WEB3 GLOSSARY

ABI

ABI is an acronym for Application Binary Interface, and it is an interface between two binary program modules at the level of machine code, not source code. Blocknative can monitor smart contract ABIs in real-time.

AIRDROP

To send someone free crypto things such as NFTs or tokens.

ALPHA

This is another term for "insider information."

ALTCOIN

Initially used to refer to any cryptocurrency that wasn't Bitcoin, altcoin may now refer to any new cryptocurrency with a relatively small market cap.

ALTS

Short for altcoins.

AMA

Short for "Ask me Anything". Popular in web3 communities.

ANON

Short for "Anonymous". Unkown person.

API

API is an acronym for Application Programming Interface which is an interface between computers or programs that allows information to pass between them.
All of Blocknative's mempool monitoring functionality is available via APIs.

APE IN

To invest a lot of money into a new cryptocurrency or NFT project without doing the proper research first. It comes from the "apes together strong" meme.

APE

Someone who invests heavily into a cryptocurrency or stock, or the act of doing so. This is sometimes a reaction to hype and FOMO, or done without much knowledge of the asset. It should be noted, though, that this is generally a self-assigned term and does not carry a negative connotation. Is it a Planet of the Apes reference? Maybe a reference to the sheer physical strength of apes? The origins are a bit blurry, but one thing is certain — apes together strong.

ARBITRUM

Arbitrum is an Ethereum layer 2 scaling solution that reduces fees and network congestion by computing transactions outside of the Ethereum Mainnet. Arbitrum's rollups use multi-round fraud proofs to verify contracts were executed correctly. Blocknative currently does not support the Arbitrum L2 blockchain.

ARCHIVAL NODES

An archival node is a full node in the blockchain that keeps a complete history of transactions and address state changes since the genesis block. Blocknative enables users to see archival mempool information on public blockchain networks.

ATH- ALL TIME HIGH

The highest price an asset has ever had.

ATL- ALL TIME LOW

The lowest price an asset has ever had.

AUGMENTED REALITY (AR)

A technology that combines elements of virtual reality (VR) with physical reality. In its current form, AR can be facilitated by devices worn over the eyes – such as glasses or goggles – or by a smartphone or computer screen. Pokémon Go is one common example of AR, because it blends virtual information with one's physical environment.

AVATAR

An avatar is a digital rendering of a human being or other entity in VR, a video game, the internet or another virtual space.

BASE FEE

The base fee is an algorithmically determined fee that users on the Ethereum blockchain must pay to complete a transaction.

BEAR MARKET

A prolonged period of decline in a financial market.

BEARISH

Similar to a bear market, this refers to holding a pessimistic view of a market or asset's value. If you are bearish on a certain cryptocurrency, you believe its value will decrease over time. Those who are bearish may be referred to as bears, sometimes purposely misspelled as beras.

BEARISH

The belief that a project is going to lose value over time.

BITCOIN

Created in 2009 by the pseudonymous Satoshi Nakamoto, Bitcoin is the world's largest cryptocurrency by market capitalization, though it's gone through several cycles of booms and busts since its inception.

BLOCK

A batch of transactions written to the blockchain. Every block contains information about the previous block, thus, chaining them together.

BLOCK EXPLORER

A tool for browsing information on a blockchain, such as transactions, wallet addresses, market caps, and hash rates.

BLOCK GAS ESTIMATOR FEED

The Block Gas Estimator Feed estimates gas prices for the next block based upon the in-flight transactions that are currently in the mempool (pre-chain transactions).

BLOCKCHAIN

A blockchain is a distributed database shared across a large number of computers comprising a computer network. Information is stored and verified on these shared databases in a cryptographically secure way, by keeping data in groups known as blocks that are connected by chains of data. This structure chains data together irreversibly in chronological order and in a decentralized manner, leading some to see it as a more secure and open option for information storage and exchange.

BLOCKCHAIN ETF

Exchange-traded funds invest in a specific bundle of specific stocks. Therefore, a blockchain ETF invests in a specific bundle of exclusively blockchain-based companies.

BLOCK HEADER

A block header is used to identify individual blocks in a blockchain. Each contains three sets of block metadata along with other individual components.

BLOCK HEIGHT

Block height is the number of confirmed blocks preceding a particular block in the blockchain. It's representative of the blockchain's current size or time in existence.

BLUE CHIP

High value NFT projects.

BOT

Automated software that performs specific actions like: purchase NFTs, answer questions or share random memes.

BTD

Short for "Buy the Dip". It means to purchase an asset after the price has dropped.

BULLETPROOFS

Bulletproofs are short, non-interactive zero-knowledge proofs that require no trusted setup. Bulletproofs can be used to convince a verifier that an encrypted plaintext is well-formed.

BULLISH

The belief that a project is going to gain value over time.

BRIDGE

A protocol allowing separate blockchains to interact with one another, enabling the transfer of data, tokens, and other information between systems.

BUIDL

Meaning "build," a common intentional misspelling used in crypto circles in reference to the term HODL.

BULL MARKET

A period where market prices are rising.

BULLISH

Similar to a bull market, this refers to holding an optimistic view that a market or asset will rise in price. If you are bullish on Bitcoin, you believe that its value will continue to rise over time.

BURN

The process of removing tokens from a cryptocurrency's circulating supply, usually done by sending them to an inaccessible wallet address. Other digital assets, such as NFTs, can also be burned via the same process.

CENTRALIZED

A hierarchical structure in which authority and control are concentrated within a small group of decision makers.

CENTRALIZED SYSTEM

This is a system that is controlled and organized according to a rigid hierarchical structure. In such a system, power and decision-making authority is concentrated in the hands of a relatively small number of individuals at the top of the hierarchy. Corporations, for example, are centralized systems.

CEX- CENTRALIZED EXCHANGE

Acryptocurrency exchange managed by a centralized
business or entity.
i.e. Coinbase, Gemini, Krakentt

CEFI- CENTRALIZED FINANCE

Centralized businesses that participate in crypto.
I.e. BlockFi, DCG, Grayscale

COIN

A cryptocurrency built on its own native blockchain, intended to be used as a store of value and medium of exchange within that ecosystem.

COLLATERAL

Any asset accepted as security for a loan, such as a physical asset like real estate, or a digital asset like an NFT.

