What are ERC-20 tokens

In descriptions of cryptocurrencies, there is often a mention of the asset's compliance with one or another standard. Even if your interests are limited to monitoring the [XMR to BTC exchange](#) rate, you will sooner or later come across this term. The most popular and well-known standard is ERC-20.

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Why was the ERC-20 standard needed?

Cryptocurrency operates on the blockchain. It follows from this that in order to launch a digital asset, you first need to create a technical base, that is, launch a blockchain. In any case, this is the paradigm set by Bitcoin.

Soon, the Ethereum blockchain started working in the crypto world and revolutionized it. The launch of tokens with unique functionality has become available to any user with programming skills.

Another problem arose — technically incompatible assets began to appear on the blockchain. Each of them had a unique smart contract and a completely new code was required to interact with other smart contracts. Maintaining a growing number of tokens took a lot of time and effort.

Thus, supporting a growing number of tokens became more and more problematic, taking too much time. It is to solve this problem that a standard protocol was created for all tokens. ERC-20 unified and simplified the issuance of tokens within the same network. Ethereum finally became the first blockchain platform in history.

What does the abbreviation ERC-20 mean?

The protocols for making proposals to the Ethereum network are called Ethereum Request for Comments. The proposal that became the basis for the development of the standard was fixed at number 20. Hence the "mysterious" abbreviation — ERC-20.

How and when did the ERC-20 appear?

The historic digital asset standardization proposal was published in the fall of 2015. The idea was voiced by Vitalik Buterin and Fabian Vogelsteller.

ERC-20 has become a universal guide for creating fungible tokens that can be freely exchanged for each other. Fungible tokens are like fiduciary money. They can also be divided into parts.

What tokens are included in the

ERC-20 standard?

The ERC-20 standard is very common in DeFi and related areas, it is used to issue governance tokens in new crypto projects. Some of them are already quite well-known, for example:

- Tether (USDT)
- The Sandbox (SAND)
- Axie Infinity (AXS)
- The Graph (GRT)
- 1inch (1INCH)
- Basic Attention Token (BAT)
- Uniswap (UNI)
- Chainlink (LINK)

Where to store ERC-20 tokens?

ERC-20 tokens can be stored in any wallet that supports ETH. It should be borne in mind that in the interface of some wallets, only ETH is displayed on the balance. This is fixable by exporting to a wallet with full support for the asset you need. Some of the best-known ERC-20 token wallets include MyEtherWallet, Metamask, Exodus, Trust Wallet, Ledger, and Trezor. Actually, no matter what wallet you choose, there will be no particular difficulties with the exchange of [ETH to XTZ](#).

Are there other token standards?

In addition to ERC-20, Ethereum introduced standardization for non-fungible tokens for exactly the same purpose: to simplify operations with them.

Ethereum laurels haunt many crypto enthusiasts. New projects focused on DeFi and smart contracts appear quite regularly in the industry. They often set ambitious goals to surpass the first blockchain platform and are pompously called "Ethereum

killers". It is quite possible that someday one or more of them will really be able to become a worthy competitor to the founder of the segment.

Since such networks do the same thing as Ethereum, they also need asset standardization. For example, on the Binance Smart Chain and Tron blockchains, fungible BEP-20 and TRC-20 tokens operate, respectively.