

## **Risk and Return of NFT, Metaverse, Cryptocurrency, and NFT's Relation with IP**

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### **Abstract:**

This research discusses the Risk and Return of NFT, IP, Metaverse, and cryptocurrency. To investigate the factors affecting the risk and return of Cryptocurrency, Metaverse & NFT, and the connection between them. Being aware of the risk and return factors will help investors make the right decision and avoid these risk factors. The research studies the link between NFT and other digital assets. As well as, the relation between NFT and IP. Furthermore, explores the probability of NFT taking place in the Middle East. Qualitative Method was used to collect the primary data in the completion of this study. Data were collected using a survey strategy by interviewing investors, creators, and blockchain technology specialists through semi-structured interviews. The research time horizon across-sectional study. As well as secondary sources to help explain the concepts and support the primary data. After having analyzed the information, that has been gathered regarding the topic of discussion, it has come to the result that the NFT is digital proof of ownership, that is used in digital or real assets if legally approved. Besides, risk and return factors affecting NFT, Metaverse, and cryptocurrency are very close with small differences in cryptocurrencies as it is a wide market. Furthermore, there is a huge potential for taking place in the Middle East. Which creates new investment opportunities.

**Keywords:** NFTs, Metaverse, cryptocurrency, IP, risk

## 1. Introduction

### 1.1. About the digital assets

A digital asset is anything that is digitally recorded and uniquely identifiable and may be used by organizations to generate value. Its representations of values are not issued or guaranteed by a central bank or public authority and do not have the legal status of currency or money.

The blockchain has inhaled new life into the term. An entire class of advanced resources in the blockchain is being created, and it's possibly the main speculation opportunity since the Internet.

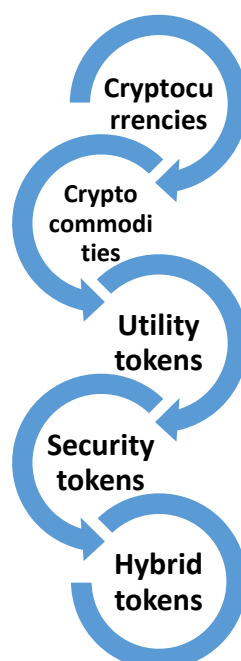
It is important to understand the new class of digital assets for the creation of smart investment strategies, improvement of new organizations, and broadening conventional portfolios. As such, assuming that you might want to contribute and develop your abundance of the blockchain, you want to see each sort of advanced it is today.

### 1.2. Type of blockchain digital assets

For one reason, digital assets provide a trillion-dollar investment opportunity. The ultra-fast digital economy necessitates entirely new approaches to wealth creation and corporate operations.

Whether it's crypto commodities, cryptocurrencies, security tokens, utilities, or real-world asset tokens, the digital asset blockchain enables the global economy to be overhauled and redesigned, increasing efficiency and opening the door to incredible new prospects.

The five basic forms of digital assets now available on the blockchain are listed in Figure 1.



(Warmann,2020)

Figure (1) the types of digital assets

### **1.3. Fungible and non-fungible assets**

What are fungible and non-fungible assets? fungible assets are assets that can be exchanged for something else or to equal value they could be: currencies, commodities, and precious stones. On the other hand, non-fungible assets: is an asset that has unique proper that cannot be interchanged elsewhere. It could be a painting that is one of a kind Orkin uses. You can snap a picture of the work of art or purchase a print however there will just at any point be one unique painting.

### **1.4. NFTs**

NFTs (Non-Fungible Tokens) are a type of digital authentication instrument. NFTs are known to be the most popular particulars the s in today's world. These objects have been authenticated. NFTs are analogous way, but they only live in the digital realm. Preliminarily, no technology was to allow for the power of digital means.

### **1.5. Metaverse**

The Metaverse is a virtual open area created by combining virtual reality with digital reality. Activities that currently take place in isolated locations (such as purchasing digital land and building virtual homes, participating in a virtual social experience, and so on) will eventually move to the Metaverse. As well as Metaverse works with a variety of technologies.

### **1.6. Cryptocurrency**

Cryptocurrency is a type of digital payment that does not require transaction verification by a bank. Cryptocurrency payments are digital entries in an online database that identify individual transactions, rather than physical money that may be carried about and exchanged. The cryptocurrency is kept in a digital wallet.