COLD WALLET

An offline device used to store cryptocurrencies. Cold wallets can be hardware devices or simply sheets of paper containing a user's private keys. Because cold wallets are not connected to the internet, they are generally a safer method of storing cryptocurrencies.

CONSENSUS

The state of agreement amongst the nodes on a blockchain. Reaching consensus is necessary for new transactions to be verified and new blocks to be added to the blockchain.

CONSENSUS MECHANISM

A consensus mechanism is used in computer and blockchain systems to validate single data or single states of a distributed computer network. It encompasses any methodology that is used to achieve agreement, trust and security across a decentralized computer network. The two most common in the crypto world right now are proof of work and proof of stake.

CROSS-CHAIN

The ability to transfer assets or data between different blockchain networks or protocols, enabling interoperability and expanding the capabilities of decentralized applications.

CROSS-CHAIN BRIDGE

A protocol or mechanism that enables the transfer of assets between different blockchain networks, facilitating interoperability and asset portability.

CROSS-CHAIN COMMUNICATION

Protocols and technologies that facilitate communication and information exchange between different blockchain networks, enabling interoperability and cross-chain transactions.

CRYPTOCURRENCY

Cryptocurrencies are a form of digital currency that is secured via cryptography, most typically through decentralized networks on blockchain technology. That means that it's distributed across a large number of computers outside of any central authority control. Cryptocurrency is often lauded for its decentralization, as it makes it impossible to counterfeit or double-spend transactions and has faster and cheaper money transfers. However, it has so far come with extreme price volatility, high energy consumption and use for criminal activities.

CRYPTOGRAPHY

A word derived from the Greek 'kryptos' meaning 'hidden' – this is the process of using mathematics to encode and protect sensitive information from malicious actors.

CRYPTOGRAPHIC HASHING/ HASH FUNCTION

It is a process of mapping data of arbitrary size to a fixed-size value using a hash function.

A hash function is a deterministic mathematical one-way function. Some examples of commonly used hash functions are RipeMD and SHA.

The hashing operation produces a consistent result, and is easy to perform but is difficult to reverse.

CRYPTO WALLET

A software or system that enables the storage of your Public keys and your Private keys. These keys allow you to send, receive and monitor your assets on the blockchain.

Public key is different than the Wallet Address.

Never share your Private keys, seed phrase or password of your wallet with anyone.

CRYPTO WINTER

A crypto winter is a period of steep decline within the cryptocurrency market, resulting in the loss of huge sums of money for some investors.

DAO

A Decentralized Autonomous Organization, colloquially referred to as a 'DAO,' is an organization that is controlled by its members and not subject to the authority of any single individual or entity. Unlike a traditional corporation or government, they are completely free of hierarchical, top-down structures. Its codes of conduct are recorded on a blockchain to ensure transparency and decentralization. Participation in a DAO is usually accessed through the acquisition of a digital token.

DAO- DECENTRALIZED AUTONOMOUS ORGANIZATION

An organization based on open-source code and governed by its users. DAOs typically focus on a specific project or mission and trade the traditional hierarchical systems of legacy corporations for guidelines written on the blockchain.

DATA

In the context of the internet, data refers to a user's personal information, such as name, age, location, interests, browsing history, device usage, purchasing habits, etc. Web3 aims to protect this personal data and give ownership of it back to the user.

DAPP

A decentralized application, colloquially called a dapp, is an application constructed on the blockchain. Dapps function autonomously, according to the stipulations in smart contracts. Like any other application on your phone, dapps come with a user interface and are designed to provide some kind of practical utility.

DD- DUE DILIGENCE

The process of conducting your own research on a cryptocurrency, stock, or other asset before investing. Doing your own DD is essential, as opposed to making an investment based on what someone else says or does.

DECENTRALIZED

A system that operates without the control of a central figure or authority, and replaces it with a distributed peer-to-peer network.

DECENTRALIZED NETWORK

It is a network of computers (nodes) that is not owned and controlled by a single entity/ organization.

A blockchain is maintained by a peer-to-peer decentralized network.

DEGEN

Initially short for "degenerate gambler." While this still refers to individuals involved with risky bets, degen may also refer more broadly to anyone involved in crypto and financial spaces. Like with "ape," this is generally a self-assigned term and does not carry a negative connotation. Degens are a proud people who enjoy ridiculous call options on GME, buying the dip before paying their rent, and occasionally aping into shitcoins.

DEX- DECENTRALIZED EXCHANGE

A peer-to-peer cryptocurrency exchange built on the blockchain. A DEX is run by its users and smart contracts instead of an intermediary figure or centralized institution. i.e. Uniswap, 1inch, Sushiswap

DECENTRALIZED

Power is spread across many people or computers instead of a through a single person.

DECENTRALIZED APPLICATIONS (DAPPS)

dApps are digital applications that operate on a blockchain network of computers rather than on one computer alone. Examples of dApps are BitTorrent, Tor and more that allow for participants to consume, feed and seed content, or do all at the same time. Their decentralized nature makes them free from the control of a single authority, thereby increasing user privacy and offering flexible development.

DEFI

Short for "decentralized finance." Banking but without the fees/approvals for transactions and loans. You can lend, trade, and borrow crypto through public code that automatically stores/verifies transactions.

DEGEN

Short of "degenerate". People who made risky bets on the NFT space without due diligence. (Seeing today as a badge of pride)

DECENTRALIZED AUTONOMOUS ORGANIZATIONS (DAOS)

Simply put, a DAO is an organization built with blockchain technology, though they've been described as "crypto co-ops," "financial flash mobs" and "group chats with a bank account." Essentially, it's an organization that forms with a specific end goal, most commonly to make big investments or purchases. Because of the involvement of blockchain technology, members of a DAO use crypto tokens to manage member rights, a common treasury and voting on certain decisions within the group. All of the important decisions from the group will appear on a permanent blockchain ledger shared by all members, making DAOs more democratic than traditional non-crypto organizations.

DECENTRALIZED FINANCE (DEFI)

Decentralized finance, or DeFi, is an evolving realm of the crypto world that aims to use blockchain technology to replace traditional intermediaries and trust or permission mechanisms with an internet-native financial system — essentially a crypto Wild West version of Wall Street. It's been valued at around $77 billion, with trading activity that's grown by over 550% in the last year. Overall, DeFi is still a very much emerging part of the crypto world, and it remains largely unregulated at this point.

