

## Abstract

The ERC352 standard, developed by ANON, represents a groundbreaking evolution in the Non-Fungible Token (NFT) ecosystem.

Building upon the foundations laid by ERC404, which addressed the inadequacies of the original 404 standard, ERC352 introduces enhanced liquidity mechanisms and resolves issues related to rarity functionality.

This whitepaper outlines the key features and benefits of the ERC352 standard, emphasizing its potential to revolutionize NFT markets and foster greater efficiency and transparency in blockchain transactions.

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## Introduction

The emergence of NFTs has brought unprecedented opportunities and challenges to the digital asset space.

While NFTs offer unique ownership rights and provenance tracking, existing standards such as ERC721 and ERC1155 have faced limitations in terms of liquidity and rarity management.

The introduction of the ERC404 standard by ANON marked a significant milestone in addressing these shortcomings.

However, further enhancements were required to fully realize the potential of NFTs as a liquid and tradable asset class.

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## Enhancements Introduced by ERC352

The ERC352 standard builds upon the foundational principles of ERC404 while introducing several key enhancements:

**Improved Liquidity Mechanisms:** ERC352 streamlines the process of buying and selling NFTs by utilizing the whitelist function to control the interactions between ERC20 and ERC721 standards.

This integration enables seamless transactions without needing to pay excess gas fees incurred when combining both the ERC20 and 721 protocols, thus enhancing market liquidity and accessibility.

**Enhanced Rarity Functionality:** One of the primary challenges with earlier standards was the inability to effectively track the rarity of NFTs.

ERC352 addresses this issue by implementing code to make sure that when a NFT is pulled from the deck the contracts register that it is no longer inside the deck and thus cannot be pulled again until the NFT in circulation is burnt and returned to the deck upon sale of the token/NFT to the liquidity pool.

This mechanism ensures that each transaction contributes to the rarity and uniqueness of each individual NFT.

**Fractional Support bolstering:** ERC352 strengthens the mechanism for token fractions.

Through the use of the whitelist function combined with the fractional buy's it is very possible for many of the NFT's to become locked in the deck until a whole token is available to buy.

This feature not only enhances accessibility for investors but also inadvertently increases the rarity of remaining NFTs in the deck, thereby preserving their value and scarcity.

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## Benefits of ERC352

The adoption of the ERC352 standard offers several benefits to participants in the NFT ecosystem:

**Instant Liquidity:** ERC352 enables instant liquidity for NFTs, facilitating faster and more efficient transactions.

**Improved Rarity Tracking:** By implementing a token-deck model, ERC352 enhances the transparency and accuracy of rarity tracking, thereby increasing the value of NFTs.

**Fractional Ownership Opportunities:** The support for token fractions broadens the investor base and increases market participation, leading to a more vibrant and dynamic NFT marketplace.

**Cheaper gas fees:** By not exposing the buyer directly to the ERC721 protocol the buyer pays a significantly smaller fee for minting an NFT/fractional buy (a normal ERC20 gas fee).

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## Conclusion

The ERC352 standard represents a significant leap forward in the evolution of NFTs, addressing critical issues related to liquidity, rarity tracking, and market accessibility.

By combining innovative features with robust infrastructure, ERC352 sets a new benchmark for blockchain technology and opens up exciting opportunities for investors, creators, and collectors alike.