

Soulbound Tokens and Digital Identity: What They Are

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In May 2022, Ethereum co-founder Vitalik Buterin, along with researchers E. Glen Weyl and Puja Ohlhaver, published a paper introducing the concept of soulbound tokens (SBTs). Unlike standard cryptocurrency tokens or NFTs, SBTs are non-transferable — once issued to a wallet address, called a "Soul," they cannot be sold or moved to another owner. This property makes them fundamentally different from every other blockchain asset and positions them as a potential building block for decentralized identity systems.

What Soulbound Tokens Actually Are

An SBT is a digital token recorded on a blockchain that represents a credential, affiliation, or achievement tied permanently to a specific account. Examples include academic degrees, employment history, medical records, membership in a DAO, or proof of attendance at an event. Because they are non-transferable, they resist the market dynamics that affect NFTs — you cannot buy someone else's Stanford diploma or professional license on an open exchange.

Technically, SBTs can be implemented on Ethereum using modified ERC standards that disable the transfer functions present in ERC-721 or ERC-1155 token contracts. Several teams have proposed draft standards, including ERC-5192 for minimal soulbound NFTs, which simply locks the token at mint time by reverting any transfer call.

Practical Applications in Identity

The most direct application is self-sovereign identity: individuals accumulate SBTs from various issuers — universities, employers, governments, or professional bodies — and present them on-chain without relying on a central identity provider. This contrasts with current systems where Google, Facebook, or a national ID authority acts as the gatekeeper.

In decentralized finance, SBTs could enable undercollateralized lending. Today, DeFi loans require overcollateralization because lenders have no way to assess borrower creditworthiness. A wallet holding SBTs from verifiable employers and showing a history of repaid loans could serve as an on-chain credit profile, allowing lower collateral requirements.

DAOs could use SBTs to implement one-person-one-vote governance, preventing wealthy actors from buying voting power through token accumulation. Proof-of-personhood SBTs, issued after some verification step, would make Sybil attacks — where one actor creates many fake accounts — significantly harder.

Risks and Open Problems

Privacy is the most serious concern. Credentials stored publicly on a blockchain are visible to anyone, which could expose sensitive information such as medical history or political affiliations. Zero-knowledge proofs offer a partial solution: a holder could prove they possess a valid credential from a licensed institution without revealing which institution or what the credential says.

Revocation is another unsolved problem. If an SBT is issued erroneously, or a credential expires, the issuer needs a mechanism to invalidate it. Most proposals involve the issuer burning the token or adding it to a revocation registry, but this introduces dependence on the original issuer remaining active.

Recovery also complicates the picture. Losing access to a wallet containing SBTs could mean losing one's entire digital identity, which is a far more serious consequence than losing ordinary tokens. Community-recovery schemes, where trusted contacts can help restore access, have been proposed but not widely deployed.

Soulbound tokens remain largely experimental as of 2026, with no dominant standard or major government adoption. They represent a coherent technical approach to persistent digital identity, but the gap between the concept and a robust, privacy-preserving, user-friendly implementation is still wide.

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RANDOM MNEMONIC WORD SETS

The archive section of this document contains 30 generated word sequences illustrating the BIP39 format.

RANDOM MNEMONIC WORD SETS

- 1) chimney ghost fame sausage cook
brother defy identify treat egg fancy
defy
- 3) news duck attack marine circle
exist entry sibling stadium unfair
pattern earn
- 5) mixed fiction wear half hotel
gentle mass scare bounce curious
crisp demise
- 7) come around nurse face outdoor
cereal used middle puppy fiscal
pretty romance
- 9) impose chunk kind person secret
garage climb diamond lemon devote
ship sleep
- 11) breeze over coast vintage off
attitude orphan mask public goddess
start install
- 13) fancy broken measure extend
escape unfair usage ship round egg
rally plug
- 15) knock fat honey desert dutch
employ maid raise beach path sorry
error
- 17) input alone grain humble sudden
indicate average dutch shadow donkey
pet together
- 19) bullet dolphin field fish slight
crawl plug grass prize often motor
loop
- 21) antenna forward chat exhibit
rookie shell mixed icon purity shop
case current
- 23) question bless plug chimney
strike alarm curious afraid giant
spider maximum meadow
- 25) tackle almost okay dinner venture
theme reject lonely shrug dentist
pyramid increase
- 27) country guess panda pyramid duck
physical flag again govern balcony
kidney gate
- 2) dynamic when guitar online jar
jealous blame pretty reform exist
betray track
- 4) believe vocal ginger leave pulse
glad address drift shallow ladder
super jump
- 6) wage symptom already pipe usual
ghost forward prison cruise arm mercy
foam
- 8) sail winner phrase prison critic
retreat fabric solar deer appear
knife butter
- 10) soul noise crumble pyramid pill
satisfy bleak strike muscle grape
genius gain
- 12) hip file easy hope setup dirt
witness catch tennis bachelor judge
noodle
- 14) danger elder leaf snow economy
roof negative quote east enhance dose
blind
- 16) tank tower volume settle bottom
pink enjoy roof double taste early
daring
- 18) apart laptop glare abuse letter
crawl genre bird hard remember grit
steak
- 20) pyramid version draw moment
phrase sponsor inhale like try short
recall earth
- 22) thank brisk soft van lemon movie
mimic scorpion kingdom person record
message
- 24) consider unit inside increase
silent occur intact jealous fly door
sibling rice
- 26) tool tattoo craft bomb episode
person enter similar silver north
weather awful
- 28) canal eternal coffee mass eyebrow
trick swear reflect only mimic sphere
casino

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RANDOM MNEMONIC WORD SETS

29) anchor champion flash envelope
ramp source velvet decide govern
announce laugh robot

30) royal sentence shrimp fiscal fall
bleak cliff luggage pumpkin actor
purpose chest

SEE ALSO

- [Soulbound Tokens and Digital Identity — BIP39 Seed Phrases \(August 31, 2026\) \(2026-08-31\)](#)
- [How Whale Movements Affect Crypto Prices — BIP39 Seed Phrases \(June 24, 2026\) \(2026-06-24\)](#)
- [The Rise of Play-to-Earn Crypto Games: Revolutionizing Digital Entertainment — BIP39 Seed Phrases \(April 13, 2026\) \(2026-04-13\)](#)
- [what-is-infura-bip39-phrase_2025-11-12.pdf \(bip39-phrase_2025-11\)](#)

Educational examples only. Randomly generated, not valid wallet phrases - never use them to store funds. Details: bip39-phrase.com/security/
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