Non Fungible Tokens

NORBR

#PayDecoding

explained to kids!

Keep and sell your masterpieces!

"Non fungible tokens" (NFT)
First, what does token mean?

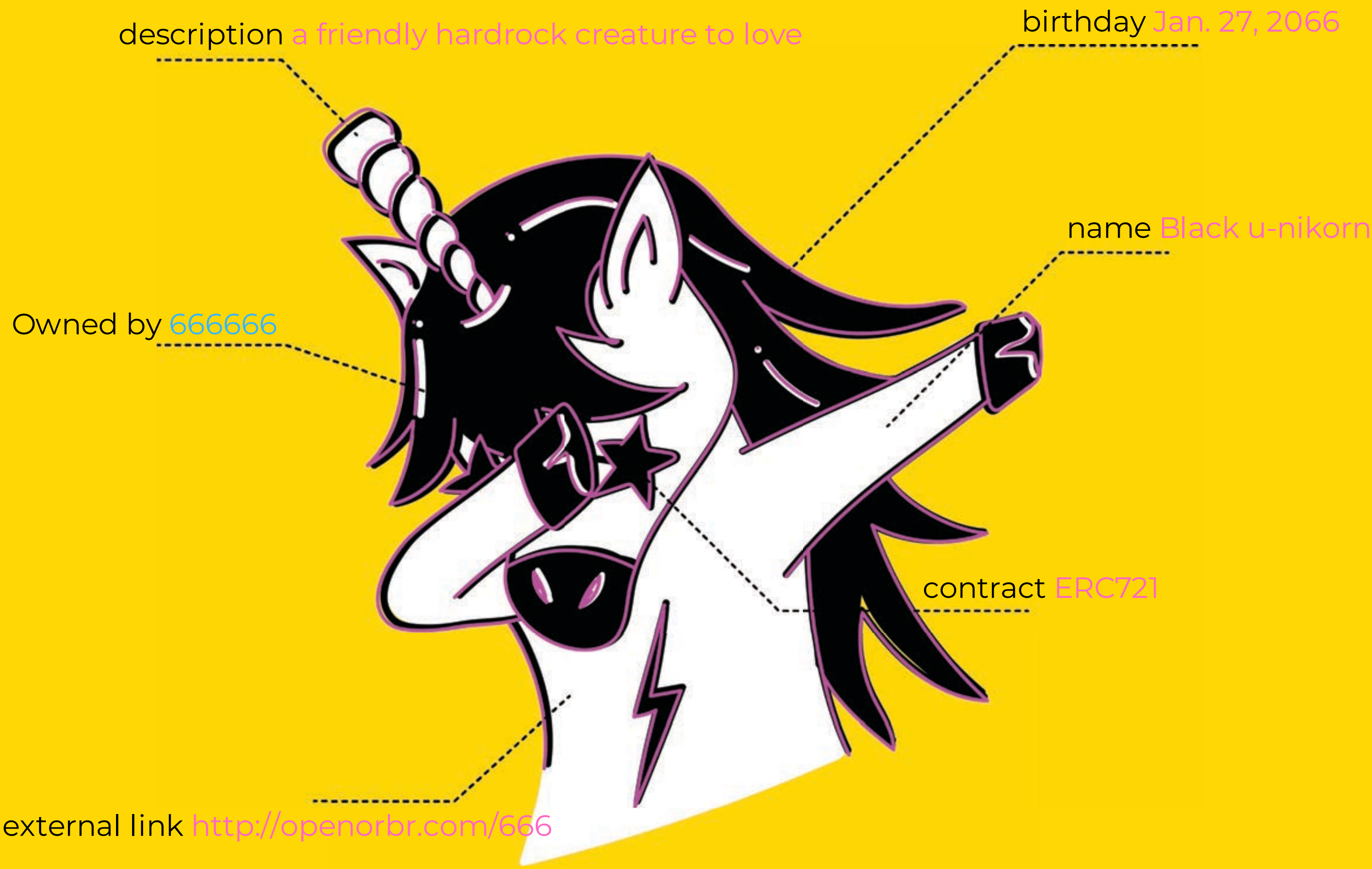
Let me give you an example:
You draw a beautiful unicorn on your computer.

Your drawing is unique!

