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EXECUTIVE SUMMARY

STELLAR-ART NFT Marketplace is one of the first NFT marketplaces to be built using Stellar blockchain technologies, enabling fast transaction processing and low-cost NFT trading.

With the addition of the STELLAR-ART NFT Marketplace to its ecosystem, Non-Fungible Tokens (NFTs) become simple and accessible. This enables artists to securely and decentrally upload their work, media, and photographs, as well as produce the NFTs. With the assistance of NFTs, creators of digital content may now be able to earn passive income from their work. In 2017, the market valuation of the NFT firm was just a bit more than $30 million. The cryptocurrency market underwent a crypto winter in 2018, which resulted in a difficult year for the blockchain sector. The market capitalization of NFT, on the other hand, rose by 33 percent to $40 million. In 2019, the market capitalization continued to rise at a rapid pace. At the end of the year, it was estimated to be worth approximately $141.56 million. The year 2020 marks a landmark event in the history of NFT transactions, which more than tripled to more than $338.04 million in the calendar year 2020.

STELLAR-ART NFT Marketplace uses the Stellar platform rather than the commonly used Ethereum which is more complicated, and where the transactions can take minutes to execute. While this is significantly faster than other platforms, it is still a lengthy wait. However, the processing time for Stellar is approximately five seconds. Additionally, Stellar users do not have to pay transaction fees to third parties.

Apart from transactional time and fee, Stellar complies with KYC and anti-money laundering regulations; in fact, users are prohibited from trading with anyone who does not have an approved address. Additionally, it has the ability to freeze non-compliant accounts. Whereas Ethereum lacks these characteristics.
WHAT IS NFT?

NFTs are blockchain-based cryptographic tokens that represent a "one-of-a-kind" asset. These assets may be located in either the physical or digital world. Holders of NFTs can demonstrate not just their authenticity, but also the provenance of the underlying asset. Their existence enables the sense of scarcity to be introduced into the digital realm.

NFT MARKET

NFTs originated in 2017 with Crypto Kitties and became widespread in 2020. While it is unsurprising that people are madly in love with cats, such a fixation with digital kittens may surprise some. Since then, NFTs have experienced tremendous growth as a result of technology advancements and have amassed a devoted user base.

![NFT market cap from 2017-2020](chart.png)

*Source: Statista 2021*
The market capitalization of the NFT business was little over $30 million in 2017.

• In 2018, the market experienced a crypto winter, which resulted in a poor year for the blockchain industry. However, the NFT market capitalization increased by 33% to $40 million.

• In 2019, the market cap continued its upward trajectory. It was around $141.56 million at the conclusion of the year. The year 2020 marked a watershed moment - NFT transactions more than tripled to more than $338.04 million.

• NFTs are a hot topic in today's entertainment, digital assets, art, creative, and innovation industries. This includes performers who earn millions of dollars from the sale of their own NFTs, professional creators who start their own NFT enterprises, and digital work clubs seeking possibilities to manufacture their own fan tokens. NFT's market capitalization has grown at a breakneck pace, approximately tenfold between 2018 and 2020. NFTs have grown in favor among artists, celebrities, and influencers as a means of digitizing their brands or intellectual property rights. Any fan, regardless of whether they support a band, a football team, or the Harry Potter novels, enjoys collecting merchandise and memorabilia and will jump at the chance to attend a Meet & Greet, a performance, or a match (as soon as the pandemic is over). As a result, it's unsurprising that ardent fans and collectors are so taken by NFTs. -the new approach of collecting and engaging with fans.

** STELLAR-ART NFT MARKETPLACE ON STELLAR **

STELLAR-ART NFT Marketplace is one the first NFT Marketplace that will be deployed on Stellar blockchain protocols that will provide rapid transfers and low cost of trading NFTs.

Non-Fungible Tokens (NFTs) become easy and accessible with STELLAR-ART NFT Marketplace in its ecosystem. With this, creators are allowed to upload their creations, media, images, and create the NFTs in a secure and decentralized manner. Now, with the contribution of NFTs, the creation media users may be able to generate passive income from their digital creation.
Ownership
There are millions of creators of digital content worldwide; STELLAR-ART Marketplace will offer them the option to put their digital work on the Marketplace, and our rights to use, sell, trade, and "own" these items will always be at the creators' choice. Blockchain technology firmly establishes ownership rights by providing highly secure accounts with Stellar protocols for users to store NFTs. Thus, if an individual or user possesses private keys or access to the system, he or she can have access to the assets held therein.

Provenance and Historical
Audit Blockchains keep track of and monitor all transactions from their inception to the present block, as well as any other transfer or exchange history associated with an NFT asset. Blockchains do this through unmatched data encryption. It enables sophisticated ownership monitoring and a comprehensive record of NFT asset purchases. There is no mystery about the NFT's origins or history, as everything is fully documented and public under Stellar.

