

## Chapter-8

# LEGAL AND ECONOMIC ASPECTS OF NON-FUNGIBLE TOKENS (NFTs) IN INDIA'S ART AND ENTERTAINMENT INDUSTRY

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### ABSTRACT

*This research paper delves into the evolving domain of Non-Fungible Tokens (NFTs) within the unique backdrop of India's art and entertainment industry, a realm where NFTs have garnered global attention as a novel digital asset class enabling the tokenization and ownership of distinct digital content. The paper's key focus areas are threefold: First, it will scrutinize the legal framework governing NFTs in India, including existing laws, regulations, legal status, copyright, intellectual property, and taxation aspects, offering comparative insights from international NFT regulations. Second, the study will assess the economic implications of NFTs on artists, creators, and collectors, evaluating benefits, challenges, and illustrative case studies, while also delving into NFT market dynamics, trends, and the roles of key players and platforms. Third, it will explore the cultural and artistic implications of NFTs, examining their influence on artistic creation and the preservation of cultural heritage, as well as their impact on the relationship between traditional and digital art forms in India. Furthermore, the research will discuss future prospects and challenges within the Indian NFT landscape, considering potential developments, risks, and uncertainties, and offering recommendations for policymakers, artists, and industry participants. In conclusion, this research aims to illuminate the legal and economic facets of NFTs in India's art and entertainment industry, fostering a deeper understanding of NFT implications for diverse stakeholders and providing invaluable guidance for navigating this dynamic landscape. This research endeavour aims to illuminate the legal and economic facets of NFTs in India's art and entertainment industry. By offering a comprehensive analysis of the present state and future prospects, this paper provides valuable insights for stakeholders navigating this evolving NFT landscape. It also contributes to a deeper understanding of NFT implications for India's cultural and artistic heritage, offering guidance for informed decision-making in this emerging digital era.*

**Keywords:** Crypto-currency, Digital asset, Economic implications, Non-Fungible Tokens (NFTs), NFT market trends.

### INTRODUCTION

Non-fungible tokens (NFTs) are one-of-a-kind digital entry stored on a special online record that shows details about a specific digital item. NFTs are the recent offshoots in the arena of financial technology characterized as a unique crypto token that represents "digital incorporeal" property such as art, music, videos, and digital collectibles. They are traded online using crypto-currency and are encoded using block-chain technology.<sup>1</sup>

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<sup>1</sup>Robyn Conti, *What Is An NFT? Non-Fungible Tokens Explained*, Forbes, <https://www.forbes.com/advisor/investing/cryptocurrency/nft-non-fungible-token/> (last updated May 10, 2024, 3:41 pm).

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