

IOGINALITY

White book

Ecosystem solution for digital and phygital assets

Authors:
IOGINALITY team

Date:
04.05.2023

Disclaimer:

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While the information presented in this white book is provided to the best of the author's knowledge, IOGINALITY does not guarantee its accuracy or completeness. Potential buyers should seek appropriate legal, financial, tax, and accounting advice to evaluate the potential advantages and risks associated with engaging in any NFT-related activities.

This white book is a sales and marketing document created to inform and educate potential customers about IOGINALITY's products, services, technologies, and methodologies. It has been prepared for informational purposes only and does not constitute an offer to sell, a solicitation to buy, or a recommendation for any security, product, service, or investment.

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To prepare this white book, we have utilized the Proposal for a Regulation of the European Parliament and of the Council on Markets in Crypto-assets and amending Directive (EU) 2019/1937. This proposal aims to provide a comprehensive regulatory framework for crypto-assets, including non-fungible tokens (NFTs), to ensure investor protection and market integrity. It includes provisions for issuer and service provider registration and supervision, consumer protection, and measures to prevent market abuse and ensure the orderly functioning of markets. Our platform aligns with the principles outlined in this proposal and strives to provide a safe and transparent environment for NFT trading.

A Trading Platform is a digital platform that operates one or more multilateral systems, which brings together or facilitates the bringing together of multiple third-party buying and selling interests for crypto-assets – in the system and following its rules – in a way that results in a contract, either by exchanging one crypto-asset for another or a crypto-asset for funds (Art. 3 (11)).

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General information

IOGINALITY is a one-stop solution for art institutions, collectors and art dealers worldwide to launch digital exhibitions, create collections and sell NFTs.

In IOGINALITY, we believe that blockchain's accessibility must not devalue professionals' expertise.

We take pride in our ecosystem approach that offers art institutions a seamless online platform to launch authentic projects. Our platform provides online sales, marketing, and exhibition functions that are supported by technological, legal, and financial tools. Galleries can enjoy the same level of creativity and ease of use as they would in real spaces, while collectors can enjoy digital exhibitions and discover valuable art curated by professional participants in the art market.

Furthermore, we utilize tailor-made smart contracts that distribute profits equitably among all stakeholders involved in a project. With these cutting-edge tools at your disposal, launching successful projects in the digital world has never been easier.

Ecosystem solution

IOGINALITY transcends the boundaries of a traditional digital platform by embracing an ecosystem-oriented approach.

This comprehensive ecosystem brings together professionals on the supply side, artists, collectors, and connoisseurs in the world of digital art and collectibles.

Only galleries are able to mint NFTs on our platform, guaranteeing that collectors purchase verified artworks

Artistic value verification

01

Automated KYC and KYB procedures to verify the legitimacy of transactions and ensure compliance with anti-money laundering regulations

Compliance for everyone

02

Personal accounts and referral programs to galleries, artists, art curators, and art dealers to ensure **sustainable growth of the secondary market**

Secondary market solution

03

A **unique smart contract** instantly distributes profits among all parties involved in the transaction

Tech and Financial infrastructure

04

- **pre-drafted agreements** for secure negotiations
- **set of IP packs** to validate the authenticity and ownership rights of NFTs
- **Internal arbitration** for NFT dispute settlement on the platform

Legal infrastructure

05

Tools for **galleries to customize their digital space:**

- find partners and collaborate with brands,
- create sponsored exhibitions,
- hold private previews and special events etc.

Customization instruments

06

Ecosystem solution

At IOGINALITY, we're redefining the intersection of fine art and Web3 technology. Our unique features include:

- + *Robust Legal Framework:* We respect and incorporate the importance of laws, regulations, and ethical considerations in the art world.
- + *IP Rights Transfer Packages:* Artists, dealers, and galleries differentiate themselves, offering collectors clear understanding of their purchase and ownership rights.
- + *Protection against Pitfalls:* We're committed to eliminating shady deals, forged art, and obscure pricing policies.
- + *Non-Custodial Wallets:* We recommend these for our users, supporting the ethos of decentralized finance.
- + *Ethereum Blockchain Ecosystem:* Our NFTs are minted here, aligning with environmentally conscious practices and global transparency.
- + *Arbitration Mechanism:* We've set up this system to ensure disputes are resolved fairly and efficiently.
- + *Expert Team:* Our experts in compliance and art curation uphold and protect the ethical standards of our platform.

