

NFTs

What's next..?



Some considerations regarding NFTs

- NFTs have been used so far to represent several things things (art, ownership of assets, liquidity positions..)
- Most of the initial traction came from “social signaling” (e.g. being part of a community..)
- NFTs have been designed with “transferability” in mind

Understanding the pros and cons of transferability

Being able to transfer NFTs is great for several use cases as it enables:

- Accessibility,
- Liquidity
- Utility

Anyways, there is also a large potential for *non-transferable* NFTs

Soulbound NFTs use-cases

- **Gaming:** NFTs gained within the game are bound to the player that earned them, preventing selling.
- **Credentials:** NFTs allow users to prove ownership of credentials and certificates
- **Access control:** NFTs can be used to restrict access to certain features or areas of the platform, ensuring that only verified users can access them.
- **Voting power:** Making sure that only community members who are aligned with the DAO values are able to vote
- **PoA:** Proof of Attendance would be more useful if not transferable

PoAP

Proof of Attendance Protocol leverages NFTs to verify that someone has attended a specific event or activity.

POAPs are often used in the context of conferences and hackathons, and they can be used to incentivize participation and engagement.

For example, projects that have booths in a conference can send NFTs to attendants that come by the booth.

PoAPs can be used to grant rewards or special privileges within a community.

PoAP currently uses transferable NFTs

Anyways, it would be more effective if those NFTs were soulbound (non-transferable), as it would prevent attendees to sell their PoA NFTs in secondary markets (and ensure that only those who attended can own that specific NFT).

Sismo (Ethereum)

Sismo is a protocol that enables issuing ZK Badges for reputation portability and aggregation, allowing users to list and manage different identities.

It enables users to selectively reveal data derived from their accounts, as the user can aggregate their credentials and identities-related data to generate ZK proofs (which can then be verified from applications)

Souldbound NFTs can be used to effectively make sure that those identities' proprieties belong to the corresponding user (avoiding impersonations)

Credentials

- **1. Education history** – Providing certificates of the completed courses / academic degrees
- **2. Job applications** – Showing your work experience across companies
- **3. Health records** – Holding a person's medical records, allowing effective verification

Governance

Allowing the easy transfer of governance power can be dangerous:

- Wealthy actors are allowed to buy governance rights and push for their interests
- The buyer of the governance power could be either incompetent or malicious, or simply not aligned with the DAO's objectives

But... how to build cool CosmWasm dApps to manage NFTs?

Let's find it out with the **Area-52 second course!**

