

All you need to know on funds tokenisation: Reasons, benefits, current projects, landscape & latest trends

Reasons for and benefits of fund tokenisation



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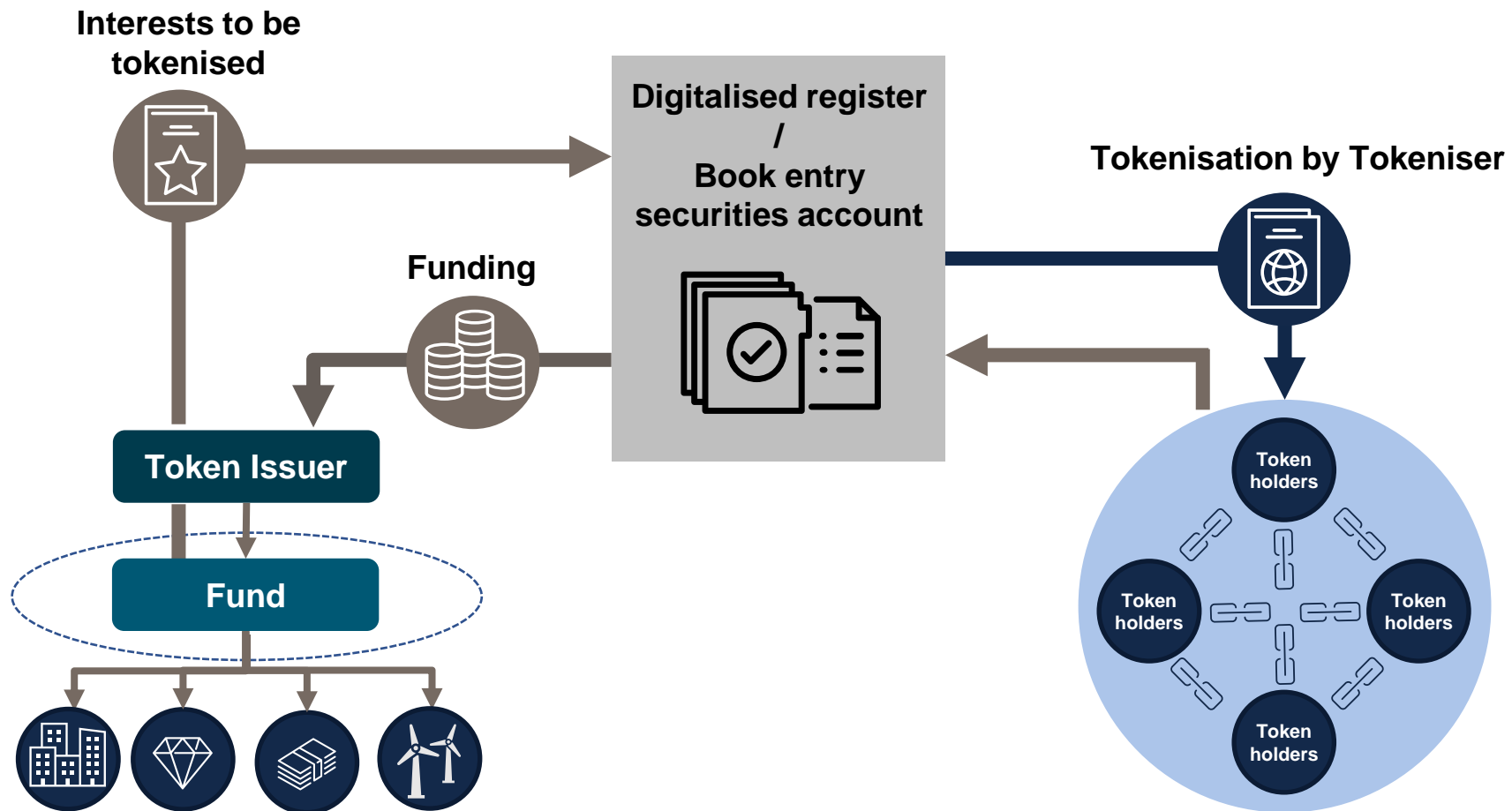


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Fund Tokenisation at a Glance

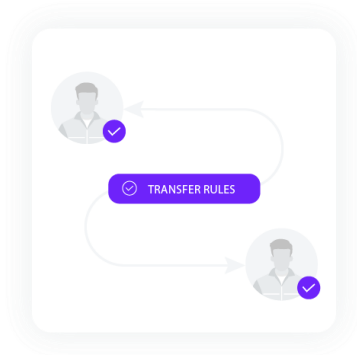




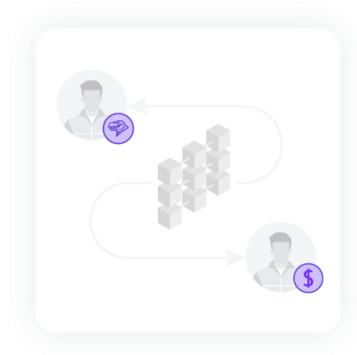
Daniel Coheur
Co-founder & Chief Commercial Officer,
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Benefits of Permission Tokens

