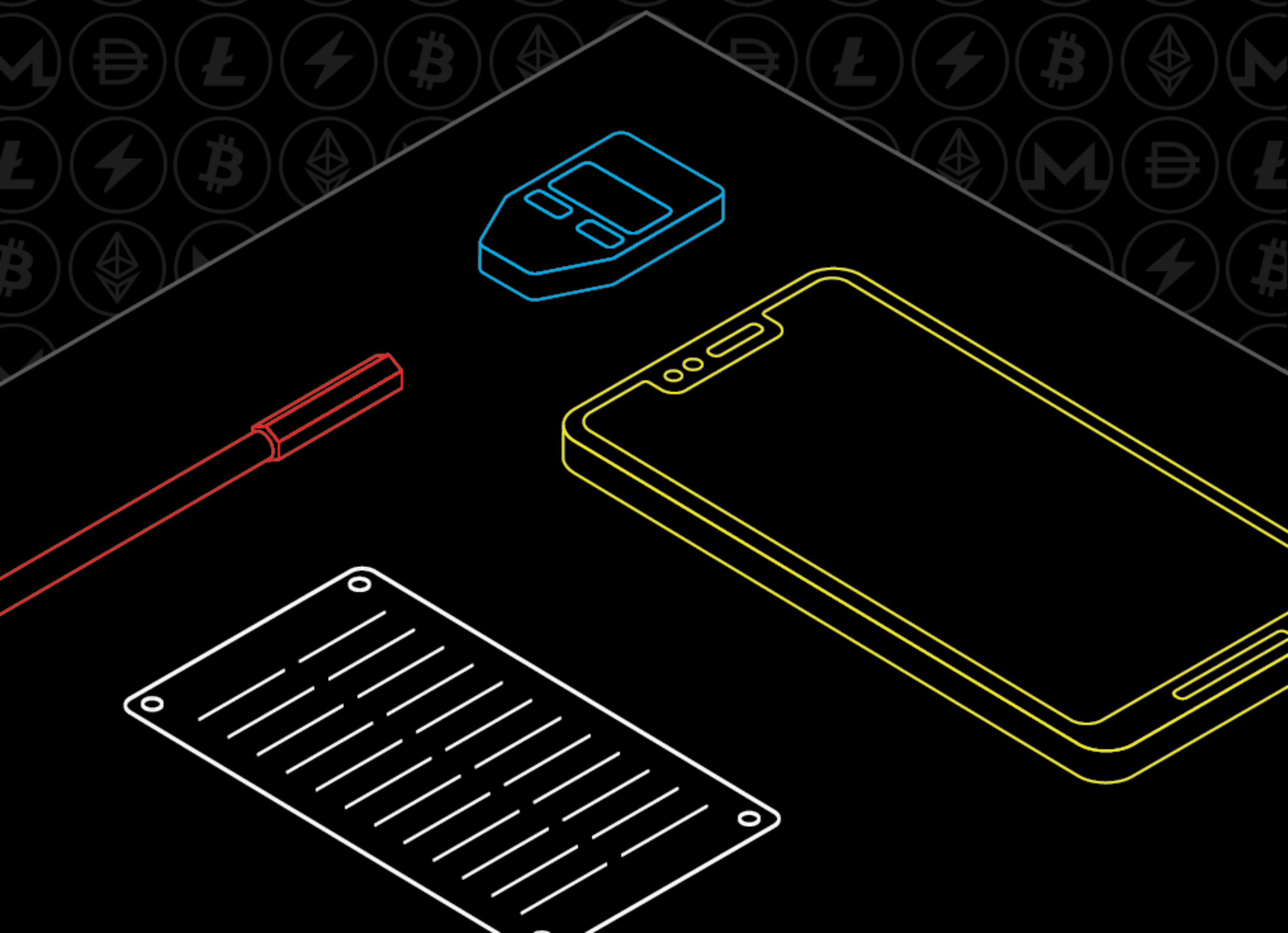


**JURAJ BEDNÁR**

# **CRYPTOCURRENCIES**

## **HACK YOUR WAY TO A BETTER LIFE**



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HOW BITCOIN, DECENTRALIZED PAYMENT NETWORKS,  
CRYPTOCURRENCIES AND A RETURN TO HARD, NON-INFLATIONARY  
CURRENCY WILL HELP US CHANGE OUR LIVES AND THE WORLD

