

Token Standards

There are numerous token standards across various blockchains. These standards help ensure smart contracts remain composable, so for instance when a new project issues a token, that it remains compatible with existing decentralized exchanges.

Sei Token Standards

Here are some of the most popular token standards on Sei:

- TokenFactory
 - : This offers a standardized mechanism for creating fungible tokens, which are interchangeable and identical. These tokens can embody various digital assets like voting rights, virtual currencies, or staking tokens.
 - They are also native sdk.Coins and come with a variety of native functionality
- CW721
 - : This contract provides a standard approach for handling non-fungible tokens (NFTs). These are unique and are not interchangeable with any other token. Examples could include ownership rights to a piece of artwork, or the licensing for a specific song.
- CW20
 - : Although not recommended, this contract provides another approach for handling fungible tokens.
 - Similar to ERC-20 standard, contracts can implement this specification. CW20 contracts provide a standardized framework
 - for the issuance, transfer, and tracking of fungible tokens.

TokenFactory is strongly recommended over CW20 for several reasons including:

- Performance: Less gas is required to interact with it
- Security: Tokenfactory shares the same security model as the base blockchain
- Standardization: Tokenfactory directly integrates with the native bank module

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