### **1.7. Aim**

To investigate the factors affecting the risk and return of Cryptocurrency, Metaverse & NFT, and the connection between NFT, IP, Metaverse, and Cryptocurrency.

### **1.8. Purpose of study**

The goal of the study is to investigate the new financial instrument and their relations. Moreover, studying the NFT relation with each of the following IPs, Metaverse, and Cryptocurrency. Furthermore, studying the risk and return of all of them helps investors make the decision and choose where or in which index will invest.

Also, research on the potential of NFT takes place in the Middle East.

### 1.9. Research questions

Is NFT a form of currency, a commodity, a stake in a technology breakthrough, or a completely different instrument?

What are the factors affecting the risk and return of NFT, Metaverse, and cryptocurrency to help investors make the decision?

Components what is the intersection and division of NFT, IP, Metaverse, and cryptocurrency?

How common are non-fungible tokens in the Middle East?

### 1.10. Objectives

- To introduce NFT, Metaverse & cryptocurrency
- To investigate risk and return affecting NFT, Metaverse & cryptocurrency
- To highlight the relationship between NFT and IP
- To discuss the relationship between NFT, cryptocurrency & Metaverse
- To discuss the investment opportunity on NFT
- To help the investors reach their goal which is to increase wealth
- To help the investors make the right investment decision depending on risk and return analysis.

## 2. Literature review

Subject introduction: Risk and return of cryptocurrency, Metaverse & NFT and its association with IP

Why choose the Risk and Return of Cryptocurrency, Metaverse & NFT, and its association with IP as a topic?

The topic was chosen because of the hype happening in this field and the different points of view about non-fungible tokens (NFT) nature. Highlighting the relation between NFT and IP, the similarities and differences. In addition to the relationship of non-fungible tokens to both the Metaverse and digital currencies. This chapter includes a Literature Review and secondary data related to researcher questions.

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## **What is NFT is it a form of currency, a commodity, a stake in a technology breakthrough, or a completely different instrument?**

NFTs are not cryptocurrencies. NFTs are not cryptocurrencies. Although the two assets are considered digital assets under the same umbrella, they have distinct qualities that distinguish them. (Omariba 2021)

A Blockchain-based technological breakthrough that revolutionizes digital ownership for art, collectibles, and gaming. NFT is a huge technology innovation that allows for new online behavior, paving the door for new business models and investment opportunities, since economic rewards may be collected in previously unimaginable ways. (Finucane, 2021)

Another possible regulatory difficulty, according to Washington, D.C.-based securities partner Josh Sterling, is whether the NFT is a commodity. “Except onions and box office receipts from movie theatres, almost anything is a commodity under the Commodity Exchange Act, says one expert. he argues. “As a result, it’s quite possible that the Commodity Futures Trading Commission will decide that NFTs are commodities”. (Acello, 2021).

## **What are the factors affecting the risk and return of NFT, Metaverse, and cryptocurrency to help investors make the decision?**

### **NFT risk and return**

Individuals and enterprises working in these areas should carefully assess the benefits of owning an NFT platform or portfolio, as well as new applications of and maybe revisions to current bodies of legislation, such as copyright and false advertising, that will handle NFT challenges. (Business Management)

### **Metaverse risk and return**

Metaverse has caused quite a stir in the decentralized space. It’s not just about playing NFT games to immerse oneself in a virtual environment; it’s also about investing in cutting-edge technology. Investing in the Metaverse, on the other hand, is only worthwhile if you have the necessary knowledge and abilities to evaluate the industry and market. The Metaverse comes with its own set of dangers and benefits.

If you want to enjoy the advantages, you must take risks. However, calculated risk.

The Metaverse risks are Limited Market, risk of losing the investment, and Scams as explained in Figure 2.