Join IOGINALITY, the new kind of art market where artists and art institutions are in the spotlight, facilitated by a transparent, secure, and dynamic ecosystem.

Our mission

IOGINALITY vision:



Expanding beyond digital assets to tokenize rights to tangible, unique objects like gems, antiques, and real estate.

Evolving and growing with market and technology advancements to lead in the digital turnover of virtual and tangible goods in the decentralized economy.

Our Mission:



Transforming the digital art landscape with a secure, user-friendly, and professionally curated platform.

Empowering galleries, art dealers, curators, and collectors with tools for seamless interaction and secure copyright owners

Team:



Seasoned experts in digital art and non-fungible tokens, dedicated to guiding art market professionals through the NFT landscape.

Product:



A compliant and adaptable platform for trading tokenized artwork, tailored to professional market participants.

NFTs encapsulating digital objects (images, videos, audio) with associated rights clearly outlined.

IOGINALITY - *Revolutionizing the art world in the decentralized economy.*

Technology & features

IOGINALITY's technology primarily leverages blockchain for decentralized solutions while incorporating non-blockchain elements to optimize UI/UX.

We utilize **IPFS** for decentralized storage of digital art on our NFT platform, ensuring transparency of unique information, including TokenID, Ownership, and Location.

Our digital platform offers two core NFT features:

1 – a marketplace and 2 – a minting function. The marketplace allows users to upload, publish, and sell NFTs with smart contracts governing auctions and transactions. It also implements supply and demand principles to determine fair pricing. The minting function facilitates converting artwork into NFTs and exporting them to the marketplace.

IOGINALITY's marketplace employs the **Ethereum blockchain** and **ERC-721 contract standard** for unique, indivisible tokens. It comprises three primary components: smart contracts, backend, and frontend. Solidity-written smart contracts manage NFT creation, listing, and sales on the Ethereum network. The backend handles data management and gallery integration, while the frontend offers user-friendly browsing, creation, and purchasing of NFTs.

Our marketplace boasts powerful features for creating and selling digital art as NFTs, including custom exhibitions, previewing artwork before minting, and smart contract-based listings and sales. We enforce complete KYC verification for legal clarity and support **unlimited royalty receivers.**

Technology & features

A unique feature of IOGINALITY's marketplace is profit distribution at the initial listing and subsequent sales. While royalties are configured once during minting, commission from NFT sales can vary at each listing, even on the secondary market.

This flexibility enhances the token economy and secondary market operations.

Designed for security, scalability, and ease of use, IOGINALITY's marketplace uses Solidity for smart contracts and Ethereum for secure, decentralized transactions. It implements the ERC-721 standard and stores digital art with IPFS. Security measures include role-based access control, **multi-signature wallets**, **code audits**, and **user authentication**. We only allow **non-custodial wallets**, ensuring users retain full control of their assets, and recommend hardware or multi-signature wallets for valuable assets to minimize risks.

Roles on the platform

Gallery

01

An institution registered on IOGINALITY Marketplace that organizes exhibitions, displays, or sells works of art.

Collectors

02

An individual or legal entity who can buy NFTs on IOGINALITY Marketplace, create collections of purchased NFTs, and resell them on the platform **using our special secondary market selling tools.**

Curator

03

A representative of the gallery on the platform who can **manage** NFTs, collections, and exhibitions of the gallery, as well as **comment** and **rate** NFTs placed on IOGINALITY Marketplace.

Art Dealer

04

A professional art market participant who **connects artists, museums, art galleries, and collectors with the IOGINALITY Marketplace. They are not an agent, employee, or fiduciary of IOGINALITY.**

Artist

05

An author of an artwork who **promotes and sells their work in collaboration with galleries.** Artists can participate in exhibitions and create private NFT collections.