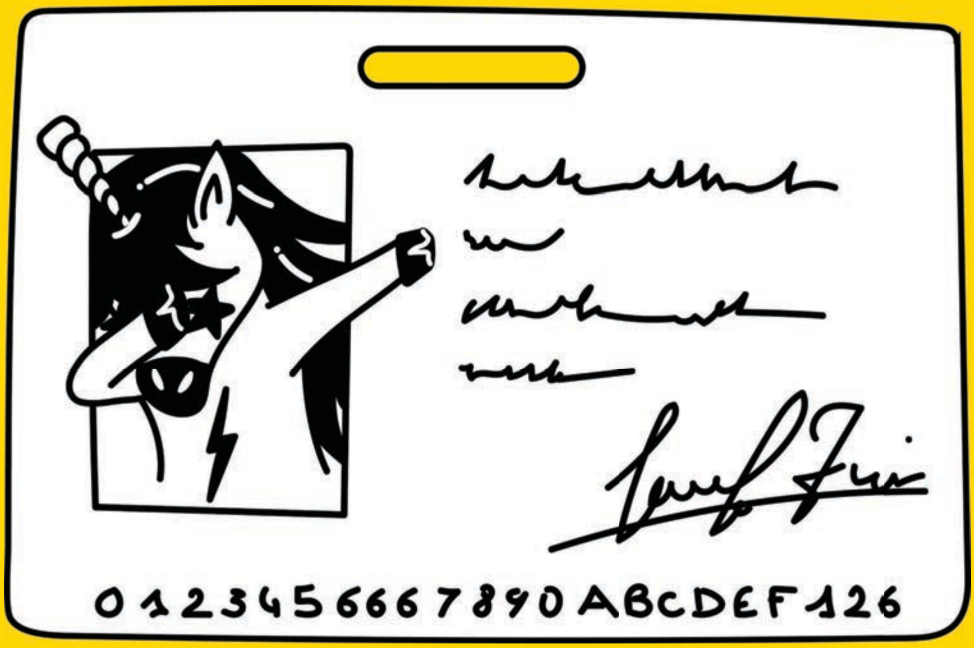
But what makes it unique?

- **First of all, you, the artist.**
- **The date of your drawing.**
- **The technique (tools, medium, and etc.) you used to draw**

and so on.



To protect and promote your drawing, you can record all this proof in a book on internet (a "virtual register") and create a kind of "ID card" of your drawing.



But not on any book!
On a book (called "Blockchain") written with "indelible ink", on which everybody can write but nobody can delete anything.

And to easily find your drawing in this book, you will add a number.

Well, all your drawing info in this book is called a token!

To access your drawing, you need to have access to this token that allows you to get all the info, and tells you where this image is hosted - mostly on a website.

And "non fungible"?

Something fungible can be easily replaced for another identical thing.

E.g., a €10 bill can be easily replaced by another €10 bill.
They are 2 different bills, but when you use them to buy, they have the same value.

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So if I want to look at your drawing, they can't show me another one... It's "non-fungible", i.e., it's a unique copy that cannot be replaced by another drawing.

(MarioTaddei, July 20, 2005)

Just like the Mona Lisa or the Harry Potter manuscript.

So, a Non-Fungible Token is a tool to guarantee the private property of a digital work!

You are the owner of the drawing you made, and the NFT proves it.

And what to do with these "NFT"?

Well, now that you have created your first NFT, you can sell it if you want!

... AND DETAILED FOR

SPECIALISTS

An NFT in its most simple form is a piece of artwork (or, more generally, any Digital Asset) with a form of digital signature.

Picasso, Renoir, Dali all their authentic work can be attributed to their actual signature on the canvas or their sculpture. Experts can verify which piece is real.

But how can a digital artist sign their work if everything can be copied and pasted across any site?

This is where the blockchain comes in.

The technology involved in creating an NFT signature involves a whole network of computers reading and approving transactions and data.

It's the most secure form of ledger and quite simply, it creates a digital signature as proof of who created it along with other vital information.

NFTs are generally one of a kind, or at least one of a very limited run, and have unique identifying codes. What matters is the numerical scarcity.

They can take very different forms:

In 2021, we notice a very strong increase in the appropriation of NFTs by artists of all kinds (composer, illustrator, plastic artist, designer, ...) and by brands that anticipate the development of metaverses.

In the last few weeks, Nike, then Adidas, have announced the launch of new collections, in exclusive access, with NFTs that can be bought in cryptocurrency, accessible in the metaverse world.

"Related physical products, such as a specific sweatshirt, will also be available for sale to members of this restricted club who will have acquired these NFTs for 0.2 ETH (Etherum, or nearly 700 euros) per unit."

But NFTs are not necessarily designed to make money:

- The Carrefour supermarket group uses it to guarantee the secure and unfalsifiable traceability of products such as chickens from Auvergne, for example.

- The Ownest.io application proposes to track ownership on the supply chains.