Figure (2) The Metaverse risk

Based on our study and statistics from New ZOO, IDC, PWC, Statista, and Two Circles, the worldwide Metaverse revenue opportunity might surpass \$800 billion in 2024, up from over \$500 billion in 2020. The principal market for online game producers and gaming equipment might reach \$400 billion in 2024, with the rest coming from live entertainment and social media. (Bloomberg Intelligence, 2021)

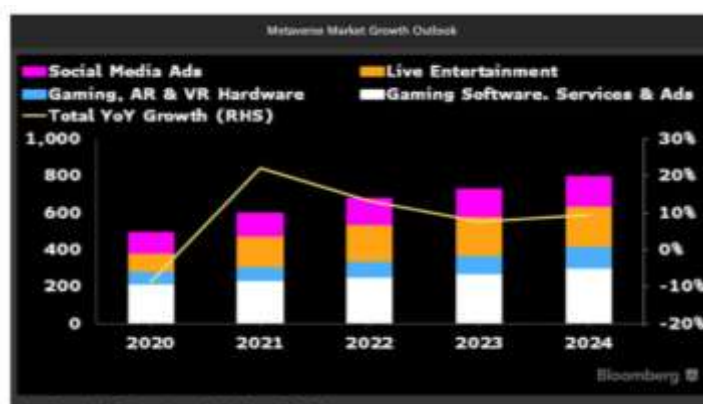


Figure (3) Metaverse Market Growth

Also, according to financial services firm PwC, the global Metaverse market will grow from \$148.5 billion last year to \$476.4 billion by 2025 and \$1.542 trillion by 2030(PwC)

**Cryptocurrency risk and return:**

The risk of cryptocurrencies is high volatility, so it’s too risky to invest in one currency.

Among others, a possible sanctuary for the transfer of unlawfully obtained cash Furthermore, the historically high returns generated by cryptocurrency investments throughout their short lifespans have piqued the curiosity of both speculators and casual onlookers.

The potential rewards are great when compared to more traditional assets like foreign currencies and the stock market, and the hazards are proportionately bigger (Cudd et al. 2018).

**What are the intersection and division of NFT and each of the following IP, Metaverse, and Cryptocurrency?**

**Non-fungible tokens and intellectual properties**

An NFT is not a type of intellectual property. It doesn't fit into any of the existing IP classifications. An NFT is closest to a form or proof. It merely verifies that the owner of the NFT owns the "real" or actual version or copy of something and it could have an infinite copy of it. (Chintalapoodi 2021)

Intellectual property is not a non-fungible token. An NFT is neither a kind of cash nor intellectual property in and of itself. The underlying digital picture, on the other hand, might be protected by copyright or a trademark. (Deepika and Dileep 2021)

**Non-fungible tokens and Metaverse**

In the Metaverse, NFTs may be used to represent ownership of in-game assets, virtual avatars, and real estate holdings (digital version). Similarly, the Metaverse-based NFT marketplace allows users' avatars to browse the marketplace, examine the digital items in greater detail, and select the product of their choosing. (Takyar 2022)

NFT and Metaverse Comparisons of Idea, fungibility, and benefit are clarified in Table 1.

**Table 1. NFTs vs Metaverse**

Parameters of Comparison	NFT	Metaverse
Idea	The NFT idea is built on blockchain technology, and users may purchase it using Bitcoin.	The Metaverse idea is based on the sale and purchase of NFTs of various digital things.
Fungibility	NFTs are non-fungible tokens, as the name implies since they are one-of-a-kind in appearance.	The Metaverse currency will very definitely be a fungible token that can be traded and swapped for equivalent amounts of money.

Benefit	NFT's most significant benefit is that it gives content creators with robust copyright protection.	Metaverse is expected to improve education by allowing students to participate in real-time active classrooms.
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### **Non-fungible tokens and cryptocurrency**

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### **In the Middle East, how frequent are non-fungible tokens?**

Three Middle Eastern NFT markets raised roughly \$10 million last year. Now, Art Dubai, the region's largest art festival, is dedicating an entire area to digital art and NFTs. (Hamid, 2022)

"At the moment, there are not a lot of regional artists that are readily transitioning to NFTs or digital art, but I see that changing very soon," says Dubai-based contemporary artist, Kristel Bechara. "We will see an increasing number of local and worldwide artists using NFTs to sell their paintings shortly as a result of expanding popular interest and technology that is improving and becoming easier and more accessible." Bechara herself became the first Arab female artist to launch an NFT-tokenized art series in the UAE and the Middle East. It sold in less than 24 hours for approximately 1.10 ETH (\$2528).

