with one another and "understand" the information being transferred.

Layer 1

A base blockchain network, such as Ethereum, and its underlying infrastructure, which can validate and finalize transactions without the need for another network.

Layer 2

A secondary framework or protocol that is built on top of an existing blockchain system, whose main objective is to solve the transaction speed and scaling difficulties.

Machine learning

A branch of AI and computer science that focuses on the use of data and algorithms to imitate the way that humans learn.

Markets in Crypto-assets (MiCA) Regulation

A proposed European regulatory framework, published by the European Commission in September 2020, that will apply to providers of crypto-asset services and issuers of crypto-assets.

Mining

The process by which new coins are verified and enter into circulation. "Miners" attempt to solve a puzzle, known as the PoW, with the successful miner being rewarded with an amount of cyptocurrency.

Modding

The act of making changes to software or hardware in order to create own versions.

Non-fungible token (NFT)

A unit of information recorded on a blockchain about a good or service that is not interchangeable.

Open (network)

A network that is constructed on open standard, which means it can be developed by anyone and everyone and accessed by anyone and everyone.

Patent

An intellectual property right that permits the inventor to stop third parties from using an invention.

Permissionless (network)

An open network whereby nobody is denied access or the ability to verify the network.

Personal data

Defined in the GDPR and under other international privacy legislation to cover information relating to an identified or identifiable living individual – examples include: a name, an identification number, location data, or one or more factors relating to that person's physical, physiological, genetic, mental, economic, cultural or social identity.

Play to earn (P2E)

A class of games and virtual worlds where gamers play for crypto token rewards.

Private sale

The process of selling an asset or service whereby the deal is privately negotiated directly between the seller and buyer, without recourse to an auction process.

Proof of stake (PoS)

A consensus mechanism used to confirm and verify new transactions on a blockchain. Cryptocurrency owners can pledge coins and be granted permission to authorize new blocks. It is a more energy-efficient alternative to the PoW consensus mechanism and is used by the Cardano and Ethereum 2.0 blockchains.

Proof of work (PoW)

The original consensus mechanism used to confirm and verify new transactions on a blockchain. Originating from Bitcoin, and used by Ethereum 1.0 among others, the purpose of the PoW is to prevent bad actors from infiltrating the network. It is achieved through the process of mining.

Protocol

A set of rules, or code, that enables data to be shared between computers. It is used to govern how blockchain technology functions – examples include the Hyperledger, Corda, Quorum and MultiChain protocols.

Public sale

The process of selling an asset or service whereby the asset or service is launched in the market and is made available to all customers for purchase.

Sats

Short for Satoshis, the smallest unit of Bitcoin. One Satoshi is equal to 0.00000001 Bitcoins (one hundred millionth of a Bitcoin).

Satoshi test

A method of verification in which "Satoshi," the smallest unit of Bitcoin (0.00000001 BTC), is sent to the VASP to verify the transaction and wallet ownership.

Screen Actors Guild – American Federation of Television and Radio Artists (SAG-AFTRA)

A labor union representing actors, journalists, dancers, DJs, news writers, recording artists and singers in the United States.

Security tokens

Tokens deriving their value from other assets, both physical and digital, that can be traded and are subject to security regulations like those enforced by the U.S. Securities and Exchange Commission.

Security token offering (STO)

A type of public offering of a unique digital token that represents an external asset using blockchain technology. STOs are a way of raising funding and are regulated like securities.

Shallowfakes

A method of manipulating media content utilizing simple video editing software rather than AI or algorithms.

Smart contract

A self-executing contract that exists in a blockchain network, with terms written in code.

Stablecoin

A digital currency that minimizes volatility as it is pegged to another currency, commodity or financial instrument such as the U.S. dollar or price of gold.

Staking

The process of "locking up" cryptocurrency. In exchange users may earn rewards or passive income. It is used in the "proof of stake" consensus mechanism to authenticate blockchain transactions.

Trademark

A word, phrase, slogan, design or logo that operates as an indicator of source for goods or services.

Trustless (networks)

A network whereby users can trust the information presented to them without the verification by a third party. This is because there are mechanisms in place to ensure information is verified by users within the network.

TRON

A blockchain-based operating system with smart contract functionality.

Unhosted wallet

A type of self-custody wallet that lets users keep their cryptocurrency balances independent of exchanges or third parties.

United States Patent and Trademark Office (USPTO)

An agency in the U.S. Department of Commerce that serves as the national patent office and trademark registration authority.

Utility coin

A token typically providing holders with the ability to access, via an encrypted key, a particular blockchain or network for purposes of accessing certain benefits or functionality on that blockchain or platform. Utility tokens are typically not intended for use as a currency or means of payment.

Vertiport

A takeoff and landing facility for eVTOL aircraft (similar to an airport but on a much smaller scale).

Virtual asset service provider (VASP)

A crypto exchange or platform used to transfer cryptocurrency in the market.

Virtual reality (VR)

The use of computer modeling and simulation to enable interaction with an artificial, three-dimensional (3-D) visual or other sensory environment.

Wallet

A secure location, stored on a blockchain, where a user keeps their public or private keys and passwords. The two main types are: hot wallets, which are connected to the internet, and cold wallets, which are kept offline.

Web3

A decentralized internet built on distributed technologies like blockchain and decentralized autonomous organizations (DAO) rather than centralized on servers owned by individuals or corporations. Why is it called web3? Because it's thought that it will be the third major evolution of the internet, after the World Wide Web (web1) and the user-generated web (web2, or social media).

White paper

A document released by developers that explains the technology and purpose of the project they are working on. The document tells prospective investors how the cryptocurrency was conceived and highlights its purpose.

Whale

A term used to refer to the owner (whether an individual or an entity) of a large amount of cryptocurrency who, because of this capital, is able to influence markets up or down by buying or selling.

Wrapped Ether (WETH)

The wrapped version of Ether. Wrapped tokens like WETH are tokenized versions of cryptocurrencies that are pegged to the value of the original coin and can be unwrapped at any point.

Zero knowledge proof

A cryptographic method used to protect information, in which the information revealed during a transaction is limited to that which is necessary to prove that a statement is true.