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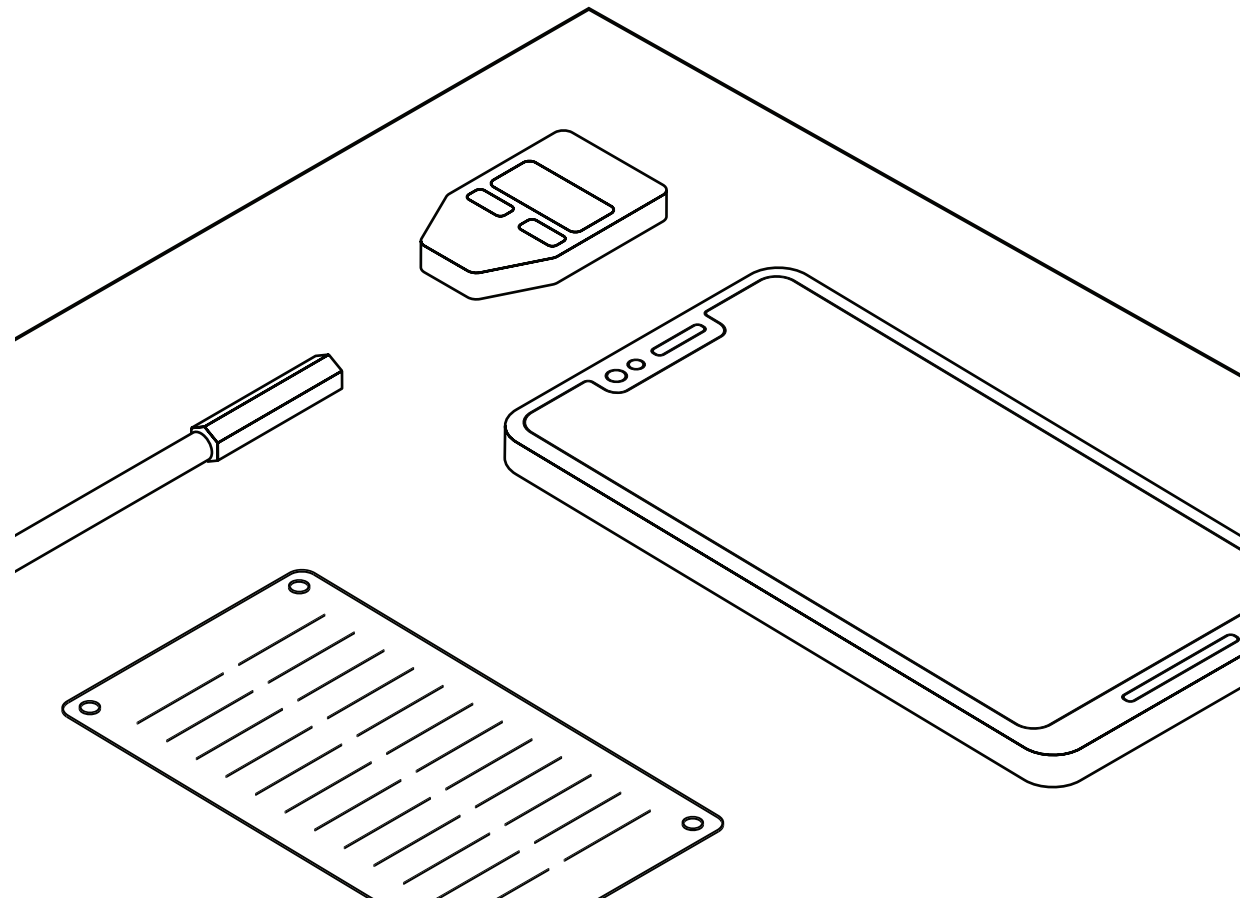
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# PREFACE

Years ago there was an American martial artist who advertised that he taught only those techniques he had used in an actual fight. By that, he assured prospective students that what they learned would be real, having been used successfully in the worst cases.

