

RWA TOKENIZATION

Digital Asset Investor Checklist

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Digital Asset Investor Checklist



Are you clear on the nature of the token?

- Do the tokens grant a title interest, or a derivative interest in the underlying asset?
- Do the tokens grant active or passive rights in respect of the underlying asset? Can you vote or influence decisions in respect of the underlying asset?
- What returns will the tokens provide, and how?



What is the structure of the tokenization?

- Is there a wrapper structure to facilitate tokenization? Who's responsible for creating the wrapper?
- How is the underlying asset secured?



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Are you clear on investor protections and enforcement rights against the token issuer or the tokenization platform?

- What investor protections does the structure provide?
- What is the contractual relationship between investor and issuer?
- How can investor rights be enforced?
- Can your rights be enforced through the tokenization platform?



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How will you exit your position?

- Does the tokenization platform provide transfer or secondary market opportunities?
- Are there any restrictions or third-party consents required prior to selling your tokens?



How much due diligence do you need to do?

- KYC on the token issuer?
- KYC on the token design and structure?
- Have rights to the underlying asset been properly assigned to tokenholders or an intermediary?
- Does the token issuer have the right to assign those rights to the underlying asset to tokenholders?
- Is the tokenization platform properly licensed?



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