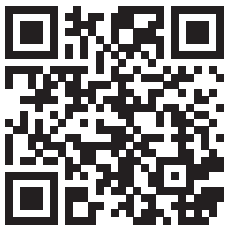


Non-Fungible-Tokens (NFTs) in Next Generation Enterprises

Blockchain-enabled cashless economy



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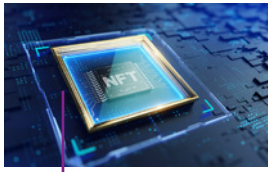
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Introduction

Introduction

Non-fungible tokens (NFTs) are transferable and unique digital assets on public blockchains designed as extensions of cryptocurrencies that enable decentralized consensus based on transaction records. Unlike fungible cryptocurrencies, these digital assets (e.g., art, games, collectibles) are associated with distinguishable metadata or an image. The real object tokenized in this way can be as real as a painting or as digital as a video clip.

The essence of NFT technology is that it provides the creator with immutable proof of ownership. The revolution is not limited to the art market. While the adoption of NFT in the gaming industry has already reached a certain maturity, for example in terms of trading game objects, several other industries, especially those involved in the production of digital content such as music or video, are experimenting with this field.



Public attention to this market exploded in 2021 when it saw massive sales, but little is known about the overall structure and development of the market. NFTs can store data on blockchains. These are files that contain media such as videos or, in some cases, even physical objects. They typically give the holder ownership of the data, media, or objects to which the token is linked, and are typically bought and sold on specialized marketplaces.¹

Most users buy NFTs on dedicated marketplaces, similar to how they would buy traditional cryptocurrencies on an exchange. In financial terms, the vast majority of NFT transactions occur at the retail level, i.e., cryptocurrencies valued at less than USD 10,000. However, when looking at volume rather than pure transfers, NFT transactions play a much larger role at the collector and institutional level.

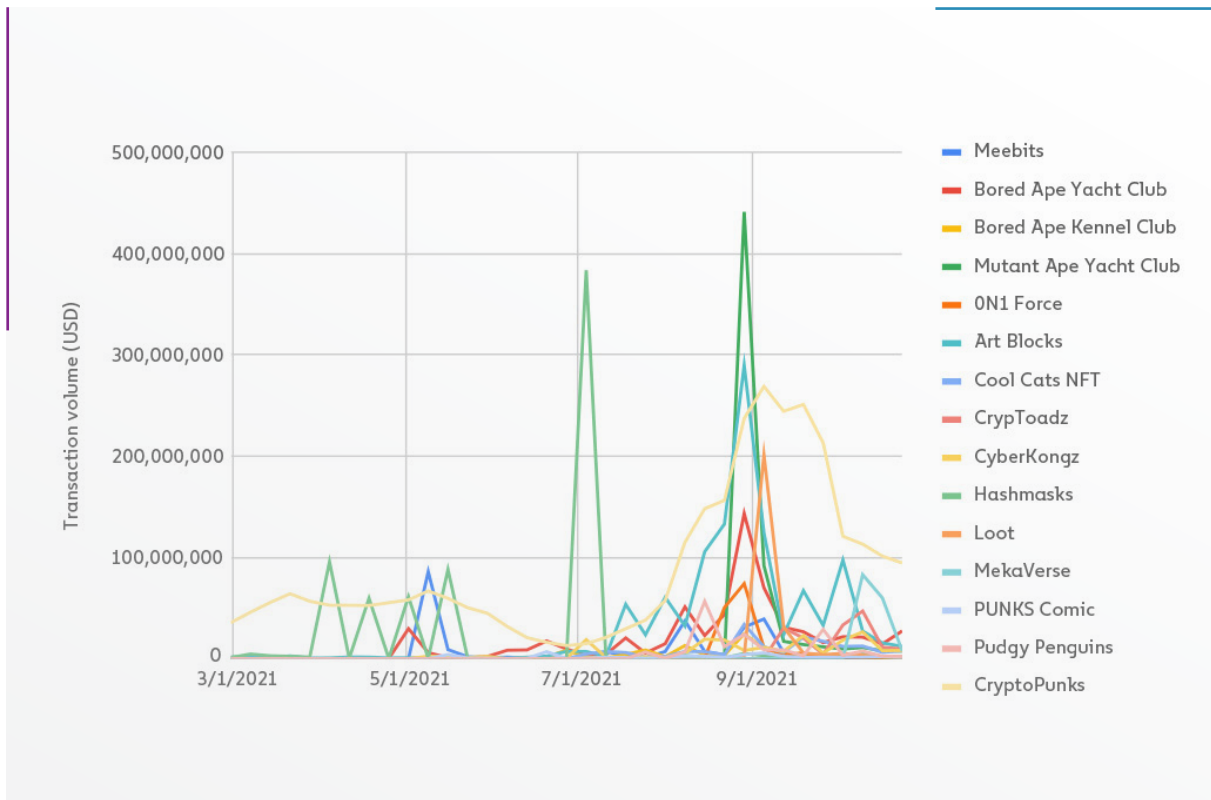


Figure 1

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