What that man was to teaching martial arts, Juraj Bednar is to teaching cryptocurrency. He has been doing this... *living* this... daily, and for many years now.

As you'll see in *Cryptocurrencies: Hack Your Way To A Better Life*, Juraj (pronounced *your-eye*, by the way) has "been there, done that," for most everything related to cryptocurrencies. This book is about what he did and learned along the way, and it has a wealth of information in it.

Where this book truly shines is in its coverage of all the practical matters. Whether arguments that Bitcoin uses too much electricity, that the new XYZ coin is going to eclipse everything else ("invest now!") or how to use your Bitcoin without selling it (this alone is worth far more than the price of the book), Juraj covers seemingly all of the hard questions and explains all the hard parts.

I can't claim to have read every book on Bitcoin (no one can), but I've read quite a few, written one and contributed to others; none have the depth and breadth of this one.

So, congratulations. Read the book slowly; by the time you're done, you'll understand this whole *crypto* thing far better than 99.9 percent of all living humans. More importantly, you'll be primed for the future.

Paul Rosenberg

August, 2022

# DISCLAIMER

Nothing in this book is legal, tax, accounting, life or any other kind of advice. I want to show you the realm of the possible, with technical tools to back the fact that it is possible. I have no idea in which country you live, nor what are your local laws. This book has not been adjusted to any particular jurisdiction – in space nor in time. I have no idea whatsoever about your local laws. This is especially true for citizens of the USA who for some reason think that every book in English is aimed at their market. The population of the USA represents only 26% of all English speakers. I love you all, but please understand that I do not live in your country and I have no knowledge of your local rules.

Even if I understood the vast library of your local rules applicable in the physical space where you live (also called a country or a jurisdiction), they would probably be obsolete by the time the ink dried on this book. Even if it is the e-ink on your ebook reader. A static book cannot keep up with the torrent of new laws and reforms that changes faster than the weather report.

Especially for legal, tax and accounting advice, I recommend you seek professionals. Most people who read disclaimers like this one don't, but I recommend it anyway. Especially important is that you do not ask for legal or tax advice on random internet forums. Most of the tax advice in various groups I have seen is just plainly wrong, some random person on the internet who thinks they know something after reading a random article or talking to a "knowledgeable friend".

Legal and tax situations are varied and what applies to a knowledgeable friend might not apply to your situation.

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# INTRODUCTION

Some of us have been waiting for years to see the innovation in the form of electronic cash. The internet has enabled fast, private, and basically free communication and the exchange of music, photos, videos, and other types of files. The next step was the advent of e-commerce, which allowed us to order something through a web browser. Unlike messages and photos, we couldn't send money over the Internet, although the illusion of electronic money fooled some of us. Using the internet, we only controlled other payment networks - credit cards, bank transfers or a mailman who collected cash on delivery payments. These payment networks are unfortunately not a native Internet protocol, and so people like me who believe that the Internet can fundamentally improve society for the better have been waiting for so-called e-cash. That came with the invention of Bitcoin.

In this book, you will learn what Bitcoin is and why I think it is important to society. We'll go through the different Bitcoin payment networks and talk about other cryptocurrencies as well. But if the book ended at that, it would just be a better (I hope) Bitcoin book, not much different to books you find at a (virtual) bookstore shelf called "books about cryptocurrencies", or "finance". Another author might have a different view of Bitcoin maximalism, prefer other cryptocurrencies, criticize some aspects of it, or be confused by the Keynesian doctrine of money printing. But the basic facts about cryptocurrencies will be recited to you by anyone who knows a bit about crypto.