NFT is also attracting the attention of other artists and galleries. This year, Kuwait's Gallery Bawa, a digital art gallery, had its inaugural NFT art exhibition. Abdullah Qandeel, a Saudi artist, claimed to have launched the world's first Artist-Approved Physical NFT on June 29 (AP-NFT). Elie Saab, a Lebanese international fashion house, has announced its entry into the Metaverse, where it has opened a virtual store, to provide a unique experience for its customers and to keep up with the world of digital development that we are witnessing at the moment, thus joining a group of luxury brands that have a tangible presence in the digital world of NFT. Dubai Police General Command launched its first set of non-fungible digital assets (NFT), consisting of 150 digital assets. MBC Group the largest media organization and the pioneer in the Middle East and North Africa launched the Genesis NFT collection, offering more than 200 properties of different levels of scarcity, in March 2022, in partnership with ENCORE Strategy a technology and marketing mentor company, based in Zurich, Switzerland, and AFTERMEDIA a media company for the development of trade and business (MBC).



### 3. Methodology

This chapter will discuss the method used in the research investigation. To aquire, the aim of the study researcher used the mono method, qualitative to collect the primary data through semi-structured interviews. A research approach is a deductive approach that depends on a literature review of previous studies. This researcher built on the survey strategy through interviews with investors, creators, and specialists in blockchain technology which drives NFT, Metaverse, and Cryptocurrency. The research time horizon across-sectional study, the study focuses on the nature of NFT. Moreover, investigate the factors affecting risk and return for the following NFT, Metaverse, and cryptocurrencies. Also, the link between NFT, IP, Metaverse, and cryptocurrency. Furthermore, the prevalence of non-fungible tokens in the Middle East. In addition, secondary data is from financial websites like Bloomberg, PWC, and Binance.

#### Interviewee questions

What is a non-fungible token?

What is the challenge you face in entering the NFT world?

What is the challenge you face in entering the Metaverse?

What is the challenge you face in entering crypto?

What is the relationship between IP and NFT?

What is the relationship between NFT and Metaverse?

What is the relationship between NFT and cryptocurrency

What are the factors affecting NFT return?

Metaverse return

Cryptocurrency return

What are the risk factors investors should take into consideration when investing in NFT?

Metaverse

cryptocurrency

How does NFT change the investment world?

Has NFT changed the investor's thoughts about investment and how?

What is the right method that you used in terms of selecting the right NFT investment?

what is the potential in taking NFT's place in the Middle East?

How much NFT is growing in the Middle East?

What is the earning percentage from investing in NFT?

#### **4. Finding and discussion**

This chapter will focus on the results from interviews and link them with researcher questions, literature review, and secondary data that supported this result. The analysis method used in this research is the coding technique.

##### **NFT and its nature**

The first and second participants said that NFT is the main drive of Metaverse it is the assets you use inside Metaverse. As digital assets under the same umbrella, they have distinct qualities that distinguish them.” (Omariba 2021) However, it contradicts the theory of (BLAKE FINUCANE) that said it is a technological breakthrough.

##### **What are the challenges you face in entering the NFT, Metaverse, and cryptocurrency world?**

###### **NFT**

The first challenge would be the technical learning curve knowing how to keep how to save your NFT first of all how to buy them. And some people who lost for example bought a large amount of Cryptocurrency or in NFT and lost the password. NFTs of the art market, a lot of people started to buy an N F. T. But didn't have any knowledge about the art market. So, I still, need to gain knowledge about how it works to buy a piece of art. But the art market it's one example. Even NFTs are the game in the art of music and potential future in this people need to understand the industry first before buying an NFTS like they need to understand what they are buying. So, the challenge for the investors is to look at the best projects that represent those NFTs. Hidden creator. And mostly now the N F Ts are driven by hype and that means it's driven by just the talk of the people some of those N F Ts. Don't have any value at all. Do not accept these things easily. Do not accept new ideas. So, it's a challenge because the problem on it when opening a non-custodial wallet so you own the wallets. Will have 12, 18, or 24 passwords.so, if it loses these phrases it loses property or NFT bought from the market.

Ethereum Blockchain. will face a high gas fee sometimes Like art, and NFT projects the price of the art is \$100 or \$200. So, what is famous and known all the big artists are going to Ethereum Blockchain.

###### **Metaverse**

The same thing applies, when you talked about the N F T s because now, the main driver of those Metaverses is the N F T s that will be used inside the Metaverse because as a Metaverse can make a centralized and it's not a problem with that to make it a decentralized Metaverse, need to sell

spots of that Metaverse or rent it or give it to other people so they can utilize it, would do that by the use of those NFTs. So, the owner of that plot is an owner of an N F T. That will be used to rent or to build on it or to showcase a product or store inside of your Metaverse. And it probably could appear this one challenge in Metaverse. The challenge investors face in entering the Metaverse is which Metaverse platform they need, What do you want to achieve with that Metaverse platform? Do you need a Metaverse platform or not? Furthermore, what type of platform do you want to go on?

