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## How Does Cryptocurrency Gaming Work?

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These last few years we are experiencing a continuous rise of the online gaming industry. The online platform development field has also experienced many tech improvements. Those innovations are best seen in the online casino gaming industry, especially in terms of supported payment methods. Today, you can choose between many payment methods, including cryptocurrencies. This way, game providers offer seamless game experience to their players. Whether you like to play a round of poker or software games like [this Reactoonz online slot](#) – platforms offer utmost and up-to-date payment options.

Last year, Bitcoin celebrated its 10-year anniversary and it should be noted that this is the world's oldest currency that's still available. During this period, this currency has become almost a mainstream option for acquiring online and offline goods and services. Also, it turned out to be a very profitable business idea. Many financial analysts and net developers agree that cryptocurrency as an anonymous monetary system is suitable for casino gaming. With this in mind, let's go through the basic notions and learn more about the advantages of crypto gaming.

### What is a cryptocurrency?

A [cryptocurrency](#) is a digital asset designed to work as a medium for exchange. This technology uses cryptographic functions to conduct financial transactions. The Bitcoin as an example, represents digital currency protected by special cryptographic technologies. These cryptocurrencies exist only online, having no tangible equivalents.

The main principles of the crypto system include anonymity and decentralisation. Probably the most important feature of cryptocurrencies is that they are not controlled by a central authority. Their decentralised nature makes them practically immune to traditional ways of governmental control.

### How cryptocurrency gaming works?

For those that are less familiar with cryptocurrency gaming, there are few things to understand. First, blockchain-based gaming or gaming with cryptocurrencies happens in two ways: on-chain and off-chain.

[Off-chain transactions](#) in casino gaming relate to online casinos that accept cryptos, most often Bitcoins as a deposit method. They use a code-based payment mechanism. Here, the participant purchases redeemable code to exchange with the crypto assets. On-chain method is, however, more complicated. This includes authentication and validation of a transaction by a defined number of

participants. The different details of a transaction are recorded on the block and are distributed to the entire blockchain, making the transaction irreversible.

### **How do players benefit from cryptocurrency gaming?**

This system provides total anonymity for both users and transactions. Systems can track only the transaction number, and you are not required to verify your identity. When withdrawing funds from a crypto account, you are expected to pay minimal fees to miners that validate the transactions. However, that's not the case with traditional payment methods. While most online casinos won't charge a fee for processing transactions, there are few of those that still do.

Cryptocurrencies also enable player-to-player transactions for them to buy or sell game assets. Removing the provider in these transactions creates a player-controlled marketplace. Not only is the process cheaper, but also runs more smoothly. Also, with cryptos you have access to the entire transaction history.

### **Global review of crypto gaming regulations**

While most countries have regulations in place regarding casino games, only few regulate crypto gaming. These are some of the countries that do so: United Kingdom, Italy, The Netherlands, Belgium and Poland.

In the UK numerous online gaming platforms accept cryptocurrency. These service providers must adhere to the existing active laws in the UK. While the Gambling Commission in UK allows crypto gaming, it also issued a warning on its website against untrustworthy service providers.

However, benefits provided to players cannot be overlooked. Cryptos provide a degree of anonymity. Here, no personal information is transmitted when conducting a transaction. However, if a player is attempting to convert cryptos to fiat, he must be identified in most countries through anti-money laundering procedures.

### **Conclusion**

Despite the regulatory and technical challenges, the casino gaming industry is becoming more friendly towards cryptocurrencies. Online casinos and even famous land-based establishments started to accept cryptocurrencies, which is a trend that will likely continue in the future.

Photo:  **André François McKenzie**

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