DIAMOND HANDS

A term implying that you are extremely bullish on a certain asset, and have no plans to sell regardless of market volatility, FUD, or extreme drops in price. Someone who holds onto a cryptocurrency or stock as it drops 40% in a day is said to have diamond hands.

DIFFICULTY

The level of computing power needed to verify transactions and mine blocks on a proof-of-work blockchain.

DIFFICULTY BOMB

The process of increasing the difficulty of a proof-of-work blockchain in order to motivate the transition to another consensus algorithm (such as proof-of-stake in the case of Ethereum).

DIGITAL TWIN

This is a virtual rendering of a physical object. But a digital twin is more than a mere three-dimensional simulacrum – they're designed, ideally, to be as dynamic and environment-dependent as the objects they're imitating. For example, let's say a team of engineers is making structural improvements to a bridge. They could design a simulation of that bridge, a simple 3D model, which would allow them to make basic measurements and study the overall structure. But that simulation wouldn't be able to tell them much about how the wind, the traffic or any other number of more subtle environmental factors have been impacting the integrity of the bridge. To study those processes, they might distribute sensors over the bridge in order to create a digital twin. This would allow the team to create a much more informative model.

DISTRIBUTED LEDGER TECHNOLOGY

Another term for blockchain technology, distributed ledger technology describes a method for securely and accurately storing information using cryptography.

DYOR- DO YOUR OWN RESEARCH

Similar to DD, this phrase is used to remind people to conduct their own investigation into an asset before investing in it.

EIP- ETHEREUM IMPROVEMENT PROPOSAL

A standard format for presenting a new feature or process to the Ethereum community.

EOS

EOS is a blockchain-based platform launched in 2018 that allows for the development of dApps. Specifically, it has capabilities to support authentication, permissioning, data hosting, usage management and communication between dApps built on its platform and the internet. EOS also has its own cryptocurrency, the EOS token. Ethereum is its main competitor.

ERC- ETHEREUM REQUEST FOR COMMENTS

The standard smart contract outline on which Ethereum-based smart contracts are built.

ERC-20

The Ethereum token standard, providing a standardized smart contract structure for fungible tokens.

ERC-721

An Ethereum token standard that allows for the formation of unique tokens, otherwise known as NFTs, or non-fungible tokens. Unlike the ERC-20 standard, ERC-721 tokens have specific properties that allow each to be uniquely identified and valued independently of one another.

ERC-1155

An Ethereum token standard which allows for fungible, non-fungible, and semi-fungible tokens to be managed by a single smart contract simultaneously. These are commonly used in gaming and collectible trading to reduce the number of necessary transactions.

ETHEREUM

Known best for its cryptocurrency ETH, Ethereum is a blockchain-based platform that allows for public creation and maintenance of secure digital ledgers. Its cryptocurrency is the second largest in the world by market capitalization, only behind that of Bitcoin. While known for its cryptocurrency, Ethereum is notably different from Bitcoin in its long-term goals of using blockchain technology for a diverse range of applications. Notably, both Bitcoin and Ethereum operate on proof of work protocols, but Ethereum is working to transition to a proof of stake protocol.

ETHEREUM 2.0 (OR "ETH2")

The upgraded Ethereum blockchain that was created after the platform switched from a a Proof-of-Work to a Proof-of-Stake consensus mechanism — a transition that was known as "the Merge" — in September 2022. According to Ethereum, the term Eth2 "is being phased out in favor of more precise terminology" — namely "consensus layer."

EVM (ETHEREUM VIRTUAL MACHINE)

A runtime environment that executes smart contracts on the Ethereum blockchain. It provides a sandboxed environment for secure code execution.

EXTENDED REALITY

Also commonly referred to as 'XR,' extended reality is a category of multiple technologies – including VR, AR and mixed reality (MR) – which, in various ways, blend virtual worlds with physical reality.
i.e. Matic, Dai

FEW

Short for "Few understand". A rallying cry that crypto folks are still early in this space and will make a lot of money when mass adoption comes.

FIAT

A currency established as legal tender, often backed and regulated by a government, such as the US Dollar.

FIAT MONEY

Not to be confused with the car brand, fiat money is a term used to refer to any kind of currency that has been declared legal tender by a government body. (The declaration itself is often called a fiat.) Fiat money isn't backed by any intrinsically valuable commodity, such as precious metals like gold and silver. Instead, the value of fiat money is determined by the fluctuations of supply and demand. Paper money, like the US dollar, is fiat money.

FLIPPENING

A reference to the possible event of Ethereum becoming more valuable than Bitcoin, in terms of market cap. DISCLAIMER: Please do not mention the flippening to Bitcoin maxis. They will not think it is funny, and they will proceed to explain why Ethereum is a shitcoin.

FLOOR PRICE

"Floor price" refers to the lowest price for which a product or service can sell at an auction. This is a common phrase to encounter on NFT auction platforms, such as OpenSea.

FOMO-FEAR OF MISSING OUT

A feeling of anxiety, stemming from missing out on an opportunity. In investing, this usually coincides with investors buying an asset after it has already seen a considerable increase in price, hoping to get in and out before a pullback occurs. This is known as "FOMOing in" or "aping in."

FORK

A change to a blockchain's protocol. When these changes are minor, this results in a soft fork. When the changes are more fundamental, this may result in a hard fork, leading to the formation of a separate chain with different rules.

FRACTIONALIZE

The process of locking an NFT into a smart contract, and then dividing it into smaller parts which are issued as fungible tokens. This lowers the price of ownership and allows artwork and other digital assets to be owned by a community.

FUD– FEAR, UNCERTAINTY, AND DOUBT

News around an asset that seems negative, but turns out to be false or blown out of proportion.

FUNGIBILITY

A term used in economics to refer to a commodity that is precisely equal in value and therefore exchangeable with other identical versions of that same commodity. A $1 bill, for example, is fungible, because it can be exchanged for any other $1 bill – they have the same value and therefore, for all intents and purposes, are identical.

FUNGIBLE ASSET VS. NON-FUNGIBLE ASSET

A Fungible asset is an asset that can be exchanged with other assets of its type. For example, a penny can be exchanged with any other penny. Both pennies do not have any differentiating features.

A Non-fungible asset is an asset that holds a unique value and it cannot be exchanged to be replaced by another asset. For example, the original Mona Lisa painting cannot be equated to and replaced by a printed-out copy of the same.