Transferability and Liquidity
NFTs enable the tokenization and encapsulation of ownership (and maybe other rights) in a digital asset that can be freely traded in open marketplaces. The above-mentioned NFT assets, such as strong data assurance, ownership protection, counterfeit immunity, and evidence-based uniqueness, are extremely effective at removing a large portion of the friction costs risk associated with digital asset ownership, thereby facilitating market access and unlocking previously locked and illiquid capital. Thus, the ultimate pinpoint encapsulates one of STELLAR-ART NFT Marketplace's key objectives.

We are sure that the Stellar blockchain and its application to NFT technology will fundamentally alter the ownership and digital rights landscape in mysterious ways. Unlocking new markets and values increases the competitiveness and productivity of existing markets and provides individuals complete ownership of their digital assets.

STELLAR-ART NFT Marketplace commits to bringing this technology to a broader audience and enabling anybody to participate in NFT ownership and contribute to the growth of a healthy ecosystem.
WHY STELLAR AND NOT ETHEREUM?

Stellar is an open-source currency and payment network. Stellar enables the creation, transmission, and exchange of digital representations of all types of currency—dollars, pesos, bitcoin, and pretty much anything else. It is constructed in such a way that all of the world's financial systems can communicate via a single network.

Stellar has no owner; if anything, the public owns it. The software is distributed throughout an open, decentralized network and processes millions of transactions per day. As with Bitcoin and Ethereum, Stellar is based on blockchain technology to maintain network integrity, but the end user experience is more akin to cash. Stellar is far faster, more cost effective, and more energy efficient than conventional blockchain-based solutions.

Ethereum has long been regarded as the optimal platform for token production and issuance. However, more individuals are recognizing Stellar as a viable alternative. These are all fantastic development platforms, but each has its own unique characteristics. Each is perfect for a particular type of entrepreneur. This article discusses the four primary distinctions between Stellar and Ethereum.

Blockchain Development vs. Decentralized Payment Platform

Ethereum is a decentralized application platform that enables the creation of smart contracts and decentralized applications. Stellar is a decentralized payment platform that supports multiple currencies. Additionally, Stellar is capable of enabling the creation of simple applications and smart contracts. Stellar's benefit is that its simpler programs run faster, giving it a major advantage. Despite its slower speed, Ethereum's technology enables developers to design more sophisticated programs. Ethereum developers can design anything they desire, within reason, whereas Stellar developers are more restricted.

Ethereum is an excellent platform for developers that require a platform for complicated applications that can perform a variety of purposes. Stellar, on the other hand, is well-suited for developers in need of a rapid and dependable payment method.
Which Is More Secure of the Two?

Ethereum is a popular alternative for developers of smart contracts and decentralized apps. However, its rise has made it a target. Stellar's networks are a fraction of the size of Ethereum's. As a general rule, the larger the network, the easier it is for hackers to penetrate. Additionally, Stellar incorporates a number of security mechanisms that make it more difficult to attack. Among these capabilities are the option for enterprises to select nodes for transaction validation and batching. Stellar and other security token offerings (STOs) constitute physical assets. As a result, it is critical for those who use tokens for payment processing to choose the most secure platform possible.

Stellar Is Faster Than Ethereum

Numerous of these systems have a reputation for being extremely sluggish. It is a key impediment to the widespread adoption of tokens and blockchain platforms. Ethereum's platform is more complicated, which means that transactions can take minutes to execute. While this is significantly faster than other platforms, it is still a lengthy wait. However, the processing time for Stellar is approximately five seconds. Additionally, Stellar users do not have to pay transaction fees to third parties. You can also swap these currencies via Godex - a decentralized anonymous exchange that currently offers a favorable 1 ETH to XLM exchange rate.

Stellar, Ethereum, and Compliance

Compliance is another factor to consider, particularly for residents of the United States. They must interact with the Securities and Exchange Commission, as well as with other regulatory and law enforcement agencies. In the United States, the United Kingdom, and several other nations, KYC and AML regulations are rigorous. Non-compliance can result in harsh legal consequences. It is critical to select a token that incorporates built-in safeguards for individuals who wish to remain compliant and avoid regulatory agencies and law enforcement issues.
Stellar complies with KYC and anti-money laundering regulations; in fact, users are prohibited from trading with anyone who does not have an approved address. Additionally, it has the ability to freeze non-compliant accounts. Ethereum lacks these characteristics.

**Liquidity**

Ethereum has no liquidity issues, as the majority of developers use it to generate customized ERC20 tokens. There are numerous appropriate wallets and exchanges available for trading and securing them. Each year, however, an apparently unlimited amount of tokens are issued. They are traded on a variety of exchanges, which makes them difficult for inexperienced investors to trade.

