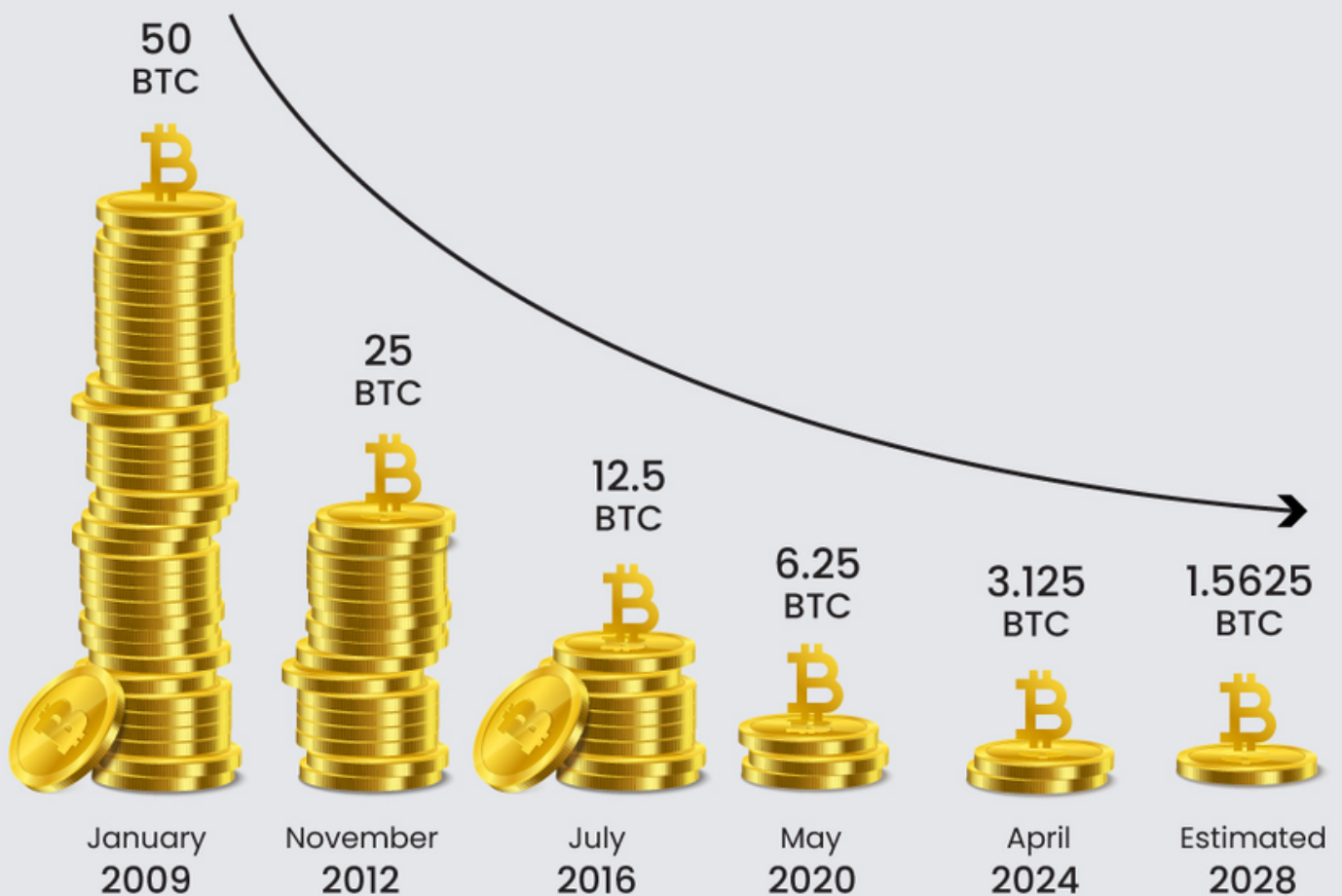


BITCOIN HALVING

How it affects the cryptocurrency and law enforcement worlds.



