



# Crypto Cash

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## <Introduction>

When mankind began to feel the limits of bartering, cash was invented as a means of indirectly exchanging value, and cash transactions were born. Compared to a credit economy, which is based on the trust of the person conducting the transaction, the trust is not necessarily required when using cash with substance issued by a reliable issuer. In addition, cash with substance guarantees anonymity and can be traded at high frequency and high speed, regardless of the size of the transaction and because it is not dependent on records. Cash is considered to be an indispensable means of transaction in the modern economy.

In general, currency, which has a broader meaning than cash, is said to have three basic functions: a means of payment, a means of storing value, and a measure of value. Even if there is no real cash itself, it is possible to think of currency as if it exists by accumulating past records. Thus, in addition to token-type (cash-type) currencies, there are ledger-type (record-type, account-type) currencies in the world. The current ledger-type currencies require the Internet for updating the ledger. In fact, in the financial systems of developed countries, as long as the credit of the financial system itself is functioning well, ledger-type currencies are used for transactions as if they were secured by cash. However, once trust is lost, the financial system collapses in an instant. After all, there is nothing better than real cash. In this age when the Internet covers the entire world, we should create a currency that can be used on the Internet instead of a ledger-type currency. It is said that this is a long-awaited dream of humanity, and financial authorities of various countries are beginning to seriously consider digitizing their own currencies (CBDC, Central Bank Digital Currency), following banknotes and coins.

Although cash has evolved from specially shaped stones and rare shells to metals and paper, since the mid-20th century, the ultimate currency, "Crypto Cash", has been developed with the aim of putting an end to the problems of counterfeiting and fraudulent use. Monetary information, such as issuer, amount, and date of issue, is encrypted with a central bank's cryptographic key and printed on paper money to prevent counterfeiting and fraudulent use. The first practical Crypto Cash, which was created around 1980, was a fixed-denomination card with encrypted data stored in the information storage area on the plastic card, and was called "plastic money". In addition, Suica and Pasma, which are widely used in Japan, are sometimes considered to be the successors of these plastic money, but the re-chargeable system has made it possible to counterfeit and use fraudulently, and the original purpose of Crypto Cash has not been fulfilled.

Later, in 1983, Dr. David Chaum of the United States showed that the essential part of Crypto Cash is neither paper nor plastic, but only printed or stored encrypted monetary information, and that Crypto Cash can be created using only this encrypted monetary information. He then started his own company,

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