⊕ Users must meet the requirements specified in terms of services and submit different packs of documents depending on the type of account to receive a diverse scope of IOGINALITY functions.

Commission

IOGINALITY charges a 10% platform fee on the sale of any NFT on the platform, which may be subject to change based on promotions and discounts. The commission is collected through a smart contract executed during the NFT sale transaction on the blockchain, ensuring accuracy and fairness for all parties involved.

10%



Distribution of commissions +

Sellers on IOGINALITY Marketplace have complete control over their commissions. They can specify an unlimited number of recipients and determine the exact commission amount they would like to pay from their account on our platform.

Taxes +

IOGINALITY Marketplace Users are solely responsible for determining any taxes that may apply to their transactions. We do not withhold taxes or fiscal duties, and it is the responsibility of the Users to pay any taxes properly payable.

KYC/KYB/AML procedures

IOGINALITY takes regulatory compliance seriously and adheres to the highest standards in KYC/KYB and AML. *KYC stands for "know your customer," KYB for "know your business," and AML for "anti-money laundering".*

Our legal contract templates reflect current regulatory requirements and those under consideration.

Adopting the best practices in these areas helps improve transparency and trust, enhance the stability of the crypto market, meet national and international regulatory requirements, prevent fraud and illegal activity, and monitor transactions closely. Verification prevents identity theft, illicit activity, and potential risks.

IOGINALITY ensures that users can transact confidently and comply with relevant laws and regulations by implementing compliance procedures.

KYC/KYB/AML procedures

IOGINALITY utilizes a third-party service to assist and automate the verification process. Our partner is an international and recognized all-in-one verification platform. Verification is customized based on your legal personality, role (Gallery, Art Dealer, Artist, Curator, Collector), and transaction thresholds.

Types of verifications

	<i>Person/sole trader</i>	<i>Legal Entity</i>
<i>Gallery</i>	Full verification	Full verification
<i>Art Dealer</i>	Full verification	Full verification
<i>Artist</i>	Full verification	Full verification
<i>Curator</i>	Full verification	Full verification
<i>Collector</i>	Basic Verification General Verification Full Verification (depending on the thresholds)	Full verification

KYC/KYB/AML procedures

Thresholds for verification are set in accordance with international standards and the FATF criteria.

For *Persons* who act as a *Collector*:

0 – 1 000 USD

basic verification
required

**1 000 –
50 000 USD**

general
verification required

> 50 000 USD

full verification
required

For all *Entities* and *Persons* who act as an *Artist*, a *Curator* or an *Art Dealer*:

0 – no limits USD

full verification
required

The Importance of KYC/KYB

The following representative scenarios illustrate the vital role that KYC/KYB and verification play in the NFT trade.

Unauthorized Use of Celebrity Images

[case 01]

Problem

Money laundering

Solution

A robust KYC/KYB process, like the one implemented by IOGINALITY, could identify the creator and **ensure** that proper **permissions** were obtained before minting and selling the NFTs, protecting the rights of the celebrities involved.

NFT Marketplace Fraud

[case 02]

Problem

Identity theft

Solution

Proper KYC/KYB processes authenticate user identities, excluding the risk of fake accounts and impersonation on the platform.

The Importance of KYC/KYB

Identity Theft and Account Takeover

[case 03]

Problem

Fake NFTs

Solution

Combining KYC/KYB with authentication protocols allows the marketplace to verify NFT authenticity and prevent the sale of counterfeit assets.

Regulatory Compliance and Sanctions

[case 04]

Problem

Stolen NFTs

Solution

KYC/KYB procedures verify ownership, protecting users from unauthorized access to their wallets and preventing the sale of stolen NFTs.

NFT fraud

[case 05]

Problem

Pump and dump schemes

Solution

KYC/KYB measures monitor transactions, detecting and preventing coordinated buying and selling schemes that manipulate NFT prices.

The following real-life cases illustrate the vital role that KYC/KYB and verification play in the NFT trade.