### **Cryptocurrencies**

Ellen Doug coin means it does pump and people enter it and it dumps the people they enter it their investment has been 10 dollars from 1,000 to 10. On the other hand, this one challenge and might co-tome a coin like Shiba. Shiba is a mean coin who enter at the beginning there is a story about a person who invested in it 8,000 it went all the way to more than a billion dollars. This result is consistent with the theory say that “The risk of cryptocurrencies is high volatility, so it’s too risky to invest in one currency” (By bit Learn). Wide market challenges cryptocurrencies now we have more than 20,000 kinds of coins. So as mentioned above education and knowledge is the first challenges investors face in entering the NFT world.

### **What is the relationship between IP and NFT?**

Let’s say that NFTs. Are the stump that can guarantee your intellectual property. That’s the thing about NFTs. It’s the only proof that will give you the flexibility to move from one place to another in the digital world. I mean I can show you that I have this IP number blah blah blah and this the property that I own and it’s registered in this entity or that entity. But I can also forge that and it will discover that it’s a forged document with NFTs. I mean the proof is instant. NFT can present a challenge for intellectual properties. I mean let’s say I’m an artist I wrote, I painted the picture and then somebody else took my picture and sold it as an NFT. NFTS are stolen art. So, they are infringing on the intellectual property of the owner. But on the other hand, let’s say I am an artist and I pay (Mike myself I convert my painting into an NFT. If I sell it in this case, we will not have an intellectual property issue. So, one of the challenges for intellectual property for NFT. But then I realized that he’s told me he or she stole this art form, he took a picture of someone else’s intellectual property. So, these are some complicated areas that intellectual property that can present challenges in the NFT. Let’s say for example intellectual property is the concept of owning the intellectual concept of something and then you can have a patent. The thing is like from a

technology standpoint it proves it, but from a legal standpoint, it does not yet. Can it be accepted as legal proof? Do an NFT And he does not have an IP It means he stole it. It's a big problem for the project.

### **What is the relationship between NFT and Metaverse?**

Now, the way we experience these assets is through a two-to-demand base which is the laptop, or a two-dimensional platform, which is the laptop. The Metaverse platform, let's see okay going to earn don't know certain attributes. Is going to prove that it's yours. So, it's proof of ownership but because it's So, blockchain it means that can prove it directly inside the metal gloves and can prove it also outside. And then after that on top of it, you can transfer these NFTs into other platforms where you can do more stuff. NFT let's say it's the technology. It's a technology as a digital asset. when going into the Metaverse and buying land to prove that the ownership of this land is by NFT. The NFT technology guarantees ownership inside or outside the Metaverse.

### **What is the relationship between NFT and cryptocurrency?**

I don't see a relationship between Cryptocurrency and then there are different entities inside the Blockchain. I don't see any relation with it. There are 11 applications of Blockchain. NFT.s A third application of Blockchain is Ritterbusch a communication platform. So, The Blockchain a technology that empowers Bitcoin, also empowers N. Cryptocurrency is based on what call a year C20 standard tokens. thus, this token is fungible. It means that can create 10,000 tokens with the same characters. T. is a non-fungible token. So, which means that each token that going to be released is going to be unique. NFTS. Let's say based on the collection that does the NFT. Each one of the 10,000 is going to have different characters if it's going to be coded and it's going to make it So, it's not fungible. So that's the difference between the two and both of them are digital assets under the umbrella of blockchain. This consists with (Conti and Schmidt) said that Cryptocurrency is fungible while NFT is non-fungible and both are derived by blockchain." a token. let's say Sandbox has a coin called Jan So it's a token. It's the same Now you have NFT and when you go to Metaverse. earn tokens inside the Metaverse world. And when you earn tokens, that's called cryptocurrency.

### **What are the factors affecting NFT, Metaverse, and cryptocurrency return?**

#### **NFTs**

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earn don't know certain attributes. Is going to prove that it's yours. So, it's proof of ownership but because it's So, blockchain it means that can prove it directly inside the metal gloves and can prove it also outside. And then after that on top of it, you can transfer these NFTs into other platforms where you can do more stuff. NFT let's say it's the technology. It's a technology as a digital asset. when going into the Metaverse and buying land to prove that the ownership of this land is by NFT. The NFT technology guarantees ownership inside or outside the Metaverse.

