Bitcoin 2.0 – the game changer

Bitcoin is an amazing technology, but it is also constantly improving. Today, Bitcoin is not only used to buy cakes and cameras. The technology has advanced to become a innovative conceptual developments, titled the Bitcoin 2. 0.

The Bitcoin community believes that the technology behind the digital currency can be used for a wide range of financial activities that are dealt by banks, e-commerce providers, exchanges and other intermediaries.

The crypto currency's recognition is growing, even amidst financial firms. Underlying design of Bitcoin can be used for all transactions that require any kind of verification.

The software depends on a public record of all the transaction that was ever made. When anyone spends a part or all of a Bitcoin a global network of computers record the change in ownership and post to a public register. This ensures that the same unit of Bitcoin cannot be spent twice.

It is forecasts that a global digital currency will used widely for commercial purpose, whose value will not be controlled by any central banks.

The market demand is very high for an alternative to inflation-prone money that can be exchanged conveniently, inexpensively and securely over digital networks.

It seems that Bitcoin, in its current configuration cannot be this currency. This is because the digital currency of the future will have to choose between two mutually exclusive paths: It can choose to be anonymous or it can be fully compliant.

Bitcoin has seen several falls in the form of disasters and mishaps. It is also prey to aggressive government enforcement actions.

Even the arrest of CEO of the Bitcoin exchange BitInstant Charlie Shrem, for conspiring to launder money, is not a good sign.

Bitcoin advocates from all around the world must understand that any digital currency which is not carefully designed to conform to the layers of rules and regulations will not get lasting commercial acceptance.

The distributed architecture of the bitcoin system makes it very easy for third parties such as BitLaunder to make a ridicule of compliance.

Even if bitcoin survives these, it will face a more fundamental problem. Bitcoin's promise of value is based fully on the balance of supply and demand in a lightly traded market dominated by investors.

As a solution to these problems, Austin Hill and Adam Back came up with a new technology. Austin Hill is the CEO and former founder of Zero-Knowledge Systems and Adam Back is the inventor of the Hashcash algorithm, which powers Bitcoin.

Both of them have considerable credibility and they are now building a stealth Blockchain 2. 0 startup, which will be similar to sidechains.

Sidechains are the new blockchains, backed by Bitcoins with Bitcoin contracts. If sidechains become successful, the core Bitcoin protocol will need some changes.

Bitcoin's distributed nature has caused many people to speculate about autonomous corporations that are powered by blockchains.

When some renowned names om the bitcoin coding community revealed the sidechains project for a new crypto currency software, bit coin enthusiasts were overjoyed.

This project was unveiled officially with a whitepaper proposing to making of a new and more innovative sideline version of bitcoin's current blockchain transaction ledger.

Users can import bitcoins from the main bitcoin blockchain into the sidechains. They can also transfer bitcoins back in to the blockchain without any intermediaries.

The main concept is that the software provides an independent environment for the innovators. They can work on the core software's copies and not worry about harming the basic software accidentally.

The project is supported by a new company called Blockstream. Blockstream focuses on crypto currency innovation. The system basically develops cryptographic privacy and anonymity solutions.

Different companies have made programs to imbed supplementary information into transactions and to allow parties to enter smart contracts and exchange digitized assets.

The software is still undergoing improvements, as the team involved wants to present the best version to the bitcoin community. It is an exceptional and innovative project that enhances bitcoin transactions.

Today, the technology has progressed so much that companies are thinking of incorporating bitcoin in innovative projects like enhancing communication network.