This book should be different in that it explains how to use the cryptocurrency phenomenon to improve your life. I won't avoid philosophical and economic topics like why non-inflationary money is good - for the individual and for society. However, we will also look at new opportunities in the job market, new industries, products and services (e.g., cryptocurrency custody, hardware wallets). We'll talk about how we can not only tame the infamous volatility but plug it straight into our financial plans. We'll talk about what our options are when the bear attacks (i.e., the Bitcoin price starts falling against the dollar). We'll explain why and how to embrace cryptocurrencies in your business. We'll think about how Bitcoin can help the transition to renewable and green energy just by using proof of work. I'll try to introduce you to my vision of payment

networks and possibilities, such as making prediction markets available and useful for getting accurate information about the world, new forms of rewarding content producers, scaling down the financial markets, so they are usable by everyone. We'll talk about how to create a community of people with whom we can use cryptocurrencies together, whether in travel or in commerce with each other. As a bonus, we'll talk about how we can communicate securely once we have that private money without third parties. We'll critique regulations and talk about what to do about them on a global level (deregulate!), but also how we can respond on a personal level.

The aim of most of my books including this one is to create a mind-opening effect. The best outcome after reading one chapter should be a thoughtful and curious sigh of „I haven't thought about it that way before.“ It doesn't mean that you should immediately get a job in a decentralized autonomous organization, go all-in on Bitcoin, move to an island – a tropical tax haven – and build an independent Lightning network there for local payments that work even when the Internet isn't working. You don't even have to immediately start accepting Bitcoin, take out a fiat loan backed by it, or create new prediction markets to get good information. It's quite enough for me to ignite your imagination and creativity, consider these possibilities and realize the enormous opportunities that cryptocurrencies already bring us today.

Whether these innovations could have happened without cryptocurrencies is not so important. Many critics of cryptocurrencies argue that if “podcasting 2.0” with cryptocurrencies hadn't arisen, surely another way would have been found. However, philosophizing about „what if“ is not my favorite activity and I prefer to look at what people are doing rather than what they are dreaming of or talking about. The fascinating world of Bitcoin and cryptocurrencies has opened so many possibilities that I don't believe these innovations would have come about in a vacuum or in the isolated environment of some „fintech“ startups.

Cryptocurrencies are revolutionizing the way we think about money, they are not just a slightly better dollar or a faster and cheaper SWIFT, SEPA or ACH. The existence of digital money based on sound economic theory (the so-called Austrian School of economics), sound values (freedom, open-source, decentralization) and technological innovation has attracted a lot of people who had not previously given electronic money much thought. Among Bitcoiners we

find lawyers, accountants, tax advisors, programmers, artists, entrepreneurs, but also farmers, homeless people, mothers on maternity leave and even police officers, politicians, and civil servants. The main thing they have in common is that they have an open mind and are willing to experiment with completely new approaches to organizing society.

I wish you an enjoyable read, lots of „aha moments“ and enough energy to make a better life for yourself thanks to this book and cryptocurrencies. And I hope you will play with that knowledge, because practice beats theory 100% of the time.



Perhaps everyone has heard of bitcoin or cryptocurrencies. They appear in the media at moments when they are drawing their last breath (the price has dropped a bit) or when everyone is going crazy and buying (the price has gone up a bit). However, only a few people are experimenting with **using them in their lives**.

Can something so volatile be used reliably? And if we don't care about the price, can cryptocurrencies be used in other ways? For example, to fund creators, or for crowdfunding. Can you use cryptocurrencies to take out a loan? How to use them in international trade or to promote your products? How to build a local crypto economy in your social bubble? Can bitcoin be used to expand personal and social contacts? We can even use bitcoin as a form of "insurance" against the failure of the traditional financial system.



**Juraj Bednár** is a serial entrepreneur. He has founded several companies in the field of information technology. He is a co-founder of the non-profit project **Paralelná Polis**, thanks to which he discovered the potential of cryptocurrencies in life and business. By combining the principle of hacking (ethical hacking, life hacking, ...) and cryptocurrencies, he creates mindsets with which you can introduce cryptocurrencies into your life. The aim of his books is to open minds of his readers to the possibilities – if we have the courage to experiment.

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