Stolen Artwork - Banksy's Morons

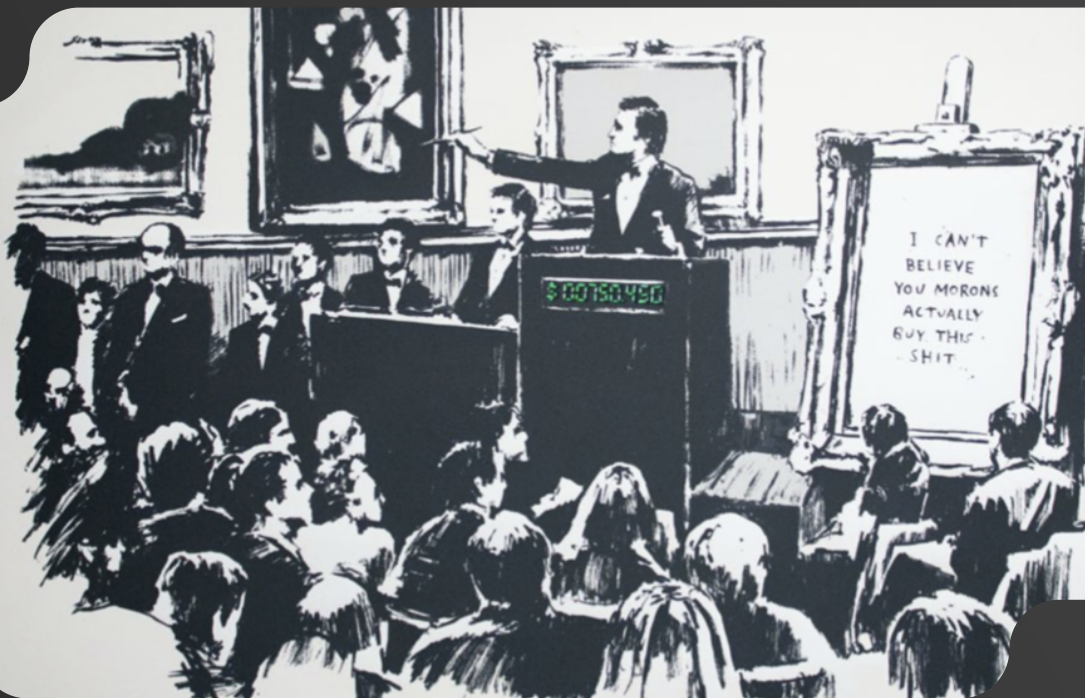
[case 01]

Problem

In March 2021, an unknown individual minted and sold an NFT of **Banksy's** artwork "Morons" **without** the artist's **permission**. The NFT was sold for 228.69 ETH (approximately \$394,000 at that time) on the NFT marketplace OpenSea.

Solution

A strong KYC/KYB process, like the one implemented by IOGINALITY, would have helped **identify the individual attempting to mint the stolen artwork**, preventing the fraudulent minting and protecting the artist's rights.



Problem

In September 2021, OpenSea, a popular NFT marketplace, faced a phishing attack where **users were sent fake emails** claiming they had won an NFT. The victims were directed to a phishing site where they were asked to sign transactions that ultimately led to the theft of their NFTs.

Solution

Effective KYC/KYB measures, like those employed by IOGINALITY, could have helped **prevent such scams by ensuring users dealt only with verified parties.**



Problem

In September 2021, a group of scammers posed as the developers of a popular NFT collection called "The Official Galactic Apes NFT" and claimed they were launching a new collection. The scammers used **Twitter** and **Discord** to promote their **fake sale**, which resulted in victims losing 470 ETH (around \$1.5 million at that time).

Solution

A comprehensive KYC/KYB process, like the one implemented by IOGINALITY, would have **verified the creators' identity** and prevented them from taking advantage of unsuspecting buyers.



Enhanced user benefits

Legal templates for NFT transactions

01

Comprehensive Legal Template Suite: At IOGINALITY, we understand the importance of clear and legally-binding agreements in the world of NFT transactions. To support our users, we offer a suite of legal templates specifically designed for NFT transactions. These templates are available for free for our users, ensuring secure and hassle-free transactions throughout every stage of user interaction.