On the other hand, Stellar has its own exchange where tokens may be traded as well as a limited number of projects, which means that the activity and trading volume are low. Stellar circumvented this issue by designing itself in such a way that its customers do not need to use other exchanges. Increased liquidity is contingent upon Stellar's success in attracting new clients.
FEATURES AND FUNCTIONALITY

- **Decentralized and non-permissible** — The STELLAR-ART NFT Framework is intended to maximize the benefits of digital asset ownership and trading (and minimize risks). Our key technologies are entirely based on blockchain technology and automated smart contracts.

- **Blockchain Protocol** — The STELLAR-ART protocol and network are powered by the Stellar Network, which includes a native token called STELLAR-ART. It will leverage the entire Stellar network’s security benefits, avoiding the danger of a consensus attack.

- **Less Costly Fee Exposure** — Certain fees will apply, including application usage fees for trade execution, NFT creation and listing, and NFT auctions, as well as network fees for STELLAR-ART transfers.

- **On-Chain Management Governance** — The administration of the STELLAR-ART NFT Marketplace enables stakeholders to dynamically adapt the core protocol and essential framework parameters to meet changing environmental and community needs.

- **Client Partnerships** — STELLAR-ART NFT Marketplace is a one-of-a-kind platform that enables users to sell digital products on the NFT marketplace. They can sell their photographs or products on a Stellar powered marketplace.

- **Incentivization and Rewards** — User Base Incentivization and Rewards — Almost everything revolves around community. The STELLAR-ART NFT Marketplace will be exclusively focused on rewarding early adopters for their significant contributions through a variety of incentive and reward programs designed to assist successful producers, dealers, and consumers. Along with usage incentives, the STELLAR-ART NFT Marketplace leverages Stellar’s Proof of Stake methodology to compensate network validators.
STEELAR-ART NFT Governance

The project enables stakeholders to vote on, amend, and modify the underlying protocols of the platform. The majority of token holders will be awarded rights on the platform and community ecosystem, including the ability to influence the outcome of vital decisions, adjust critical parameters such as the fee rate, and engage in community-based activities.

The Marketplace

The STEELAR-ART NFT Marketplace will provide a crypto-powered digital item and trading platform for users to create, purchase, and sell NFTs denominated in the STEELAR-ART token, as well as additional services such as auction listing, governance mechanisms, and trade history tracking based on user opinions.

The STEELAR-ART NFT Marketplace's purpose is to create a platform for digital creators to sell, purchase, and trade their digital products.

Potential Marketing Focus

NFTs are extremely versatile and productive in their applications, which range from digital artwork to digital event tickets. While NFTs have a diverse variety of applications and classifications, the STEELAR-ART NFT Marketplace will place a premium on all potential NFT types.

Market Growth Potential

The NFT market, while it is still in its infancy, is growing year after year, with new NFT enterprises joining the market daily. Direct market data and statistics about blockchain applications are provided by DappRadar.com. Three major digital markets have seen significant growth in transaction volume and active visitors over the previous several years. To use the Marketplace, all you need is a Stellar-compatible crypto wallet Lobstr, a browser, and the click of a button.
Users have been able to interact in the STELLAR-ART NFT Marketplace in three basic ways.

i. **Creators** - To foster a dynamic and active market, STELLAR-ART NFT Marketplace has developed a refined NFT creator that enables customers and five companies to efficiently mint and publish their content, ideas, services, and products as NFT tokens on the STELLAR-ART NFT Marketplace.

   Anyone with a STELLAR-ART account can create NFTs; additionally, the STELLAR-ART NFT Marketplace provides high visibility for digital assets, listing discounts, and other benefits. Simultaneously, consumers can be confident that verified listings are generated and sourced from top artists and on-demand NFT products as selected by the community.

   Almost every Creator is compensated for their listings. This means that any NFT sold on the STELLAR-ART Marketplace contributes a percentage of its exchange fees to the originator, which includes any future exchanges during the item's lifetime.

ii. **Sellers** - Anyone who already owns NFTs purchased on the STELLAR-ART NFT Marketplace may bring those tokens to both the STELLAR-ART Marketplace and the STELLAR-ART NFT Marketplace by connecting their Lobstr crypto-wallet and purchasing them at their desired price.

iii. **Buyers** can use STELLAR-ART tokens to look for and purchase products. The STELLAR-ART NFT Marketplace will accept its STELLAR-ART token as a counter currency for exchange. As a result, when rare items or items requiring a fair price discovery are desired, sellers may start an auction that will be handled automatically on the STELLAR-ART NFT blockchain based on the initial criteria.

