

Tokenization Basics



What is Tokenization?

Crypto tokens are digital units (digital assets) that represent the ownership of an asset. The ownership of tokens is regulated via a blockchain: In a so-called tokenization, an asset, contract, or right is linked to its digital representation - the token - on a blockchain.

Tokenization allows companies to digitize their assets and make them available for trading. While traditional securities may only be issued by publicly traded corporations, most tokens can be issued by a variety of non-listed entities. Tokenization represents a completely new financing instrument.

What is Security Token?

Simply put, security tokens represent a security investment contract that is recorded on blockchain. Security tokens represent traditional assets, meaning the direct ownership in an asset class, such as stocks, bonds, art, fractional ownership in real estate, etc. They can also represent the success of an asset, such as funds.

What is a Security Token Offering?

A Security Token Offering (STO) describes a public sale of security tokens - values, rights or debt relationships (=securities) that are mapped via digital assets (=tokens). The technical basis for this is provided by blockchain technology, which is used to issue the digital securities and validate subsequent transactions.

Benefits of Security Token Offering

Due to a growing list of reasons, Tokenized Asset Offerings are gaining popularity among both investors and asset owners. It is a great opportunity for any business owner to capitalize on this explosion in popularity and utilize all the benefits that tokenization has to offer. The benefits are:



Alternative financial instrument

Security tokens provide an additional alternative to traditional financing through direct project participation.



Fractional ownership

Security tokens allow fractional ownership, thus lower the entry barrier and allow new investor groups to participate in the capital market.



Liquidity

Fractional ownership enables liquidity esp. of illiquid asset classes and distributes risk among many token holders. The asset can be offered to a larger number of investors at the same time, which increases the chances of a successful financing.



Efficiency

Automated smart contracts, transparent transactions recorded on the blockchain, integrated KYC/KYB and other functions reduce costs and administrative effort.



Regulation

Built-in regulation from different jurisdictions, integrated KYC/KYB and AML (Anti-Money-Laundering) ensure the prevention of sanction risks and financial crime.

What can be tokenized?

We can tokenize everything! From traditional assets such as bonds, commodities, venture capital funds and real estate to exotic assets such as artwork, race horses and stadiums. The decisive factor is the legal situation in the jurisdiction of the issuer, as well as the legal and technical structure of the security. One of the most common use cases of tokenization is real estate.

Tokenization with iVE.ONE

iVE.ONE is the technology provider for tokenized assets, and digital asset infrastructure for financial institutions. The iVE.ONE tokenization offering enables companies to issue digital securities with integrated onboarding process for investors, and offer them for sales through the issuer's own whitelabel marketplace for digital assets. **iVE.ONE supports you all the way through - from pre-issuance to investor onboarding and token sale.**

Our Tokenization Offering



Asset Tokenization



Whitelabel
Marketplace for
tokenized assets



Management
Portal



Integrated
Compliance



Custodian Service



Secondary Market

Are you looking to tokenize your next project? Get in touch with our expert: **Michael Baspinar** - Sales & Partnership Manager

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