

What is a token standard?

Each token envisages a concrete infrastructure, including the design, development, operation technicalities and utility. A comprehensive entitlement for these assets is a token standard. Token standards offer guidelines for issuance, deployment, transfer, destruction and other attributes of digital assets.

Simply put, a token standard is a set of data required for its existence and compliance within an ecosystem or chain network. The functional range of each token on the basis is versatile, hence the standards facilitate the implementation into the blockchain by shaping unique speed, security and scalability.

Some of the most popular Token standards are Ethereum based tokens:

- ERC-20: Unlocks the ability to design tokens of different kinds (staking, virtual), which are common regarding their functionality.
- ERC-721: Provides a basis for non-fungible tokens (NFTs). This means, the functionality of the token is possible to implement differently, with a global unique token id.

To note, other ecosystems have their own token standards. Ethereum was used in this example because it is the most widely used.