**STELLAR-ART TOKEN ECOSYSTEM**
The STELLAR-ART NFT Marketplace ecosystem combines the STELLAR-ART TOKEN utility as a native for protocol and application tokens. Usage of the STELLAR-ART token is used in six main ways:

- **Fees** — All fees for the NFT Marketplace applications, including listing fees, are paid with STELLAR-ART.
- **Rewards** — Rewards distributed and contributed to all uses will be denominated in STELLAR-ART.
- **Membership** — Besides engaging in governance, STELLAR-ART token holders would enjoy other rights and protections within the ecosystem, to which non-holders will not have access. For example, STELLAR-ART holders will pay reduced service charges and increased listing exposure.
- **Payment** — The Primary exchangeable counter digital currency is STELLAR-ART for all trades on the Marketplace.
- **Governance** — STELLAR-ART is often used to vote on policy-making referendums on government. STELLAR-ART token holders can participate in the STELLAR-ART NFT ecosystem policy-making process by voting with STELLAR-ART. The more STELLAR-ART, a holder has more power to vote.
- **Network Fees** — STELLAR-ART is the core base digital currency for paying the transaction charges.

The primary way to obtain STELLAR-ART would be through the platform itself. However, there are many ways for service users to receive STELLAR-ART tokens as incentives, mainly during the daily operation of the STELLAR-ART NFT Marketplace.
PROOF OF CONCEPT

The example below is a demonstration of creating an NFT according to today's accepted canon where (contradictory) non-fungible tokens often are fungible (meaning the same token is issued several times as an identical clone). Naturally, it can also use this method to give only a single token, or you can use the technique described by /u/dzham almost two years ago, where an account represents the NFT instead of a token, and ownership is changed by adding/removing signers.

The method used here can be replicated using the Stellar Laboratory and not using IPFS but uploading the NFT as a static image to Imgur for simplicity.

Before we start, create two new vital pairs and get funding from the friend bot:

It needs two keypairs because one will be used as the ISSUER and the DISTRIBUTOR of our NFT.

Issuer:
GDNKO7IOD63HBLOF2HRLGZGWOCFXWHYGXZNRS7YFOZWUUZGBLBLPDAV

Distributor:
GDNJ7CH5XGH6MPMTHUGJIYLA3PVKQHHVR6A762ZBO6GSF3L7M5KERJ

Building the transaction in one go:

From [https://laboratory.stellar.org/#txbuilder](https://laboratory.stellar.org/#txbuilder) being on test net. Source account = Issuer Click the button to fetch a new Transaction Sequence Number.
Before we can send the NFTs (which will create them), the Distributor needs to trust the Issuer first. This is the step where the future token will be named. Select the 'Change Trust' option and make sure that you do not confuse the Issuer and the Distributor:

![Change Trust operation](image)

Next, we are going to send the token from the Issuer to the Distributor. Since NFTs are supposed to be indivisible (0.0000001 is the smallest unit on Stellar) and we issued 11 identical NFTs, we set this to 0.0000011 (11x0.0000001 StellarNFT will be created and sent from Issuer...
to Distributor). Again, make sure not to confuse the Issuer and Distributor and that the Asset Code matches how we set it in the previous step.

Next, we upload a sample logo to Imgur and add a data entry 'NFT source' to reference the content. There has been no potential standard set as of now. Now, any future marketplace can read this data entry and fetch the source image from Imgur to display to front-end users.

Optional: To ensure that no more of these NFTs can be created, we can lock the issuing account by simply setting the Master Weight to 0.
The Issuer account with weight=0:

The Distributor with a balance of 11 (0.0000011) StellarNFT

And the NFT itself with Status 'locked'
<table>
<thead>
<tr>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total supply: 0 🚀StellarNFT ⬆</td>
</tr>
<tr>
<td>First transaction: 2021-03-21 02:37:50 UTC ⬆</td>
</tr>
<tr>
<td>Trustlines: 1 total / 1 authorized / 1 funded ⬆</td>
</tr>
<tr>
<td>Median balance: 0.00000011 🚀StellarNFT ⬆</td>
</tr>
<tr>
<td>Total payments count: 1 ⬆</td>
</tr>
<tr>
<td>Overall payments volume: 0 🚀StellarNFT ⬆</td>
</tr>
<tr>
<td>Total trades count: 0 ⬆</td>
</tr>
<tr>
<td>Asset authorization flags: none ⬆</td>
</tr>
<tr>
<td>Issuer account lock status: locked ⬆</td>
</tr>
</tbody>
</table>
CONCLUSION

 STELLAR-ART NFT Marketplace is revolutionizing the NFT industry by connecting a NFT marketplace with digital asset creators, buyers of digital assets, and sellers of digital assets. It provides users and businesses a platform to sell their digital assets to earn passive income on the fastest and low-cost blockchain network of Stellar with Lobstr wallet.