CRYPTO EXCHANGE 101
A **crypto exchange** is a platform where users can buy and sell cryptocurrency. Exchanges can be used to:

- **Trade** one crypto for another - like converting Bitcoin to Ethereum.
- **Buy** crypto using traditional currency, like the U.S. dollar.
- **Convert** cryptocurrencies back into dollars or other currencies.
- **Hold** cash in accounts to trade at a later date.
- **Withdraw** money to a regular bank account.
The Coinbase Context

As a crypto exchange, Coinbase facilitates the buying, selling, trading, and converting of these digital currencies.

For the billions of people without access to traditional financial institutions, Coinbase is a much needed resource for cheap, fast, and private financial transactions.

Exchanges like Coinbase serve as wallets to store, trade, and use cryptocurrencies.
Types of Crypto Exchanges:

Centralized, Decentralized and Hybrid Exchanges
Centralized Crypto Exchanges (CEX)

- Most **common** types of exchanges
- **Central entity governs**, typically the owner of the exchange-Coinbase, Gemini, etc
- CEX records and validates every order to ensure **security and correctness**.
- CEX offer both crypto-to-crypto trading & use of funds via bank/cc to trade cryptos.
- **Customer support** is one of the important features that most CEXs offer.
- Funds **remain in a CEX managed wallet** & may involve a know-your-customer (KYC) process.
Decentralized Crypto Exchanges (DEX)

- Have **no** central oversight or **no** company or institution governing the exchange.
- The trades are **automated** and executed via smart contracts and decentralized apps.
- Most currently operate on Ethereum blockchain.
- **No KYC is required**, so no personal information is required to trade.
- **No customer support** and the interface may not as smooth.
Hybrid Crypto Exchanges (HEX)

- Access to their private keys and aims to solve the scalability issues of DEX.
- One of the primary goals of HEXs was also to address the DEXs high trading fees.
- In HEX trading, there are no taker fees.
Crypto Exchange Best Practices

Beware of scammers

Do your research

Only send crypto to trusted entities

Slow down
Useful Resources
Thank You