

## What Is a Non-Fungible Token (NFT)?

### Non-Fungible Token (NFT)

The definition of a **Non-Fungible Token**, also known as an NFT, is a digital certificate (or token) which is stored on decentralized ledgers popularly referred to as the blockchain. NFTs use software code, referred to as “smart contracts,” to transfer the digital certificate of ownership, ensuring proof of ownership in the process. Like cryptocurrency, NFTs also use the blockchain to record transactions, but where cryptocurrency creates interchangeable (or “fungible”) tokens, NFTs create unique, noninterchangeable tokens with distinct identifiers.

The non-fungible nature of NFTs offers advantages. NFTs can refer to tangible or intangible assets and commonly represent digital media such as images or videos. NFTs often do not include the digital media itself in the blockchain. Instead, the unique identifiers in the tokens point to a storage location of the media, with the blockchain serving as proof of ownership and a medium of transfer.

### Related Capabilities

Intellectual Property

Cryptocurrencies, Digital Assets & Blockchain Technology