FREN(S)

Intentional misspelling of the word friend(s) used in web3 circles.

FULL NODE

A blockchain node which stores the blockchain's complete history, as well as verifies and relays transactions.

FUNGIBLE

Interchangeable; exchangeable with something else of the same kind.

GAS

A fee paid by a user to conduct a transaction or execute a smart contract on the Ethereum blockchain. This fee is dependent upon the transaction's complexity as well as the current demand on the network.

GAS LIMIT

The maximum price a customer is willing to spend in order to execute a transaction or engage with a smart contract using the Ethereum blockchain.

GASLESS TRANSACTIONS

A mechanism that allows users to execute transactions on the blockchain without the need to hold the native cryptocurrency, eliminating the need for upfront gas fees.

GENESIS BLOCK

The very first block of a blockchain network.

GM/GN

Short for good morning/ good night. The acronym is widely used as a greeting in web3 communities, as members are often scattered around the globe and in different timezones.

GMI

Short for "gonna make it." This term is frequently thrown around on Twitter to voice support for a project or person.

GWEI

A denomination of ether used as the unit of measure for Ethereum gas prices. 10^9 gwei = 1 ether.

GOERLI

Goerli is a cross-client, community-based, proof-of-authority (PoA) Ethereum testnet where Web3 developers can test smart contracts in a sandbox. Blocknative's suite of Ethereum testnet developer tools and APIs support tracking Görli transaction status changes, decode smart contracts, and replace and trace transactions.

GOVERNANCE TOKEN

A token that grants holders the right to participate in the governance and decision-making processes of a decentralized organization or protocol.

HARD FORK

A fundamental change to a blockchain that is not compatible with the existing protocol, requiring the formation of a new chain.
i.e. Bitcoin vs. Bitcoin Cash, Ethereum vs. Ethereum Classic

HASHING

The process of taking an input of any size and producing a corresponding fingerprint of a fixed-length. Hashing allows a set of data to be secured, stored, and recalled using a unique identifier code. This is the backbone of blockchain technology, allowing data and transactions to be verified and stored in a secure manner.

HASH RATE

Also referred to as hash power, this is the rate at which a computer can generate guesses to a cryptographic puzzle. Hash rate can also refer to the overall power being used by the entire network on a proof of work blockchain.

HFSP- HAVE FUN STAYING POOR

A phrase commonly aimed at individuals who do not own any cryptocurrencies, or don't believe in the value of a certain asset.

"Did you buy some ETH yet?"
"No, crypto is a ponzi-scheme that will crash any day now."
"LOL okay HFSP."

HODL

An expression meaning "hold" and frequently taken to be an acronym for Hold On for Dear Life. This term actually began its life as a typo on an old forum, Bitcointalk.org, where user GameKyuuby explained that he was "HODLING" his bitcoin as the price dropped. The misspelling quickly caught on and is still used today.

HOLDING THE BAG

This is the unfortunate position you find yourself in when an asset you own quickly drops in value but you do not sell. You are thus left holding a bag of worthless coins or stocks. Those who end up in this position are referred to, unsurprisingly, as bagholders.

"I'm not holding the bag. I'm HODLING. The bull market isn't over."

HOSTED CUSTODY

Refers assets held at a marketplace or coin exchange.

HARD FORK

A hard fork is an overhaul of a network's protocol that can validate previously invalid blocks and transactions in a blockchain, or vice versa. Notable examples have occurred with Bitcoin to create Bitcoin Cash and Bitcoin SV, for instance. For a hard fork to succeed, all nodes must upgrade and agree on the new version.

HASH

A hash is a function that solves for a blockchain computation by converting an input of arbitrary length into an encrypted output of a fixed length. Hash functions are one-way, making it impossible to reverse-engineer the input from the output. They are considered a backbone of the blockchain network as their fixed length makes it impossible to guess and crack the blockchain.

HASHGRAPH CONSENSUS MECHANISM

The hashgraph consensus mechanism is based on the use of information about information, called "gossip," and virtual voting to create consensus in verifying new blocks. The crypto community has yet to widely adopt it.

HFSP

Have fun staying poor". A phrase aimed at individuals who do not own any web3 assets and don't believe in their value.

HYPERLEDGER FABRIC

Launched by Linux in 2015, Hyperledger Fabric is an open-source enterprise-grade private permissioned blockchain. It was designed by IBM for industrial enterprise use and has features for faster transactions, smart contract technology and streamlined data sharing, in particular.

HYPERLEDGER IROHA

Hyperledger Iroha is a platform of business blockchain frameworks intended to support infrastructure projects that require blockchain technology. Notably, its capabilities include the potential to build an identity management system, as well as software apps that can help unbanked people have access to financial services.

ICO- INITIAL COIN OFFERING

The selling of tokens to the public in order to raise capital for a crypto-based project . ICOs are a crowdfunding approach, similar to a traditional company's IPO.

IEO- INITIAL EXCHANGE OFFERING

Similar to an initial coin offering, or ICO, an initial exchange offering is a method of selling tokens to raise capital, but with increased regulation. Unlike an ICO, which sells new tokens directly to the public, an IEO is managed by an existing cryptocurrency exchange. By working with a known and trusted exchange, IEOs seek to make the ICO process more secure.

IMMUTABLE LEDGER

A ledger or database that cannot be modified or tampered with once data has been recorded, providing a permanent and auditable record of transactions.

INTEROPERABILITY

In web3-speak, refers to the ability of multiple blockchains to cooperate and exchange information with one another, enabling virtual assets (such as non-fungible tokens [NFTs]), avatars and other pieces of code to move seamlessly from one platform to another.

IPFS (INTERPLANETARY FILE SYSTEM.)

Is a decentralized, distributed, peer-to-peer file-sharing network. Modeled on BitTorrent, a peer-to-peer file sharing network popular with gamers, it uses content-based routing instead of URLs to locate a Web resource.

IRL

Shorthand for 'in real life,' IRL is an acronym commonly used in the web3 space to describe a person, place, thing or event in physical – as opposed to virtual – reality.

JIT ARBITRAGE

Standing for "Just in Time" Arbitrage, JIT arbitrage occurs when a searcher sees a large swap in the mempool and then sandwiches the trade with liquidity in the underlying pool. In practice, this can look like approving DAI, depositing liquidity, swapping a large amount, and then removing the liquidity afterward.

