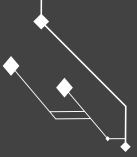


## Terminology

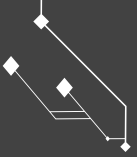
### Starter Guide



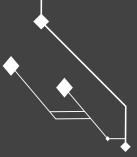
Name	Description
Address	Used to send and receive transactions, an address is typically represented as an alphanumeric string.
Agents	Network participants who are responsible for minting F-Assets. They put up and manage collateral in order for an F-Asset to be created. Agents are also responsible for handling redemption requests in order for a user to convert their F-Asset back to their original crypto.
AML (Anti-Money Laundering)	Laws put in place to mitigate the criminal activity of money laundering through crypto.
BlockChain	A cryptographic ledger of transactions which is unchangeable and arranged sequentially such that there is a record of account that is transparent to everyone.



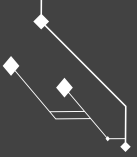
Name	Description
Collateral	Assets that are used to lock up and secure a position.
Compound Interest	Interest earned on interest. Essentially it is the reinvestment of gains to then be earned yet again with a higher principal amount.
Consensus	An agreed upon state by a majority of participants or validators.
Coston Testnet	The test network of the Flare Network. It is used a place for people to get acclimated with the network without putting up real assets.
Decentralization	The process of breaking apart or diffusing control and responsibilty from a centralized organization, governement, or entity.
DeFi	Decentralized Finance. A new financial system where traditional and new financial instruments are made decentralized and accessible to all.



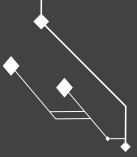
Name	Description
DEX	Decentralized Exchange. A place (exchange) where users can trustlessly trade tokens. A DEX is different than a traditional exchange because there is no central authority to control the exchanging of tokens but rather a peer-to-peer network.
DLT	Distributed Ledger Technology. A protocol that enables the secure functionality of digital decentralized databases. Often times used interchangeably, Blockchain is one type of DLT, utilizing a sequence of blocks, whereas a distributed ledger does not require blocks.
Escrow	An Escrow is a feature on a blockchain or distributed ledger in which you can send conditional payments to another party. Escrows are popular in decentralized networks because you are able to trustlessly verify if the escrow condition(s) is met and therefore the funds can be released to the counterparty.
EVM	Ethereum Virtual Machine. A software environment allowing for developers to build and use smart contracts. The Flare Network utilizes the EVM for its smart contract system.
F-Assets	Cryptocurrency that is represented on the Flare Network and used in its applications.



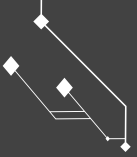
Name	Description
KYC	Know Your Customer. Ensures business entities know detailed information about their clients' risk tolerance, investment knowledge, and financial position.
Liquidity	The availability of an asset to be traded. If an asset has low or no Liquidity it can be very expensive to trade or can not be traded altogether because there is not a market for it.
Liquidity Pools	A grouping of tokens that are aggregated and locked up in order to facilitate trading of other users. Liquidity pools are similar to the function of market makers in traditional markets.
Liquid Democracy	A governance system where votes can be delegated to others to act as one's proxy. A Liquid Democracy is both a direct and representative form of governance.
Minting	Minting is the process of bringing your crypto on the Flare Network to its F-Asset form. Agents are responsible for Minting F-Assets for you. Once you have an F-Asset you can use it in applications on the Flare Network.
NFT	Non-Fungible Token. Data that comes in many forms (art, music, collectibles, etc.) that is stored on a blockchain. NFTs are verifiable and not interchangeable.



Name	Description
Off-Chain	A term commonly used to mean something that does not exist on a blockchain.
Oracles	Data sources or feeds which are off-chain and used to bring data onto a blockchain.
Private Key	A cryptographic key to your account on a blockchain. It is used to sign transactions and should NOT be shared with anyone as they would have complete control of your account.
Proof of Work (POW)	A blockchain protocol which uses miners in order to secure the network and verify transactions. Bitcoin is an example of a Proof of Work blockchain.
Proof of Stake (POS)	A blockchain protocol which uses validators and staking in order to secure the network and verify transactions. Validators put up collateral to assure others they will not act maliciously when validating blocks, or face serve penalty of losing their funds if they do.
Redemption	A redemption is a request to convert your F-Asset back to its original crypto form and sent back to your originating account. Agents handle redemptions requests for users.



Name	Description
Smart Contract	Logic which can be coded into a blockchain. Smart Contracts allow scripts, programs, and applications to be trustless on a blockchain.
Spark (FLR)	Spark is the native token of the Flare Network. It is used as collateral for F-Assets, as well as a way to earn yield on the network via vote delegation and network applications. It is also used as a governance vote to its holders.
Stablecoin	Stablecoins are assets which maintain a consistent value. Most stablecoins today reflect the value of the US Dollar.
Staking	Staking is the process of locking up your tokens to participate in transaction validation on Proof of Stake protocols. It is important to note that the Flare Network does not use staking to secure its network, and therefore its native token Spark (FLR) can be used for utility.
State-Connector	Entities that exist both on the Flare Network and the originating blockchain of a given F-Asset to observe and verify the state of the originating blockchain. Without State-Connectors the F-Asset system could not exist.



Name	Description
Trustless	A term that means the participants involved do not need to know or trust each other or a third party for verification of an outcome.
Validator	Validators play a key role in the consensus process as they are responsible for verifying transactions and relaying that information to other validators in order for the blockchain to Consensus.
Vote Delegation	The process in which holders of Spark (FLR) can assign their vote to a Signal Provider.
Smart Contract	Logic which can be coded into a blockchain. Smart Contracts allow scripts, programs, and applications to be trustless on a blockchain.