



Is Ripple the Best Cryptocurrency to Buy for 2022?

Description

As [cryptocurrencies](#) continue to gain popularity and become mainstream, there's no question they offer a tonne of potential. New developments continue to be created addressing specific real-world needs, which is why the industry is no longer strictly associated with speculative investing. Ripple is a company you may have heard of, offering some of the best opportunities for investors today.

Ripple runs its platform RippleNet, which allows anyone to send and exchange currencies or make cross-border transactions. Its native token **XRP**, which is currently the eighth-most valuable cryptocurrency, is what's used to bridge the transactions, and it's also what the very minor fee that's charged is paid in.

The innovation of RippleNet is a direct competitor to the SWIFT (Society for Worldwide Interbank Financial Telecommunications) banking system used today for international money transfers.

If you've ever sent or received a wire transfer, you would have heard of a SWIFT code. You would also know how long it takes to send and receive money, how complicated it can be, and how costly it is.

Ripple offers investors a significant opportunity. It already has hundreds of institutions in more than 55 countries signed up and using its services.

So, if it offers so much potential, then is it one of the best cryptocurrencies to buy today?

Ripple offers potential but is not without considerable risk

One of the [biggest risks](#) that investors considering an investment in Ripple today face is that it's currently being sued by the United States Securities and Exchange Commission (SEC).

When the company sold its XRP tokens to investors to raise cash (US\$1.3 billion) for the development of its platform, the SEC claimed that this was an unregistered security offering by using digital assets, which is illegal. Ripple, however, has claimed that XRP is a virtual currency and not a token, so it hasn't broken any regulations.

The lawsuit was launched about a year ago and is still ongoing. In the meantime, XRP tokens have mostly rallied, although with a tonne of volatility, and today are roughly 60% higher than they were when the lawsuit was announced.

Should you buy XRP tokens today?

Whether you should invest in XRP today will depend a lot on your risk tolerance and how bullish you are on the potential of cryptocurrencies.

If Ripple wins the lawsuit, it will certainly have a bullish impact on the tokens. However, it's still a significant risk to take on, especially with so many other high-potential cryptocurrencies.

If you're looking to diversify your investments, I'd also look to gain exposure to blockchain networks that can run smart contracts such as Ethereum and its native currency, **Ether**.

Improved payment processing and the potential created by smart contracts are two of the most important developments the cryptocurrency industry is addressing.

While there is still a tonne of volatility and risks investing in the cryptocurrency industry and gaining exposure to companies like Ripple, the opportunity cost of missing out on the crypto boom could be huge.

So, if you have a long timeline to commit to investing and you can stomach the volatility, finding high-quality crypto stocks or even cryptocurrencies like XRP could be one of the best investments you make ahead of 2022.

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