### **Metaverse**

The people behind it are basically that for all of them. it's a project that needs people. sandbox why do people love it, because I can buy land, I can build a virtual building and I can do an academy through Metaverse and people pay me money to join my Metaverse Academy, this one thing. Another thing I can build again is the sandbox and if it's a good game people will come and they want to play it, and they would pay me money to play it. Just I can buy land, and make a party a virtual party in it. if the Metaverse, allows me to do all these things, we love it right?

### **Cryptocurrencies**

Putting money in a savings account with the bank, the interest rate is about like 1% or even less because the bank is being, there is a lot of old computer system that we need to pay for and like the charges, a lot of fees and maintaining your bank is very expensive. If you go to a decentralized exchange or a Cryptocurrency platform in general, you can save your money, You're saving accounts in crypto and you're going to make 5–7% rather than 1% use like everything is automated. So, you can invest in Bitcoin and Ethereum at the same time with a single click and then you get the best performance of both. You can do what we call yield farming, meaning that you're going to go on a platform and that platform is going to automatically check for you the best rate all around in the system without any commercial incentive because it's all programming the smart contract. meaning that it has to find you the best rate. As a result, your return on investment in terms of Cryptocurrency, especially in decentralized finance. The classical finance world like banks, central banks, and financial institutions are looking at Blockchain technology today because it's cheaper to create money and make it to calculate and create products around it than we should take advantage of it. BNB it's a deflationary coin meaning the transactions that happened there fee played a part in these fees getting burned so the currency number did not increase but it decreased and this attracts investors There are coins that have 10 billion from it. They will put their money in this coin. Projects should be supported by Big VCs. As well as it must also have many

transactions on the chain so it can get supported and enter to exchange. A chance to enter a tier-one exchange because it's a very important thing. The investor should look for projects that have a community as well because without the community the project will lose, accordingly, investors will lose the money invested in such a project.

### **What are the risk factors investors should take into consideration when investing in NFT, Metaverse, and cryptocurrency?**

I think it's the same thing when it comes to the risk factors and investing in NFT. So, it means the same thing in the world that we have today, sometimes you can receive emails dressed in certain token cryptocurrencies and stuff like that, but they are fake and these people just want to take your personal information to empty your wallet or to try to hack you. Still, people are learning how to be careful about scams, and the currency well, so I think this is something that, that is a risk as well but to mitigate that for a couple of things. And then the second thing is you go on a platform like a clubhouse Twitter or discards and you try to check all the crypto communities and you can start to see like all the like the scam conversations or even on Reddit and stuff and you can learn about the patterns.

Don't start with money, you can't afford to lose This advice is repeated a lot but it's it's a fact start with \$500. That's you might lose everything if you did not do risk management if you did not manage your portfolio. However, they contain a lot of risks. That's you might lose everything if you did not do risk management if you did not manage your portfolio. You can easily lose everything. This consists of the theory that said NFTs give high returns. However, they contain a lot of risks. (Business Management) Another theory is that the risk of cryptocurrencies is high volatility, so it's too risky to invest in one currency. Software hacking and difficulty in transferring money. (By bit Learn)

### **How does NFT change the investment world?**

It's natural for the people or the greed of the people will just let them flow into that market but it should stabilize some the NFT. So, in terms of transferring assets, it's going to be way simpler for investors to do these things today. It's not how technology. I can I mean that building into the Blockchain through the NFT technology and fractionated and make it a fractionated. And I can rent out the apartment through that NFT so you can come and take one fraction and pay me through the smart contract. If you want to invest in let's, Say stock market, right? Can everyone invest in

the business stock market? Escalate the cycle of normal business. The cycle of So, the normal businesses which take 5–6 years here.

