

# NFT

Risks and Advice



For details, please visit the HKCERT  
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## Non-Fungible Token (NFT)

- An encrypted digital token based on blockchain technology
- Each NFT has a unique digital identifier to distinguish the owner
- Transaction records of NFT cannot be deleted or altered
- Often applies to artwork, digital graphics, audio and videos, etc.

## Risks related to NFT



### • Phishing Attacks

Scammers send phishing SMSs or emails to lure victims to a bogus website and enter the wallet's password and recovery phrase. Scammers can then invade the account and steal the assets.

### • Vulnerabilities in NFT trading platform

If the NFT trading platform has vulnerabilities, attackers can take advantage of the loopholes to upload artwork containing malicious code or gain unauthorised access to the accounts on the platform.

### • Wash Trading

Culprits make multiple transactions to NFT as buyer and seller simultaneously to raise the price for profit.

### • Piracy and Copyrights Infringement

Buyers may have purchased counterfeit or infringing NFTs, suffering from mental harm or financial losses.

Quick  
TIPS



## How to trade NFT safely?

- 1 Do not click suspicious hyperlinks or attachments
- 2 Avoid storing all assets on the same trading platform or cryptocurrency wallet
- 3 Use a wallet with multi-factor authentication (MFA) or a cold wallet
- 4 Use official tools or applications from the NFT trading platform
- 5 Enable asset transfer whitelist function
- 6 Use blockchain explorer to check if the trading party has ever been involved in a suspicious transaction
- 7 Do not disclose the cryptocurrency wallet's password, recovery phrase or private key to others
- 8 Conduct sufficient research before purchasing NFT (e.g. check the identity and reputation of the seller, and check whether the information of NFT is complete etc.) to avoid losses