The table below presents the optional document templates available within IOGINALITY marketplace:

	Art Dealer	Gallery	Curator	Collector	Artist	IOGINALITY
Art Dealer		Framework Art Dealer Services Agreement		Framework Art Dealer Services Agreement		Terms of Referral Program
Gallery	Framework Art Dealer Services Agreement		Framework Art Curator Services Agreement	Standart Terms of NFT Sales (Full Rights) Standart Terms of NFT Sales (Basic Rights)	Sale of Artwork Agreement Framework Agreement for Comission Sale of Artworks	
Curator		Framework Art Dealer Services Agreement		<p>Empowering our users with legal certainty, we welcome their input and create customizable contract templates upon request. This ensures an even more secure and bespoke trading experience on our platform.</p>		
Collector	Framework Art Dealer Services Agreement	Standart Terms of NFT Sales (Full Rights) Standart Terms of NFT Sales (Basic Rights)				
Artist		Sale of Artwork Agreement Framework Agreement for Comission Sale of Artworks				
IOGINALITY	Terms of Referral program					

At IOGINALITY, we provide bespoke NFT licenses that encompass a variety of rights associated with your NFT acquisition. Our licenses are available in three tiers: **Basic**, **Commercial**, **Full rights**. With IOGINALITY, you can rest assured that you have complete clarity on the scope of your rights as an NFT owner.

IP-pacages

The rights you acquire with the NFT:	Basic rights	Commercial rights	Full rights
Hold, control and resell the NFT	✓	✓	✓
Non-commercial copy of the artwork	✓	✓	✓
Non-commercial public display of the artwork	✓	✓	✓
Non-commercial posting on any media platforms	✓	✓	✓
Non-commercial distribution of the artwork	✗	✓	✓
Commercial copy of the artwork	✗	✓	✓
Commercial public display of the artwork	✗	✓	✓
Commercial use on any media channels	✗	✓	✓
Commercial distribution of the artwork	✗	✗	✓
To make changes and derivatives of the artwork	✗	✗	✓
Authorship waiver	✗	✗	✓
Assignment of all intellectual property rights	✗	✗	✓

Dispute Resolution:

03

IOGINALITY provides a non-binding conciliation process supervised by accredited international arbitration professionals to address any unlikely disputes concerning our services or terms of service swiftly and effectively. With in-depth legal expertise and experience in resolving complex commercial disputes, IOGINALITY ensures a just resolution process.

Data Protection:

04

IOGINALITY implements reasonable and practical measures to guarantee the accurate and secure management of users' personal information. For further details on data collection, usage, and protection, users can refer to IOGINALITY's Privacy Policy.

Risk Assessment:

05

IOGINALITY enables users to carefully assess the risks and uncertainties associated with the NFT Vendor, affiliates, and operations, empowering NFT purchasers to make well-informed decisions when acquiring NFTs on the IOGINALITY Digital Platform. This ensures that NFT purchasers have full awareness of potential risks and uncertainties, allowing them to take necessary precautions to safeguard their interests.

The Importance of legal framework

Licenses and agreements play a vital role in the NFT trade, as illustrated by the following representative scenarios.

Unclear Intellectual Property Rights Transfer

[case 01]

Problem

The lack of transparency regarding licensing arrangements can create a significant risk for NFT purchasers, as they may not be fully informed about the specific intellectual property rights they acquire when buying a digital asset. This can result in the unauthorized commercial use of the NFT, leading to legal disputes with the artist.

Solution

IOGINALITY offers a pack of licenses that provide clarity and transparency.

The Importance of legal framework

Legal Conflict Between Co-Owners of Intellectual Property Rights

[case 02]

Problem

Legal conflict for example between artist and gallery, or collector and art dealer.

Solution

IOGINALITY's pack of contracts has been developed specifically to eliminate uncertainties for all members of the NFT distribution chain: artists, galleries, dealers etc.

