

# Replacing Fiat with NFT Ecosystem

Like Bitcoin, NFT transactions take place on a blockchain, which means that the intermediary step in traditional transactions – typically a sequence of two commercial banks with a settlement bank in between – is removed. Instead, the NFT buyer and seller are directly connected on the blockchain. And like how blockchain technology makes duplicate transactions for cryptocurrency impossible, it similarly makes it impossible to duplicate an NFT.

Fiat or cryptocurrencies are fungible, meaning one unit can be traded for another of the same. For instance, one US dollar for one US dollar. This is not possible with NFTs, as each NFT is unique.

So far, NFTs are predominantly created, or 'minted' on the Ethereum blockchain network. Up to now, most NFT buyers and sellers have had to use cryptocurrencies to realize transactions

## Does NFT pose a threat to Fiat?

NFTs are part of the concept of Web3, the idea of a new kind of internet built upon blockchain technology with decentralization and tokenization at its core. And much like Bitcoin has its proponents and detractors, so too do NFTs. However, given the rapid rise of NFTs in 2021 and their status as the new kid on the block, it is still an asset class that produces a great deal of skepticism.

In 2021, NFT sales rose above \$24.9 billion, up from \$94.9 million in 2020. For the same period, wallets used to trade NFTs ballooned from 545,000 to 28.6 million.

NFTs could ultimately innovate the traditional financial industry, primarily because of their ability to provide secure, instantaneous transactions. They have the potential to generate huge time and cost savings by completely removing all intermediary parties and processes from transactions for the purchase and sale of real-world assets. Other implications for the financial industry may come about due to the possibility of creating smart contracts within NFTs and the enormous potential that they hold for a total transformation of investment markets and investment asset possibilities.

Should the use of NFTs continue to increase and purchases primarily be made using ether, it would theoretically mean that cryptocurrency used to buy and sell would go up and, as a result, incrementally replace fiat currency use. However, it is a lot more complex than that. Many users may simply convert their cryptocurrency after a sale into fiat currency. Moreover, fiat currency transactions still far outweigh crypto transactions globally. If any shift were to take place, it would likely take decades.

## The use of Fiat currency is coming for NFTs

People will soon be able to buy and sell NFTs using fiat currency, such as the US dollar or euro. Coinbase, one of the world's largest crypto exchanges, recently agreed to a deal with Mastercard to take Mastercard card payments in fiat currency on its new NFT platform. Moreover, other NFT platforms are planning on offering fiat payment options.

This introduction of fiat currency to buy and sell NFTs will likely help NFTs go mainstream, as they will appeal to both crypto enthusiasts and non-crypto enthusiasts. However, blockchain enthusiasts may see this as a natural consequence and part of the evolution from fiat to cryptocurrency mainstream use.

## What NFTs mean for fiat currencies

NFTs are not expected to present a severe threat to the dominance of fiat currency and its use in foreign exchange markets in the near future. In fact, the use of fiat currency is set to grow for NFT transactions, presenting an alternative to crypto use. However, there could be a point in the not-too-distant future when peer-to-peer transactions on blockchain networks using cryptocurrency reach a critical mass.

The rise in the appeal of using NFTs to buy and sell real-world assets, and completing these transactions using cryptocurrencies, would form an essential component in hastening this process. Should this day arrive, the days of foreign exchange as the world knows it would be numbered.

NFTs represent another important development towards an increasingly digital economy and an embracing of decentralization. In this way, over the long term, it may hasten the appeal of the non-traditional monetary system, to which fiat currencies do not belong. Consequently, this could strengthen the potential of cryptocurrency overtaking fiat currency as the dominant global type of currency with which to buy and sell products and invest, an eventuality that a panel of market commentators believe will take place by 2050 and even as soon as 2035.

## About Bounty Box

[BountyBox](#) is a smart, professional AI Flipper. It simplifies trading of NFTs and the AI helps you to buy at the right time and sell at the right time. With the number of scam projects out there, BountyBox couldn't have arrived at a better time. Getting in early into the NFT industry might just be the best decision you've ever made, and with bounty box, you can be assured of a financial plot in the NFT ecosystem.

## Conclusion.

NFT is an ever growing market projected to take over from cryptocurrencies on the Blockchain network. You don't want to miss out on all the fun and goodies that come with flipping NFTS. If you want a reliable AI trading system, then BountyBox is the way to go. Visit the website now [www.bountybox.io](http://www.bountybox.io) and be one of the early birds to get started. Cheers.