



## Solana vs Cardano: Which Will Beat Ethereum?

### Description

**Ether** ([CRYPTO:ETH](#)) has been the number two cryptocurrency for a long time. It started seeing widespread use almost immediately after launching in 2015, and has been gaining on **Bitcoin**'s market cap ever since. Today, Ether's market cap is a little less than half that of Bitcoin.

It might seem like Bitcoin is comfortable in the number one spot, but remember that BTC was already worth \$315 at the start of 2015, when ETH was just being invented. Over these six short years, Ether has narrowed the gap with Bitcoin significantly.

Which leads naturally to the question: *will Ether itself ever be bested?*

If ETH ever unseats BTC, then there's nothing to say that another crypto couldn't unseat ETH. And in fact, two cryptocurrencies exist that have at been described as "Ethereum killers": **Solana** ([CRYPTO:SOL](#)) and **Cardano** ([CRYPTO:ADA](#)). Both of these cryptocurrencies have features similar to those of Ether, while having some advantages over it. In this article I will explore which of the two up-and-coming cryptocurrencies could truly unseat Ether.

### The case for Solana

SOL is probably the cryptocurrency most often referred to as an [Ethereum competitor](#). It allows for the building of decentralized finance (DeFi) applications, and it's faster than Ether. An update to Ethereum is coming that will reportedly make it faster than SOL, but for now, SOL supports far more transactions per second. Another thing SOL has going for it is an alternative consensus mechanism. It uses proof-of-history instead of proof-of-work—some think the former system is better.

### The case for Cardano

Cardano is another smaller cryptocurrency that can handle an enormous number of transactions per second ("TPS"). According to sources online, it can theoretically process more than [two million TPS](#). It has also been described as more environmentally friendly than Ether. The main draw with this crypto

seems to be the speed. With millions of TPS theoretically possible, it is one of the few cryptocurrencies that could be faster than credit cards.

## Foolish takeaway

After comparing SOL and Cardano side by side, it becomes clear that each has its unique advantages.

SOL is a large player in DeFi that has its own “NFT” marketplaces and is relatively fast.

ADA is an up and comer that appears to theoretically offer extreme speed.

It's ultimately up to you which you prefer. I can't decisively say that either one of them will unseat ETH.

On that note, ETH still enjoys one advantage over SOL and ADA for the time being: the ability to shelter your gains from taxation. There's an ETF you can buy called the **Purpose Ether ETF** (ETHH) that is an investment fund holding nothing but Ether. Essentially, it's stock market traded ETH. Because it trades on the stock market, you can easily put it in a TFSA. By doing so, you avoid any and all capital gains taxes you would normally pay on your crypto holdings. Capital gains tax is half of your usual tax rate, so if you're in the highest tax bracket in Ontario, it can go as high as 26%. By holding ETHH in a TFSA, you avoid all of that potential tax. In exchange you pay the fund managers a 1% fee, which isn't nothing, but may be worth avoiding capital gains taxes—particularly if you realize a very large gain.

### CATEGORY

1. Cryptocurrency
2. Investing

### TICKERS GLOBAL

1. CRYPTO:SOL (Allbridge Bridged SOL (Near Protocol))
2. TSX:ETHH (Purpose Ether ETF)

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