Unclear Contract Terms or Absence of a Contract

[case 03]

Problem

When NFTs are used as digital replicas of physical objects, it is crucial to establish clear terms of the contract to avoid any potential claims or disputes. Buyers may not be fully aware of what is being transferred to them, leading to legal uncertainty and potential issues.

Solution

IOGINALITY understands the importance of having clear and accurate contract terms that reflect the nature of the acquisition. Our platform provides peace of mind to buyers and sellers alike by ensuring that all terms are transparent and well-defined.

Licenses and agreements play a vital role in the NFT trade, as illustrated by the following representative real-life cases.

Jodorowsky's Dune Case - Unclear IP Rights Transfer

[case 01]

Problem

The token owners mistakenly believed they had the rights to create a movie using the acquired pitch, but they only had the rights to sell, lend, or publicly display the book. The copyright owner's permission was required for any film adaptation.

Solution

IOGINALITY's pack of licenses could have provided clarity and transparency, ensuring that the token owners understood the extent of their intellectual property rights and avoided legal disputes with the copyright owner.



Roc-a-Fella v. Damon Dash - Legal Conflict Between Co-Owners of IP Rights

[case 02]

Problem

Damon Dash's intention to mint and sell an NFT representing the copyright of Jay-Z's debut album led to a lawsuit filed by his partners, who claimed that the label owned all rights to the album, including the copyright. The absence of a clear agreement between the partners resulted in a legal conflict.

Solution

IOGINALITY's pack of contracts, specifically designed for NFT distribution, could have eliminated uncertainties by clearly defining the rights distribution among the co-owners, ensuring fair compensation, and maintaining transparency with the buyer.



*Photo from
rockarchive.com*

Tarantino and Screenplay - Unclear Contract Terms or Absence of a Contract

[case 03]

Problem

The legal dispute between Quentin Tarantino and Miramax studio arose due to unclear contract terms regarding the intellectual property rights of the "Pulp Fiction" screenplay. The parties hadn't anticipated the tokenization of art in 1994, leading to legal uncertainty.

Solution

IOGINALITY emphasizes the importance of clear and accurate contract terms that reflect the nature of the acquisition. In this case, IOGINALITY's platform could have provided peace of mind to both parties by ensuring that the terms were transparent and well-defined, even in the evolving landscape of digital art and NFTs.



Distinctive benefits tailored to user roles

Galleries



Join a prestigious community of art professionals showcasing unique pieces of exceptional authenticity and quality. IOGINALITY enforces legal transparency through stringent measures, including certificates, thorough documentation, and verification, meeting industry standards and regulations. This fosters trust, deepens engagement with potential buyers, and safeguards against fraudulent activities.

Collectors



Elevate your collection with high-value NFTs from established galleries and recognized artists, empowered by IOGINALITY's state-of-the-art token-minting system that shows comprehensive provenance for each artwork, ensuring transparent transactions and mitigating legal disputes. Engage confidently in NFT trading with our sound licensing system and innovative resale profit-sharing solution, minimizing fraud and tax risks. Legal entities can recognize NFTs as valuable digital assets, bolstering their financial statements and fortifying their fiscal obligations.

Art Dealers



Gain valuable data analytics, such as sales data and customer insights, to make well-informed decisions and better comprehend your target audience. IOGINALITY's unique solution enables art dealers to receive profits from resales, fostering long-term, advantageous relationships with clients. Secure a steady income stream through perpetual smart contract commissions on all transactions made via the platform.

Artists



Experience the benefits of IOGINALITY's transparent platform, which ensures artwork's authenticity and enhances the value of an artist's creations. The improved royalty management system allows artists to monitor sales and receive automatic royalty payments. IOGINALITY also boosts visibility, helping artists reach a broader audience and elevate their exposure.

Embracing eco-consciousness

Built on the Ethereum blockchain, our platform recognizes the pivotal shift in September 2022, when Ethereum transitioned from the energy-intensive proof-of-work model to the sustainable proof-of-stake framework, achieving a remarkable *99.99% reduction in energy consumption*.