KECCAK-256

It is a cryptographic hash function used in the Ethereum blockchain.

The SHA-3 family of hash functions is a subset of the broader cryptographic primitive family Keccak.

KEY

See public key, private key

L1- LAYER 1

This is the blockchain platform itself, also referred to as the base layer, mainchain, or mainnet.
i.e. Bitcoin, Ethereum, Cardano, Litecoin, Solana, Polkadot

L2- LAYER 2

Protocols, also referred to as solutions, built on top of a layer 1 blockchain and commonly used to improve scalability, privacy, and add cross-chain communication. Unlike sidechains, which use their own consensus mechanisms, layer 2 solutions are secured by their underlying mainchain.
i.e. Lightning Network, Optimism, Arbitrum

LAMBO

Short for Lamborghini. The ability to purchase Lambo is a goalpost for success, used in a myriad of phrases in the crypto and degen spaces. For instance "wen Lambo?" roughly translates to "I just purchased $43 worth of Dogecoin. When will the value of said investment increase enough to enable the purchase of a Lamborghini?"

LIGHT NODE

A blockchain node that downloads just enough data from the blockchain in order to process and verify transactions. Unlike full or master nodes, light nodes do not store a blockchain's complete history.

LIQUIDITY

A measure of how easily an asset can be bought, sold, or traded in a given market or on an exchange.

LIQUIDITY POOL

A collection of user-provided funds locked into a smart contract to facilitate trading on a DeFi platform. On decentralized exchanges and lending protocols liquidity must be provided by the users, as there is no central bank or figure to do so.

LFG

Short for "let's f**king go. An encouragement used in web3 circles.

MAINNET

Short for main network, this is a main layer 1 blockchain, as opposed to a testnet or layer 2 solution.

MARKET CAP

The total value of an asset based on its current market price. A cryptocurrency's market cap is found by multiplying the price of a single coin by its circulating supply.

MASTER NODE

A blockchain node that verifies and relays transactions, stores the blockchain's complete history, and may participate in voting, governance of the blockchain, and other special operations. Master nodes generally operate on a collateral based system, similar to a Proof-of-Stake protocol.

MAXI

Is an individual who believes that his particular crypto is the only one to invest in.

META

Facebook Inc changed its name to Meta (officially Meta Platforms Inc) as part of the company's pivot toward the metaverse. There are many who mistakenly believe that the metaverse is a technology owned by Meta.

METAMASK

MetaMask is a software built for the Ethereum blockchain that functions as a crypto wallet.

METAVERSE

A theoretical or emergent networked online space with digitally persistent environments that people inhabit, as avatars, for synchronous interactions and experiences, accessing the shared virtual space through virtual reality, augmented reality, game consoles, mobile devices, or conventional computers.

MEATSPACE

Meatspace refers to the physical world, ie the tangible counterpart to the virtual world of the metaverse. It may not be the most elegant of terms, but it's been catching on among tech circles.

MINING

In a Proof of Work system, this is the process of verifying transactions, organizing them into blocks, and then adding blocks to the blockchain. Participants who perform this process are called miners.

MINTING

The process of validating information, such as domain ownership, and registering that onto the blockchain.

MIXED REALITY OR MR

Mixed reality, or MR, is a technology that, like AR, blends virtual and physical components. Unlike AR, however, MR allows the user to interact with virtual elements in more or less the same way that they would in the real world. Looking through an MR headset at your real, actual dining room table, for example, you might see a virtual potted plant sitting on top of it, which you can then pick up and put down, just as you could with a physical, tangible houseplant.

MOON / TO THE MOON!

This phrase implies that the value of an asset will go so high that it will reach the literal moon. This is used by shills, bulls, and during a bull market, essentially everyone. Another form of this is "wen moon?" This is used to express one's impatience with an asset which is not increasing in value as quickly as they had hoped.

MOONBOY

A term for social media "financial experts" and YouTubers who are overly optimistic and constantly explaining how a given asset is "about to go to the moon!"

NFT

A non-fungible token, or NFT, is a collection of data stored on a blockchain that is non-interchangeable – in other words, it can't be replicated into multiple copies of equal value in the same way that, say, US quarters can be replicated and exchanged with one another.

NFT DOMAINS

Domain names minted on the blockchain which allow people to govern their own data, set their Web3 username, take control of their digital worlds, and harness the power of the internet.

NGMI

Short for "not gonna make it." This is used to imply that a certain project or asset has a low chance of becoming valuable. This can also be directed at an individual, usually someone who had made a poor trade or investment. "Everyone who sold their ETH during that dip ngmi."

NLU (NATURAL LANGUAGE UNDERSTANDING)

Is an application of Artificial Intelligence to discern a user's intention given a spoken utterance.

NO-COINER

No-coiner is a word used to describe someone who does not own any cryptocurrencies or is inexperienced with cryptocurrency in general.

NODE

Any device connected to a blockchain network. Different nodes have varying levels of responsibility, and may help validate transactions, store the blockchain's history, relay data, and perform other functions. Because blockchains are distributed peer-to-peer networks, nodes come together to create the network's infrastructure.

NON-FUNGIBLE

Unique; not interchangeable.

NONCE

An abbreviation for "number used only once," a nonce is the first number a blockchain miner needs to find before it can solve for a block in the blockchain. They are notoriously difficult to find and miners are rewarded with cryptocurrency after identifying them. Examples of nonces outside of crypto include two-factor authentication, purchase authentication and other form of account recovery and identification.

NONFUNGIBLE TOKENS (NFTS)

It's easiest to understand this concept by breaking it down in two parts. "Nonfungible" describes something that is not easy to exchange or mix with other similar goods or assets, per the Cambridge Dictionary. Meanwhile, a "token" is a thing serving as a visible or tangible representation of a fact, quality or feeling, according to Oxford Languages. By those definitions, a nonfungible token is a visible or tangible representation of something that cannot be easily exchanged for something similar. And that's actually kind of how NFTs really work.

The key here is: These tokens can't be easily exchanged because they are unique cryptographic assets, on a blockchain with unique identification codes and metadata that can't be replicated. Unlike cryptocurrencies, which are fungible tokens, NFTs can't be traded or exchanged at equivalency. They're most commonly represented by artwork or real estate at present, but they have the potential to represent any real-world asset that would benefit from a more efficient buying, selling and trading process (with a reduced probability of fraud for identities, property rights and more).