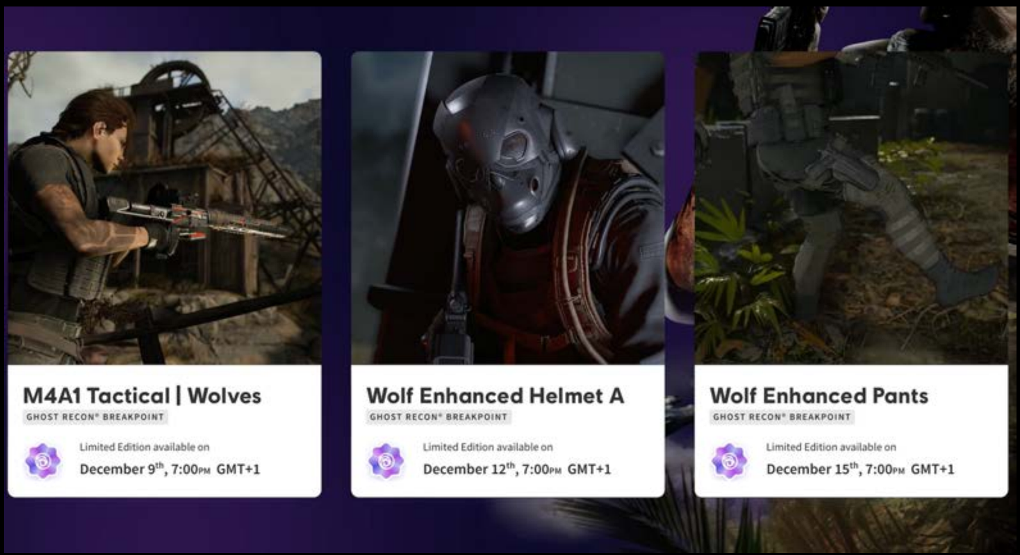
- In education, some schools (EM Lyon, several high schools in Italy, ...) offer to certify their diplomas with NFTs to fight against diploma fraud.

All these NFTs allow to guarantee "transactions" (not necessarily financial) between several entities that do not always trust each other.

NFTs also raise new issues:

- including sustainability,
- environmental impact (blockchains are often criticized for being too energy-intensive),
- and contiguity (with intolerable content).

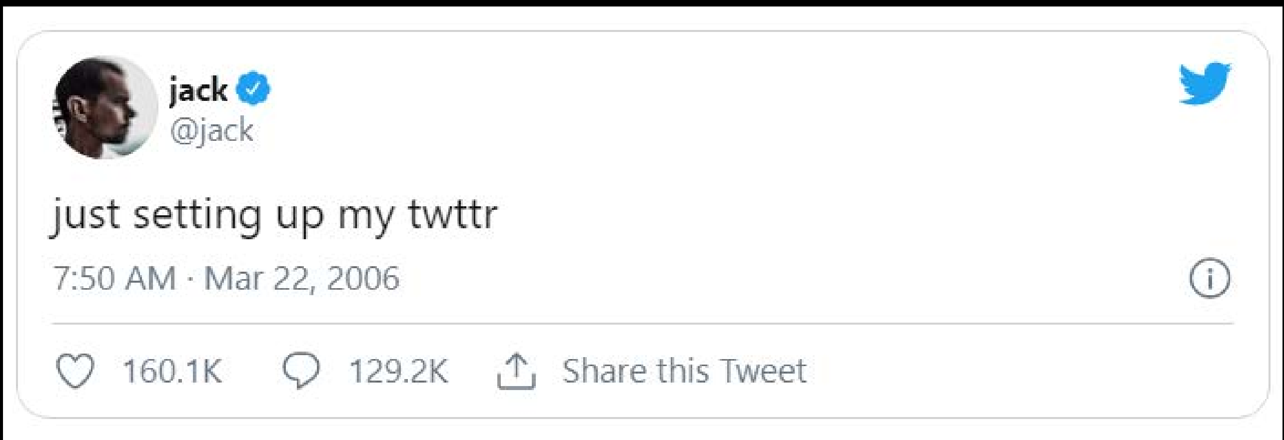
Ubisoft, a video game publisher, quickly experimented with NFTs, while choosing to reduce its energy impact:
"One transaction on Bitcoin represents a year's worth of video streaming consumption, compared to 30 seconds on Tezos" (a more virtuous French protocol).



$2.9MILLION

TWITTER CO-FOUNDER JACK DORSEY SOLD HIS FIRST EVER TWEET AS AN NFT FOR MORE THAN $2.9 MILLION

(cnbc.com, March 24, 2021)



TWITTER PLANS TO ALLOW CREATORS TO SHARE THEIR NFTS ON ITS PLATFORM BY CONNECTING THEIR CRYPTO-CURRENCY WALLETS.
NFTS COULD ALLOW CREATORS TO SELL THEIR CONTENT WITHOUT A MIDDLEMAN AND CREATE ONLINE COMMUNITIES - A KEY FEATURE OF A METAVERSE.

$27BILLION

BETWEEN JANUARY AND OCTOBER, ALMOST $27 BILLION IN CRYPTOCURRENCIES WERE REPORTEDLY TRANSFERRED TO ERC-721 AND ERC-1155 CONTRACTS, THE TWO TYPES OF ETHEREUM-BASED SMART CONTRACTS ASSOCIATED WITH NFTS.

(lesnumeriques.com/, December 08, 2021)

SOME CRYPTO-CURRENCY WALLETS:

LEDGER

coinbase

mycelium

EXODUS

Libertex

eToro

TREZOR

ONCE YOU'VE GOT YOUR WALLET SET UP AND FUNDED, THERE'S NO SHORTAGE OF NFT SITES TO SHOP. CURRENTLY, THE MAIN NFT MARKETPLACES ARE:

OpenSea

THETA

TOPSHOT

Axie

NORBR

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PAYMENT

word of the week