### **Has NFT changed the investor’s thoughts about investment and how?**

It recruits a lot of younger people, especially kids. I know like I hear here and their kids and they’re familiar with it and they started to collect it even though their parents or their older siblings, have no clue what is Cryptocurrency or Blockchain. But this gets started it became part of the world. I think it brought two categories of people. I think it brought people who are coming from the classical world and now they are starting to invest in NFT. people born with the internet, they understand the game, they are like I don’t know 15, 16 up to like 30 years old and they come and they invest directly on these platforms. They already have integrated that Blockchain technology is something that works and they are making investment out of it. I mean it was very difficult to do uh in the classic world today, it’s very easy or let’s say for example, you don’t have enough money to buy a full painting but with a group of friends or you decided to build a decentralized autonomous organization, raise funds and try to dive at painting and factionalist today, it’s very easy to do from a tax standpoint. I think this is what the NFT has brought up. I’m the guy, and I can sell land in whatever country, and someone like the land so he buys it through NFT.

### **What is the right method that you used in terms of selecting the right NFT investment?**

Like at the projects, hype, and the roadmap after that the community and the people are behind it. Go to socials, see the followers, see what the people are saying, read articles, and do some digging and study the project before you put your money, On the other hand, look at the project that you know. AS well as the utility that the benefit investor will get from investing in this project. Also, Education: make sure that you are buying an NFT. So, you need to educate yourself and make sure you know how to set up a crypto wallet. It’s in the ecosystem at the moment to try to get information about where to buy, and where to invest in everything. The important thing is the Branding, for the NFT Project.

### **Potentials of NFTs take place in the Middle East**

Before you look into adopting cryptocurrencies and adopting if you look at the markets in the Middle East, it’s very premature. Also, nobody is trying to educate themselves about the Blockchain so the Middle East will be years behind. Moreover, if you look at the Arabic content you will not learn anything if you want to learn, you have to look at the English side of it and that is, and that is a drawback for the Middle East. When looking at the demography of a country like

Saudi Arabia believe if my stats are correct 70% of the population is under 35 years old. We are talking to some people in Saudi Arabia in the Middle East region at the moment about an N.F.T. There is an interest, and interest is huge.

### **Growing of NFTs in the Middle East**

Also, we started to see some projects in the Middle East, most of them in Dubai. While, (Trista Hamid) says “NFTs become a trend in the Middle East, where artists like Kristel Bechara and Aya Tarek have launched their own NFT projects. Now, Art Dubai, the region’s largest art festival, is dedicating an entire area to digital art and NFTs.” As well as one participant attended Dubai's largest art festival and said “Me and my friend were the only Arabs. No Arab so it's an opportunity.

### **What is the earning percentage from investing in NFT?**

This depends on the project itself and the community behind the project. It is supply and demand so if the creator was active and always developing his project. People will like the projects and start using gaming if it’s a game or collecting if it’s an art. As a result of high demand, the earning percentage will go up. Therefore, we found projects give 10% return and others give more than 1000%.

## **5. Conclusions and recommendation**

### **5.1. Conclusions**

In conclusion, investors should choose carefully the projects they will invest in whether it is NFT, Metaverse, or Cryptocurrency. Take into consideration the nature of each one of them and the factors that affect risk and return. All of them are derived through blockchain technology. And since it is a new technology it contains high risk, high volatility, and a lot of scams. because it is not legally controlled so it is a higher risk than classic financial investment which is become a safe and stable market.

NFT is not a breakthrough technology it’s a digital proof of ownership whether it is assets, currency, or commodities.

NFTs relation with IP, Metaverse & Cryptocurrency. NFTs are stumper tools, instant and digital proof that can guarantee intellectual property. Also, it is the main driver for the Metaverse. The main utility that will be used in the Metaverse and digital proof of owning anything inside the Metaverse. Besides, there is no relation between NFT and Cryptocurrency unless they are both inside the blockchain.



There is a huge potential for NFTs taking place in the Middle East, but still in the beginning. It is premature and needs a lot of education so they can create higher-quality projects. On the other hand, some big names started entering the NFT world like MBC Groupe and Elie Saab.

## 5.2. Recommendation

It is recommended investors and creators educate themselves about blockchain technology first then about NFT, Metaverse, and Cryptocurrencies to have a full understanding before investing. All investors choose the right project to invest in through careful analysis. And not only by following the hype. Creators of the project be honest clear and active in building a strong community for their projects. Because a strong community helps in the success of the project. Stockholders diversify their investments to reduce risk. Moreover, investing in NFT, Metaverse, and Cryptocurrencies as well as the stock market and Gold. Also, I recommend investors choose trust trading platforms. Also, advise business owners to start benefiting from blockchain technology as it is the future. As well as blockchain technology also gives high returns with lower costs.

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