

# Non-Fungible Tokens (NFTs): Understanding the Basics and Legal Issues

May 26, 2022

Karol Kepchar

Ian McGinley

**Akin Gump** © 2022 Akin Gump Strauss Hauer & Feld LLP  
STRAUSS HAUER & FELD LLP

## NFT Trading Volume

According to Forbes, the NFT market generated over **\$23 billion** in trading volume in 2021.



**Akin Gump** © 2022 Akin Gump Strauss Hauer & Feld LLP  
STRAUSS HAUER & FELD LLP

# AGENDA

- NFT Definitions
- Legal Issues
- Regulators
- Takeaway

## NFT Definitions

# What are NFTs?

---

- NFT = Non-Fungible token
  - In economics, “fungible” is a term used for things that can be exchanged for other things of exactly the same kind. But most objects in the physical world, such as cars and houses, are non-fungible, meaning they have unique qualities and you can’t just exchange them for others of the same type.
- NFT: unique digital asset
- The relationship between NFTs and cryptocurrencies
- Why do NFTs have value?

# What are NFTs?

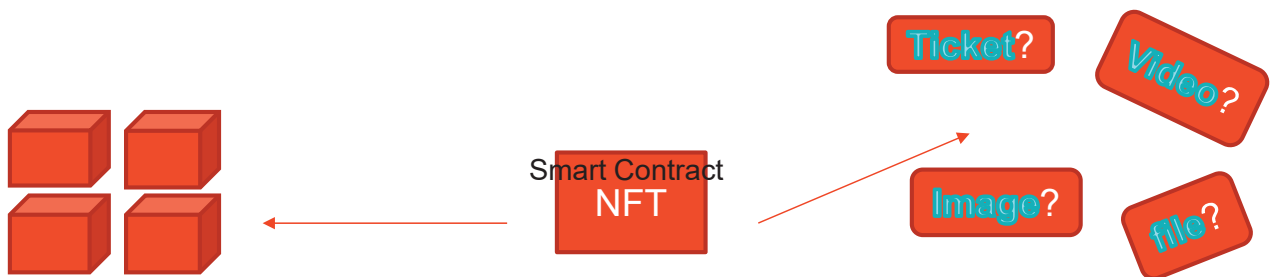
---

A **unique token** linked to an asset (digital or physical)

Creation, sale and resale occur on blockchain and can be monetized

Blockchain - open, an immutable record, accretive

Like a certificate of authenticity/ownership



Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](https://utcle.org/elibrary)

## Title search: Non-Fungible Tokens (NFTs): Understanding the Basics and Legal Issues

Also available as part of the eCourse  
[2022 Technology Law eConference](#)

First appeared as part of the conference materials for the  
35<sup>th</sup> Annual Technology Law Conference session  
"Non-Fungible Tokens (NFTs): Understanding the Basics and Legal Issues"