OFF-CHAIN TRANSACTIONS

Off-chain transactions do not take place on a blockchain network, but they can subsequently be incorporated into a blockchain. The parties to off-chain transactions must consent to use an intermediary third-party to validate the transaction. (Note: "Off-chain" can also refer to data that exists separately from the blockchain.)

ON-CHAIN TRANSACTIONS

On-chain transactions are executed, verified and recorded on a blockchain network. Once completed, the record of these transactions is viewable for all members of the associated blockchain network. (Note: "On-chain" can also refer to data that exists on the blockchain.)

ORACLE

A service supplying smart contracts with data from the outside world. Smart contracts are unable to access data that exists off-chain, so they rely on oracles to retrieve, verify, and provide external information.
i.e. Chainlink, Band Protocol

P2P- PEER-TO-PEER

A distributed network of two or more computers which interact directly without a central server or entity.

PAOP

A Proof of Attendance Protocol, or POAP, is a virtual token that serves as evidence – also commonly called a 'badge' – that an individual attended, either virtually or IRL, a particular event.

PAPER HANDS

A term used to describe someone who sold a cryptocurrency or stock as its price was falling, usually for a loss. Someone with paper hands is said to be weak and unable to stomach market volatility.

PERMISSIONLESS

Is a property describing blockchains where no single entity can control who uses it.

PRIVATE KEY

An alphanumeric passcode required to withdraw assets from a blockchain wallet and authorize digital transactions. Because these private keys are long and difficult to memorize, wallets will generally associate them with a seed or recovery phrase that is easier to remember.

POTENTIALLY PROMISING

First used by Elon Musk to refer to planned upgrades to Dogecoin. Referring to something as being potentially promising quickly caught on, being used both sarcastically and in a serious manner, albeit tongue-in-cheek.

POS- PROOF OF STAKE

A consensus mechanism that requires nodes, called validators, to stake a set amount of cryptocurrency on the blockchain in order to verify transactions and mint blocks. If a validator approves fraudulent transactions, then a portion of their stake will be slashed.

POW-PROOF OF WORK

A consensus mechanism that requires miners to complete complex mathematical puzzles in order to verify transactions and mint blocks. When a miner correctly solves a puzzle, they gain access to mint the next block and receive the corresponding block reward and transaction fees.

PROTOCOL

The foundational software layer of a program. Protocol has become a general term used to refer to both layer 1 blockchain networks and the layer 2 applications built on top of them — Bitcoin, Ethereum, Uniswap, and Lightning Network can all be considered protocols.

PUBLIC KEY

Uses to point to your wallet address, this is an alphanumeric code that serves as the address for a blockchain wallet, similar to a bank account number. Other users can send digital assets to your wallet via your public key, but only you can access your wallet's contents by using the corresponding private key.

PUMP AND DUMP

A scheme where a cryptocurrency or other asset is hyped up, leading many to buy into it, raising its price. Those who did the hyping then sell their holdings of the asset as the price rises for a short period of time. This then leads to a sharp selloff where anyone who did not sell suffers a loss.

PFP

"Profile picture" refers to an NFT representing a head of an avatar.

PERMISSIONED BLOCKCHAIN

A permissioned blockchain is a blockchain that is not publicly accessible and can only be accessed by users that have permission to do so. This access control offers increased security of blockchain systems like Bitcoin, as users are only able to take actions that blockchain administrators allow and must identify themselves digitally.

PLASMA

A Layer 2 scaling solution for Ethereum that creates child chains (side chains) to process transactions and periodically commit them to the Ethereum main chain.

PROOF OF STAKE

Proof of stake is a decentralized consensus mechanism that requires coin owners to offer their own coins up as collateral (in other words, staking their coins) for a chance to validate blocks in a blockchain. Validators are selected randomly, instead of via the competition mechanism used in proof of work. To have the chance to be a validator, coin owners must stake a certain amount of their coins (i.e. Ethereum's requirement of 32 ETH). Multiple validators must verify the new block before it can be finalized and closed. Proof of stake is known for being far less energy-consuming than proof of work.

PROOF OF WORK

Proof of work is a decentralized consensus mechanism that requires all members of a network (i.e. computer nodes in a blockchain) to complete a significant but feasible amount of work to solve an arbitrary mathematical puzzle.
It's widely used to validate transactions and mine new tokens in cryptocurrency mining, as it doesn't require the need for a trusted third party. However, despite its benefits, proof of work is notorious for requiring huge amounts of energy.

REDPILLED

Redpilled is a slang term used to describe a situation in which someone's worldview – or their perspective on a specific issue – has undergone a sudden and dramatic shift. The phrase refers to the famous red pill from The Matrix film franchise, which basically symbolizes the decision to swallow a hard and uncomfortable truth about oneself or about the nature of reality.

REKT

Misspelling of the word wrecked, used to express suffering a huge loss.

ROLLUP

A scaling solution that aims to improve transaction throughput and decrease fees by batching multiple transactions off-chain and then submitting them to the main chain as a single transaction.
i.e. Optimism, ZK, Arbitrum

ROE - RETURN ON ENGAGEMENT

Coined by Sharad Agarwal to explain the importance of community building in Web3 to succeed in the virtual world.

RUG PULL

A rug pull is a scam where software developers raise a huge sum of money in order to fund a crypto project, then take advantage of the nature of DeFi by using the lack of financial gatekeepers or verified third parties to disappear with that money.

SATOSHIS/SATS

The smallest denomination of BTC, equal to 0.00000001 bitcoin. Satoshis are named after Bitcoin's pseudonymous creator, Satoshi Nakamoto.

SCALABILITY

A protocol's capacity to handle higher demand and increase transaction throughput as the network grows.

SEED PHRASE

A string of words used as a master password to access a crypto wallet. Because a single wallet can contain multiple accounts, all with their own private keys, a seed phrase makes it easy to access them all with the same password.

SER

Meaning "sir," a common intentional misspelling used in crypto circles
"GM ser"

SHA
(SECURE HASH ALGORITHM)

These are a family of popular hash functions published by the National Institute of Standards and Technology (NIST), United States.

The SHA-2 family of hash functions (e.g. SHA-256) is popularly used in the Bitcoin blockchain.

