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## What is Ripple? What is XRP? Guide For Dummies

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<https://www.btcc.com/en-US/academy/crypto-basics/what-is-ripple-what-is-xrp-guide-for-dummies>

If you want to invest in [Ripple](#), it's important to keep an understanding of everything before deciding where to put your money. For example, you need to ask yourself the necessary questions about what exactly is ripple, why you want to invest in XRP, what you should pay attention to, and how to invest, so as to better influence your decision.

Ripple is undoubtedly one of the cryptocurrencies most valued by the [cryptocurrency](#) community. Although Ripple is currently experiencing some problems with the securities and Exchange Commission and the SEC, the cryptocurrency is still holding on. However, let's take a look at what may be the future of your cryptocurrency.

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### What is Ripple?

Ripple is the company behind XRP. It is a payment and settlement system and currency exchange network, which can process transactions around the world.

Bitwave CEO pat White said: "Ripple has been designed from the beginning to be basically a substitute for swift (a leading remittance network), or to replace the settlement layer between major financial institutions in other ways."

It acts as a trusted agent between the two sides of the transaction, because the network can quickly confirm whether the exchange is normal. Ripple can promote the exchange of various fiat currencies and cryptocurrencies, such as [Bitcoin](#).

Whenever users use the network for transactions, the network will deduct a small amount of XRP (a cryptocurrency) as a fee.

"The standard fee for trading on Ripple is set at 0.00001 XRP, which is the lowest compared with the huge fees charged by banks for cross-border payments," said El Lee, a board member of Onchain custodian.

## What is XRP?

XRP is a cryptocurrency running on the XRP ledger. It is a blockchain designed by Jed McCaleb, Arthur Britto and David Schwartz. McCaleb and Britto later founded Ripple and used XRP to promote online transactions.

You can buy XRP as an investment, as a cryptocurrency in exchange for other cryptocurrencies, or as a way to fund transactions on the Rayleigh wave network. It is worth noting that XRP's blockchain operates a little differently from most other cryptocurrencies. Other cryptocurrencies open their transaction books and verification processes to anyone who can quickly solve complex equations. But the transaction is safe because most ledger holders must agree to verification before they can join.

XRP's ripple network centralizes things to some extent and uses a consensus protocol. Although anyone can download its verification software, it maintains a unique list of nodes, and users can choose to verify their transactions according to the participants they think are least likely to deceive them.

When new transactions come in, validators update their books every three to five seconds and make sure they match other books. If there is a mismatch, they will stop to find out the problem. This enables the network to verify transactions safely and effectively, which makes it more advantageous than other cryptocurrencies such as Bitcoin.

"The transaction costs associated with Bitcoin are usually several minutes or more," Lee said. "The confirmation time of XRP transaction is about four to five seconds, which is much cheaper."

## How to Mine XRP

"Mining" is a distributed verification system used by most blockchain based cryptocurrencies. It not only facilitates transactions, but also provides a mechanism to introduce new currencies into the cryptocurrency system - usually as a reward for validators to support network work. For example, the maximum supply limit of Bitcoin is 21 million tokens, which will be released stably as more and more transactions are verified.

In contrast, XRP is "pre-mined", which means that the XRP Ledger has created 100 billion units, which are then published regularly. Ripple has a part of the circulation of XRP, which is an incentive for it and can help the long-term development and success of cryptocurrency. Another part of XRP is retained and regularly released to the market through sales.

Understandably, this has led to concerns that a large amount of XRP may be released at one time, diluting the value of other xrps already in circulation, because part of the reason for giving any monetary value is its relative scarcity.

"Companies have tried to reduce uncertainty by implementing several mechanisms (trust, predictable release, etc.)," said Tim Enneking, head of digital capital management. This difference between mining and pre mining may also be a reason for its conflict with the securities and Exchange Commission (SEC) in 2020.

# How Can You Use Ripple and XRP

You can use XRP like other digital currencies for trading or as a potential investment. You can also use the Rayleigh wave network to handle other types of transactions, such as currency exchange. For example, if you want to change US dollars into euros, you can first change US dollars into XRP on the Ripple network, and then use these US dollars to buy euros, rather than directly handling currency exchange through banks or currency exchange offices. This may be a faster and cheaper way to pay the high fees that banks and remittance agencies may charge.

## Should You Buy XRP?

XRP may be a gamble and is not suitable for timid people. In other words, if you believe that Ripple coin will win as a payment system, it may be worth buying XRP. Just make sure it's money you can afford to lose.

## How to Invest in XRP?

You will find that the following is a super simple 4-step process for how to invest in Ripple.

- Step 1: open an account with a regulated broker
- Step 2: deposit funds
- Step 3: select the amount you want to invest
- Step 4: confirm the investment

The amount you buy depends on the market price of XRP at the time of purchase. It's always a good idea to store it and make it a long-term investment, because it can bring some healthy profits to your future.

You can use legal tender to buy Ripple, including US dollars and euros. You can also buy a fixed number of other cryptocurrencies, such as Bitcoin, and then use it to buy your favorite Ripple coins. Ripple can also be purchased on many exchanges, such as binance, kucoin and bittrex. You can choose an exchange you like and start your investment.

A good place to invest in Ripple is [BTCC](#). If you have XRP, you can exchange your existing cryptocurrency for XRP. You can exchange them through your exchange wallet. The emergence of these funds will only take a few minutes. You can also choose to invest in Ripple coin stocks. However, this is different from investing in XRP. In order to invest in its shares, you must be quite familiar with the stock market and comply with all current securities laws in the United States.

So will you consider investing in XRP?

**Don't miss:**

[Why Are XRP Prices So Low? The Price Prediction of Ripple](#)

[How to Trade Ripple \(XRP\) Futures on BTCC](#)

[What is the Difference Between Bitcoin and Ripple?](#)