

# SQARES - How it works

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## Abstract

SQARES is a decentralized art marketplace that leverages blockchain technology to facilitate transparent and secure transactions in the art industry. It aims to create a fair and inclusive ecosystem for artists, collectors, buyers, and investors. The paper explores how SQARES works and the roles of various participants.

## Keywords

SQARES

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## 1. Introduction

SQARES is a decentralized art marketplace that leverages blockchain technology to create a transparent and inclusive platform for buying and selling artworks. It aims to revolutionize the art market by providing secure transactions, provenance verification, and opportunities for investment. Here are the key roles of participants in SQARES.

## 2. Actors

### 2.1 Seller

The seller refers to artists, collectors, or art owners who want to sell their artworks. They create listings on SQARES, providing details about the artwork, such as title, description, images, and desired price. The seller retains physical ownership of the artwork while creating a digital representation called a secured non-fungible token (SNFT) on the blockchain. The SNFT acts as proof of ownership and contains relevant information about the artwork.

### 2.2 Tokenizer

The tokenizer plays a critical role in the SQARES ecosystem. They authenticate and validate the artwork's provenance, ver-

ify its authenticity, and create the SNFT for the artwork. The tokenizer ensures that the digital representation accurately reflects the physical artwork by capturing important metadata such as images, descriptions, provenance information, and any other relevant attributes. This process instills trust and transparency in the digital representation of the artwork.

### 2.2.1 Buyer

Buyers are individuals or entities interested in purchasing artworks on SQARES. They browse the marketplace, exploring various SNFT listings created by sellers. Buyers can view detailed information about the artwork, including its provenance, ownership history, and associated documentation. When a buyer finds an artwork they wish to purchase, they can make an offer or accept the seller's listed price.

### 2.2.2 Trade Execution

Once the buyer and seller agree on the terms of the transaction, the trade is executed. The buyer transfers the agreed-upon payment to the seller using a supported cryptocurrency, typically Ethereum or another compatible token. The payment is made to the seller's designated digital wallet. Upon receiving the payment, the seller transfers the ownership of the SNFT to the buyer's digital wallet, establishing their ownership of the artwork.

## 3. Supporter

### 3.1 ARES Investors

ARES investors are individuals who invest in ARES, which is an autonomous smart contract associated with SQARES. ARES represents a collective participation.

### 3.2 Warehouse Operators

Warehouse operators play a crucial role in the physical storage and management of artworks. They are responsible for securely storing the physical artworks that have been tokenized as SNFTs on the blockchain. Warehouse operators ensure proper handling, preservation, and insurance of the artworks

while they are stored in the warehouse. Their role is essential in providing a secure and controlled environment for the physical artworks.

### 3.3 Software Developers

Software developers are the driving force behind the development and maintenance of the SQARES platform. They design, build, and enhance the software infrastructure that powers the marketplace. This includes developing the user interface, implementing smart contracts on the blockchain, integrating various features like authentication, payment processing, and facilitating seamless interactions between the participants. Software developers are responsible for ensuring the platform's security, scalability, and usability.

## 4. Summary

In summary, SQARES operates as a decentralized marketplace where sellers tokenize their artworks, buyers can purchase authenticated art pieces using cryptocurrencies, and ARES investors can participate in a diversified art investment fund. The platform leverages blockchain technology to ensure transparency, security, and provenance in art transactions. By eliminating intermediaries and introducing a fair and inclusive ecosystem, SQARES aims to revolutionize the art market and provide new opportunities for artists, collectors, buyers, and investors.

## 5. References

1. SQARES Market: <https://SQARES.com>
2. Paragon Foundation: <https://para-gon.org>
3. Paragon Art LLC: <https://paragonart.tech>