SHA-256

SHA stands for Secure Hashing Algorithm, a set of cryptographic hashing functions designed by the NSA. Essentially, SHA-256 takes an input of data and generates a long sequence of letters and numbers, called a hash. This hash is then used as a secure placeholder for the data it represents.

SHARDING

A method of separating a network's nodes out into smaller groups (shards) in an attempt to increase scalability. These shards are then able to reach consensus on behalf of the entire network, removing the need for every node to process every transaction.

SHILL

The act of heavily promoting a cryptocurrency, stock, or other asset in an effort to increase adoption and, in turn, raise its price. This is usually done via spamming on social media, and generally carries a negative connotation. A person who performs the act of shilling may also be referred to as a shill.

SHITCOIN

A cryptocurrency with weak fundamentals and little to no use case.

SIDECHAIN

A parallel blockchain used to offload transactions from the main chain in order to increase scalability or add other functionality. Sidechains are connected to their main chain, or parent chain, via a two-way link which allows data and assets to be seamlessly transferred.

SLASHING

The process of burning or redistributing a validator's staked cryptocurrency as punishment for approving fraudulent charges or otherwise endangering the network.

SLIPPAGE

The price of a cryptocurrency may change between the time an order is placed and the time that order is ultimately filled. Slippage is the difference between a cryptocurrency's quoted price and the price that a trade actually executes at.

SMART CONTRACT

Self-executing code deployed on a blockchain. Smart contracts allow transactions to be made without an intermediary figure and without the parties involved having to trust one another.

SOFT FORK

A backwards compatible update to a blockchain. Unlike a hard fork, these changes do not require the creation of a separate chain.

SOLIDITY

The native programming language of Ethereum, mainly used to write smart contracts.

SMART CONTRACTS

A smart contract involves the use of self-executing lines of code to outline the terms of agreement in the contract, which exists on a decentralized and distributed blockchain network. Smart contracts allow for agreements between two separate and even anonymous parties, without the need for any third party authority or system. Smart contracts are trackable and irreversible.

SOFT FORK

A soft fork is a change in software protocol for blockchain technology that only makes previously valid transactions invalid. For a soft fork to succeed, only a majority of nodes need to upgrade and agree on the new version.

STABLECOINS

Stablecoins are a type of cryptocurrency that is tied to a reserve asset, like the dollar. They're an attempt to create a more stable option, akin to fiat currencies, while also taking advantages of instant processing and privacy offered by cryptocurrency.

STABLECOIN

A token with its value pegged to another asset. Stablecoins are usually backed by a fiat currency, like the US dollar, but can also be pegged to physical assets like precious metals, or even other cryptocurrencies like Bitcoin.
i.e. USDT, Dai, USDC

STAKING

The process of locking up and holding cryptocurrencies in a wallet to support the operations of a blockchain network. Stakers earn rewards for their contribution.

STATE CHANNELS

Off-chain protocols that enable direct and fast transactions between participants, reducing the need for on-chain interactions and increasing scalability.

TESTNET

A software environment that mimics a mainnet blockchain, used to test network upgrades and smart contracts before deploying them to the mainnet.

TLD-TOP LEVEL DOMAIN

The last segment of a domain name, or the part that follows immediately after the "dot" symbol.
i.e. .crypto, .nft, .x

TOKEN

Unlike a coin, a token is a digital asset created on an existing blockchain. Tokens can be used to represent digital and physical assets, or used to interact with dapps.
i.e. LINK, UNI, AAVE

TOKENOMICS

A blending of the words 'token' and economics, is an umbrella term that refers to all of the various qualities of a virtual currency that can cause its market value to fluctuate.

TPS- TRANSACTIONS PER SECOND

The number of transactions that a blockchain can handle per second, used as a benchmark to measure its computational power.

TRANSACTION

Data written to a blockchain. New transactions are verified by nodes on the network and then broadcasted to other nodes. Once enough nodes have verified the transaction, it is considered valid and added to a block.

TRADFI

TradFi is tongue-in-cheek shorthand that some in the crypto community use to refer to 'traditional finance' – basically the pre-DeFi paradigm of centralized financial authority, in which governments, banks and other institutions control and regulate currency.

TRON

Tron is a blockchain-based digital platform founded in 2017 with the goal of hosting a global entertainment system digital content sharing. As of August 2021, it had over 50 million accounts. Tron also has its own cryptocurrency, Tronix, and was founded by BitTorrent CEO Justin Sun.

TVL- TOTAL VALUE LOCKED

A measure of the assets locked into an dapp's smart contract, usually expressed in USD.

TXN HASH

Short for transaction hash, or transaction ID. This is a unique identifier used to represent a specific transaction, written as a long string of letters and numbers. By pasting a txn hash into a block explorer like Etherscan, you can find the details of the transaction it represents.

ULTRASOUND MONEY

A rebuttal against the argument that Bitcoin is "sound money" or the "hardest form of currency" by saying that Ethereum post-EIP 1559 and post-ETH2 merge will be more sound than Bitcoin.

UP ONLY

A tongue-in-cheek saying, implying that a cryptocurrency or other asset can only increase in value. This is used to voice one's bullish stance on an asset, although it may also be used sarcastically.

VAPORWARE

A product or project that is announced and marketed but never actually materializes.

VIRTUAL REALITY (VR)

Virtual reality (VR) is a technology that creates three-dimensional, immersive digital environments, wherein visitors can interact with other people (or rather, their avatars) and other elements of the environment. VR technology, though still in its infancy, has been advancing rapidly. Meta's Oculus Quest headset is an example of a piece of hardware that can transport the wearer to VR worlds.

WAGMI

"We're All Gonna Make It," a common saying in crypto and trading circles signaling camaraderie and a positive outlook.

WALLET

A software application or hardware device used to store the private keys to blockchain assets and accounts. Unlike a traditional wallet, a blockchain wallet does not actually store the coins or tokens themselves. Instead, they store the private key that proves ownership of a given digital asset.
i.e. Metamask, Coinbase Wallet, Ledger, Trezor

WALLET ADDRESS

Also known as a public key, this is an alphanumeric code that serves as the address for a blockchain wallet, similar to a bank account number. Other users can send digital assets to your wallet via your public key, but only you can access your wallet's contents by using the corresponding private key.

WEB1

This describes the earliest iteration of the internet. Most internet users were consumers, rather than content creators, and most available websites were static informational pages such as Britannica Online, mp3.com and personal websites.