This groundbreaking change makes the minting, trading, and acquiring NFTs on the IOGINALITY platform virtually free from adverse environmental impacts. Still, we understand the importance of offsetting even the smallest ecological footprint.

IOGINALITY is *committed to supporting philanthropic efforts and initiatives aimed at environmental preservation*. Our goal is to align our platform's growth with an increasing dedication to charitable activities, ensuring that as transaction volume rises, so does our commitment to environmental stewardship.

Informed Decision-Making and Risk Awareness

❗ To ensure informed decision-making, it is essential to carefully read the information contained in this white book and the Terms of NFT Sales before purchasing Tokens. The risks associated with participating in the NFT Sale and NFT Vendor are also detailed in the Terms of NFT Sales. It's essential to understand that in the event of any risk materializing, the NFT Vendor's financial condition, operations, and prospects could be adversely affected, which may cause a decrease in the value of NFTs.

As a purchaser, it's crucial to be aware of these risks and take necessary precautions to avoid potential losses.

Road map

December 2021

We embarked on the development of our own marketplace, assembling a dedicated team and formulating a strategic direction for IOGINALITY

November 2021

an NFT drop in partnership with a contemporary art gallery.
Sales ≈\$175,000

August 2021

state Hermitage Museum's first-ever NFT collection.
Sales for ≈\$440,000

April 2022

an NFT-drop of 13 artists (exhibited in the Louvre and Venice Biennale). Sales ≈\$200,000, 8,000+ media and Twitter mentions

January 2023

MVP presentation to more than 35 worldwide galleries. Rave feedback was received

February 2023

ambassadorship program start (UK, US, Latin America, Georgia, Armenia, France, Denmark, Serbia, and UAE)

April 2023

Social media accounts launch, marketing campaign development and art galleries onboarding

April 2023

The first exhibition of the famous artist Aristarkh on IOGINALITY

March 2023

The launch of our tailor-made, audited smart contracts.

May 2023

MVP public launch

Glossary

Blockchain

is a decentralized digital ledger that stores data in successive blocks, with each block verifying the content of the previous block. Most NFTs are created on the Ethereum blockchain.

Commission

distribution of profits

in the IOGINALITY ecosystem, a commission is a fee that a token seller receives, pays to agents and other parties involved in the token sale. IOGINALITY provides a unique solution that enables users to set and distribute commissions not only for the initial sale but also for secondary sales. This encourages collectors to work with dealers, sharing profits and fostering a collaborative ecosystem that boosts sales within the platform.

Crypto asset

a digital asset that uses cryptography to secure and verify transactions. Cryptocurrencies are a crypto asset that functions as a medium of exchange. The term "token" is often used interchangeably with "crypto asset."

DAO

Decentralized
Autonomous
Organization

a decentralized organization that is governed by smart contracts and operates without centralized control. DAOs can be used for various purposes within the NFT ecosystem, such as managing and funding projects or creating community-driven platforms.

DLT

Distributed Ledger
Technology

is a decentralized peer-to-peer data storage system where participating computers (known as nodes) hold and maintain identical copies of the ledger. Public-private key cryptography ensures data integrity and prevents tampering with the recorded information.

Drop

Distributed Ledger
Technology

Refers to the release of a new collection of NFTs by an artist or group of artists, typically through an online platform. Drops often generate significant buzz and demand, with collectors eagerly anticipating the opportunity to purchase and own a unique piece of digital art. Drops can be accompanied by marketing campaigns, social media promotion, and other efforts to build hype around the release.

ERC-721

is a token standard on the Ethereum blockchain specifically designed for creating and trading unique, non-fungible tokens like those used for digital artwork.

Ethereum

is an open-source, blockchain-based platform that enables the creation of decentralized applications (dApps) and the execution of smart contracts. It is the blockchain network on which many NFTs, including those used by IOGINALITY, are created and traded.

Gas fees

are required to perform transactions and execute smart contracts on the Ethereum network. Gas fees are typically paid in Ether (ETH) and are influenced by network congestion and demand.

Gasless minting

is a process that allows users to create NFTs without paying upfront gas fees, thus reducing the barrier to entry for creators. Gasless minting typically involves deferred payment of gas fees or alternative methods of covering the costs associated with minting.

