Press Release

Primer: The Tokenization of Securities

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Over the past five years, financial markets have witnessed a growing interest in the tokenization of real-world assets, particularly securities. In a new primer, Director of Financial Services Policy Thomas Kingsley explains how tokenization may become a bridge between traditional finance and the digital future but will need strong regulatory foundations, clear legal standards, and resilient infrastructure to hold.

Key points:

> - *Tokenization refers to the representation of real-world securities – including equities, bonds, or fund shares – as digital tokens on a distributed ledger or blockchain.*
> - *A number of traditional financial institutions have begun issuing tokenized versions of existing securities, citing gains in settlement efficiency, transparency, and automation.*
> - *While tokenized securities are subject to existing securities regulations, the market infrastructure supporting them remains in early stages of development; there is a growing need for policymakers and regulators to clarify the legal and operational frameworks for tokenized markets, without stifling innovation or introducing systemic risk.*

Read the analysis.