WEB2

This describes the current state of the internet. The shift from Web1, which first began at the turn of the 21st century, indicated an increase in users creating content and more actively engaging with the internet, as opposed to simply consuming information on it. The move from Web1 to Web2 was not signified by any specific technical advancement, but rather a change in internet usage that demonstrated an increase in user information-sharing and interconnectedness.

WEB3

This describes an idea of a future state of the internet. A marked advancement in usage style from Web2, Web3 is "the internet owned by the builders and users, orchestrated with tokens," according to investor Packy McCormick. At the core of Web3 predictions is the idea of a decentralized and open internet with greater user utility. Though the definition of what this will actually look like is still taking shape, experts agree that Web3 will be marked by decentralization, trustless and permissionless interactions, wider use of artificial intelligence and machine learning and, finally, increased connectivity and ubiquity across applications and devices.

WEB3 ADOPTION

The process of increasing the use and acceptance of Web3 technologies, applications, and concepts by individuals, businesses, and industries.

WEB3 ANALYTICS

Tools and platforms that provide insights and analytics for blockchain networks and decentralized applications, helping users understand network activity and trends.

WEB3 BROWSER

A web browser that integrates with Web3 technologies and allows users to access and interact with decentralized applications directly.

WEB3 BROWSER EXTENSION

A browser extension that integrates with Web3 technologies and allows users to interact with decentralized applications and manage their digital assets.

WEB3 GOVERNANCE

The processes and mechanisms for making decisions and governing decentralized networks or organizations. This can include voting systems, consensus models, and community governance.

www.cyber-gear.io

WEB3 IDENTITY

A decentralized identity system that allows users to have control over their digital identities, enabling secure and privacy-enhanced online interactions.

WEB3 INFRASTRUCTURE

The underlying technologies, protocols, and networks that power Web3 applications and enable decentralized services, including blockchain nodes, infrastructure providers, and hosting solutions.

WEB3 PRIVACY

Tools and techniques that enhance the privacy and anonymity of users in Web3 applications, allowing them to control their personal information and data.

WEB3 SCALING

Solutions and techniques aimed at increasing the scalability of blockchain networks to handle a larger volume of transactions, such as sharding, layer 2, and state channels.

WEB3 SECURITY

Measures and practices designed to enhance the security and integrity of blockchain networks and decentralized applications, including secure coding, audits, and bug bounties.

WEB3 STACK

The collection of technologies, protocols, and frameworks used to build and develop Web3 applications, including blockchain platforms, wallets, and development tools.

WEB3 STANDARDS

Technical specifications and protocols that define the interoperability, security, and functionality of Web3 applications, tokens, and smart contracts. Examples include ERC-20 and ERC-721.

WEB3 WALLET

A digital wallet that allows users to securely store, manage, and interact with their cryptocurrencies, tokens, and digital assets.

WEB3 ANALYTICS

Tools and platforms that provide insights and analytics for blockchain networks and decentralized applications, helping users understand network activity and trends.

WEI

Wei is the smallest denomination of ETH that is equivalent to 1/1,000,000,000,000,000,000 of 1 ETH (1 ETH =1,000,000,000,000,000,000 Wei).

xDAI CHAIN

xDai Chain (xDai or Gnosis Chain) is a proof-of-stake (PoS) Ethereum sidechain that offers faster and cheaper transactions compared to Ethereum. The native token of xDai Chain is DAI which is pegged to the U.S. dollar and was created by MakerDAO. Blocknative offers xDai developers and traders access to Mempool Explorer, Onboard, and Notify APIs.

ZERO-KNOWLEDGE PROOF

A zero-knowledge proof is a method of verification in which a "prover" shows possession of secretive knowledge to a "verifier" without revealing the sensitive information itself. This encryption scheme can ensure data privacy and confidentiality on a public blockchain.

ZK-ROLLUP

A ZK or "zero-knowledge" rollup is an Ethereum layer 2 scaling solution that bundles transactions off-chain into a single cryptographic proof. This transaction is then submitted back to the main chain for validation. ZK-rollups utilize validity proofs to confirm transaction legitimacy.

ZK-SNARK

Zero-Knowledge Succinct Non-interactive Arguments of Knowledge (zk-SNARKs) are a form of cryptographic proof that maintains the privacy of a transaction while validating it on a blockchain's consensus algorithm.

ZKSYNC

zkSync is an Ethereum layer 2 scaling solution. It utilizes ZK rollups to offer lower gas fees and faster transaction finality without making security compromises.

YOLO- YOU ONLY LIVE ONCE

Investing too much money into a single asset; making a generally risky bet.
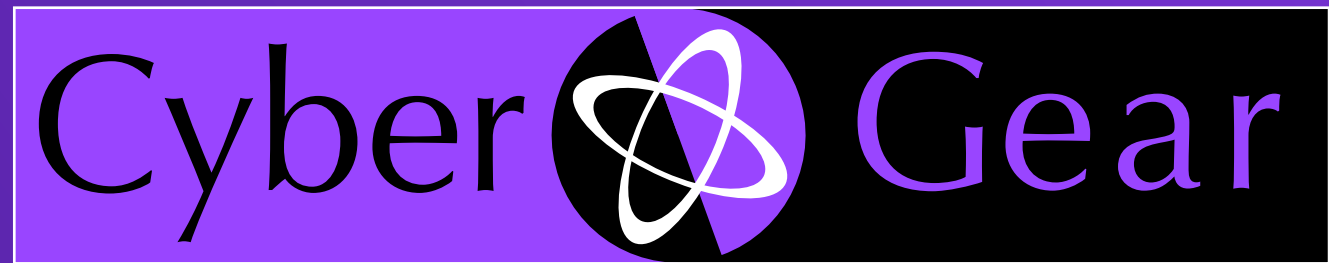
YIELD FARMING

A practice in DeFi where users provide liquidity to decentralized protocols and earn rewards or fees in return.

0X PROTOCOL

The 0x protocol allows for peer-to-peer exchanges of assets on Ethereum's blockchain. It was launched in 2017 by 0x Labs and is intended to create the infrastructure for new financial applications using blockchain technology.

51% ATTACK

An attack in which a single entity or organization gains control of over half of the nodes or mining power on a network. This then allows the entity to disrupt the network by excluding certain transactions, double spending cryptocurrency, and performing other malicious acts.

Cyber Gear

www.cyber-gear.io