Background

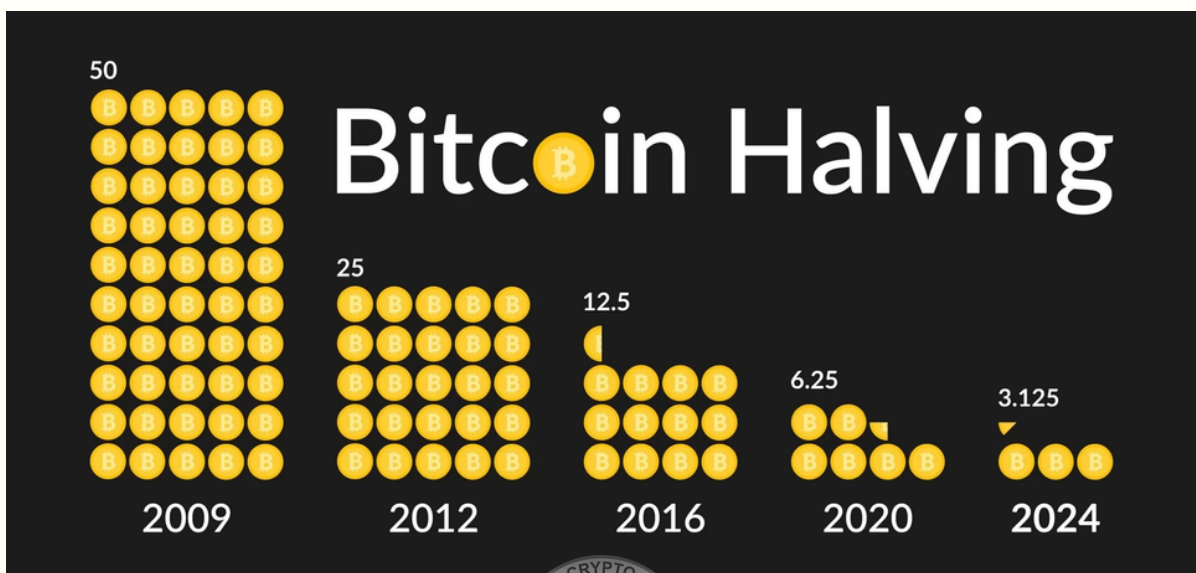
Bitcoin was originally created to have an end of life once it reached a certain number of coins created and mined. That number is 21 million.

In order to create scarcity for Bitcoin, the concept of halving was embedded into the programming of mining Bitcoin.

This means once a threshold is reached on the remaining Bitcoins, the protocol kicks in and the amount received when new Bitcoin is mined is cut in half. The rate for when a halving occurs is every 210,000 blocks or about every 4 years.

When Bitcoin was first introduced, the reward for mining was 50 Bitcoins. The graph below shows when each halving event has occurred. Currently, the rough projection is the year 2140 for all Bitcoins to be mined.

A block is 1 megabyte of Bitcoin transaction records.



Why Does Halving Occur?

Scarcity

By reducing the number of new coins on the market, the current value of Bitcoin rises since it becomes a scarce commodity

Reduced inflation

By limiting the number of coins, there is a reduction in inflation and keeps the coin stable, as well as valuable over the long term

Economics

With the reduction in rewards, miners have to become more efficient to remain profitable. This also increases competition as well as increasing security, since fewer miners would be at work

The Impacts of a Halving Event



- Price/value increases
- Demand increases
- Inflation
- Increased investments, even though Bitcoin is meant to be a currency
- Reduction in the number of small time miners who don't have the equipment to maintain profitability
- The value for consumers already holding Bitcoin will change with the market value



The future of halving

Frequency of halving

Depending on how quickly the current stock of Bitcoin are mined, then next halving could occur sooner than 4 years. Since it takes about 10 minutes per block, it's up to the miners and their equipment to determine when the next halving will occur.



No more Bitcoins?

As the number of mineable Bitcoin decreases, there will come a point where it gets to zero, or as close as possible. Bitcoin will continue to be available until the mined value is 0.00000001 Bitcoin, or one Satoshi, and there are 21 million Bitcoin circulating on the market.



Law Enforcement

With more Bitcoins on the market, there will be even more transactions occurring, both legal and illegal. Tracking the wallet address trails will become more important for tracking down any scams, money laundering, and other illicit activities associated with cryptocurrency.



With deflation comes an increased value in Bitcoin, enticing criminals to up their activity to get their hands on the cryptocurrency.

INCREASED VALUE

With less Bitcoin entering the market, the number of targets for scammers narrows to cryptocurrency holders as well as those with the funds to buy crypto.

TARGETS

Technology to scam persons of their Bitcoin and funds will only get more sophisticated. Using the best cryptocurrency tracking tools and staying up to date on what scammers use is vital to helping victims.

TECHNOLOGY





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