IPFS

InterPlanetary
File System

is a distributed file storage system that allows for the decentralized storage of digital assets and is often used for storing the digital files associated with NFTs.

KYC

Know Your Customer

is verifying the identity of clients or customers to prevent fraud, money laundering, and other illegal activities. This process typically involves collecting and verifying personal information and documentation.

KYB

Know Your Business

is a process of verifying the legitimacy of a business entity to prevent fraud, money laundering, and other illegal activities. This process typically involves collecting and verifying business-related information and documentation.

Metadata

is a consensus mechanism used by some blockchain networks, such as the original Ethereum and Bitcoin, that requires miners to solve complex mathematical puzzles to validate transactions and create new blocks. PoW is energy-intensive and has raised environmental concerns.

Minting

is creating a new NFT by recording its information on the blockchain, thus giving it a unique and verifiable identity.

NFT

Non-fungible token

is a unique digital asset representing ownership or rights to an underlying asset, often in a digital format, created and transferred using DLT. This distinguishes NFTs from other cryptocurrencies like Bitcoin, which are fungible or interchangeable.

Oracle

is a third-party information provider that supplies external data to smart contracts. Oracles can be used to verify the authenticity of NFTs, provide real-time pricing information, or enable other off-chain interactions.

PoS

Proof-of-Stake

is a consensus mechanism used by some blockchain networks, including Ethereum 2.0, that allows validators to create and validate new blocks based on the amount of cryptocurrency they are willing to "stake" as collateral. PoS is considered more energy-efficient and environmentally friendly compared to the Proof-of-Work (PoW) mechanism.

PoW

Proof-of-Work

is a consensus mechanism used by some blockchain networks, including Ethereum 2.0, that allows validators to create and validate new blocks based on the amount of cryptocurrency they are willing to "stake" as collateral. PoS is considered more energy-efficient and environmentally friendly compared to the Proof-of-Work (PoW) mechanism.

Royalties

Within IOGINALITY, royalties are amounts payable to relevant parties, starting from the first sale and continuing through all secondary sales. The percentage of royalties is determined exclusively by the galleries (the token minting parties) and remains fixed. These royalties ensure that artists and other stakeholders continue to benefit from their creations as they are traded within the IOGINALITY marketplace, providing ongoing financial incentives and rewarding their contributions to the platform.

Secondary market

is a marketplace where NFTs are bought and sold after their initial sale or minting. Secondary market transactions often involve different buyers and sellers than primary market transactions.

Smart contract

is a computer program that automatically executes the terms of an agreement written in code.

Token

is a digital entry on a DLT register or other digital infrastructure records ownership or entitlement to a unit or asset. Tokens may represent permission to control a resource native to the DLT platform, rights granted to the holder, or a real-world asset known as the "tokenization" of underlying assets.

Wallet

is a digital storage solution for cryptocurrencies and tokens, including NFTs. Wallets can be either custodial (managed by a third party) or non-custodial (managed by the user), with the latter providing more control over one's assets.

Web3

is a term used to describe the next evolution of the internet, where decentralized protocols such as blockchain and IPFS will enable a more secure, open, and verifiable web.

White paper

or White book

is a document that provides a detailed explanation of a project, technology, or product and its underlying principles

Credits

In this white book, we have used the following artworks:

- + *Flowers* by EXANTRES, 2021 15
- + *Meet yourself* by LOVE CURLY, 2021 15
- + *Tokyo Story* by VITALY AKIMOV, 2021 16
- + *High pleasure* by LOVE CURLY, 2021 16
- + *BLACK TONGUE CRANE part 1* by M15, 2022 16
- + *Morons* by Banksy, 2006 17
- + *Wrapped Gift* by Aristarkh Chernyshev, 2023 23
- + *DON'T ENVY MY HAPPINESS. YOU DON'T KNOW THE PRICE I PAID* by Hermit 24
- + *Fontes Amoris. Blue* by SASHA FROLOVA, 2021 24

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