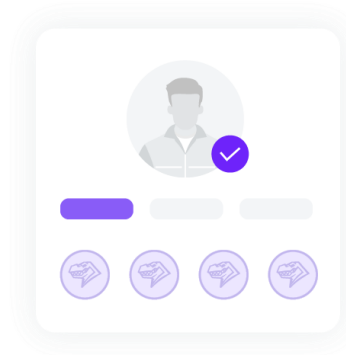
Issue, manage and transfer compliant securities on a shared IT infrastructure



**ENCODE
COMPLIANCE**
Transfer rules are
embedded in the
securities



REDUCE COST
Reduce fees with
digital management
and automated
settlement



**CONTROL
SECURITIES**
Issuers digitally control
tokens, agents and
investors with real-time
data.



**INCREASE
TRANSFERABILITY**
Unlock high functioning
assets and improve liquidity
between investors

Launch in Four Steps

STEP 1 PRE-OFFERING

Defining your project



KYC/AML automation



STEP 2 ISSUE

Onboarding Investors
& Token distribution

Onboard

Factory

Custody and Compliance

ONCHAINID

Built-in custodial wallets or
any ERC20 wallets or
Polygon compatible wallets

STEP 3 MANAGE

Token Lifecycle
Management

Investor Portal

Servicing

T-REX Platform

STEP 4 TRANSFER

Secondary Market

Billboard

Choosing Tokeny solutions means
choosing an **experienced partner**
offering all the technical solutions
you need for your tokenisation
projects.

The Market Needs Standards: ERC3643



T-REX PROTOCOL

The institutional grade protocol, the T-REX, allows for the representation of compliant and controllable securities on the blockchain.

- ✓ Permissioned tokens (ERC-3643)
- ✓ Onchain compliance validator
- ✓ Powerful and upgradable
- ✓ Compatible with ERC-20 wallets
- ✓ Audited and 2+ years of activity

120+

MANAGEMENT
FUNCTIONS

25+

TOKENS CREATED

180+

JURISDICTIONS ENFORCED

€8.5BN

ASSETS TOKENISED

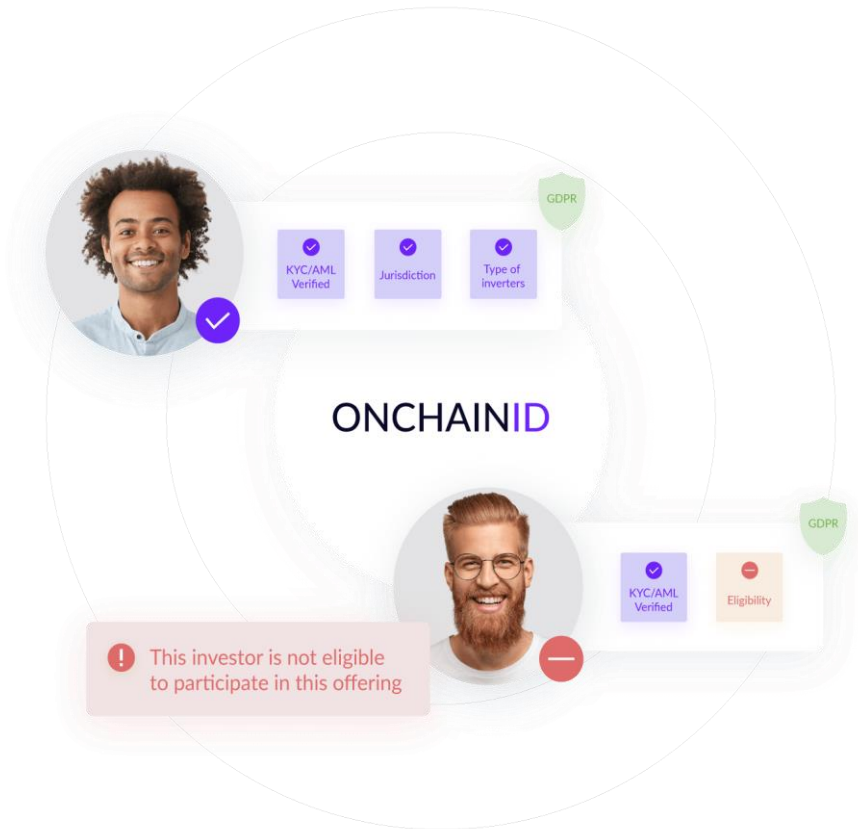
Trusted by recognised players and government



“The source code is well crafted and follows security practices compliant with the architecture described in the whitepaper.”

The Market Needs Standards: ONCHAINID

The identity system for compliant digital assets



ONCHAINID allows issuers to **identify** wallet owners to **comply** with regulations



COMPLIANCE

Automate compliance by defining your tokens eligibility rules. They will be automatically enforced in blockchain transactions



PERMISSIONS

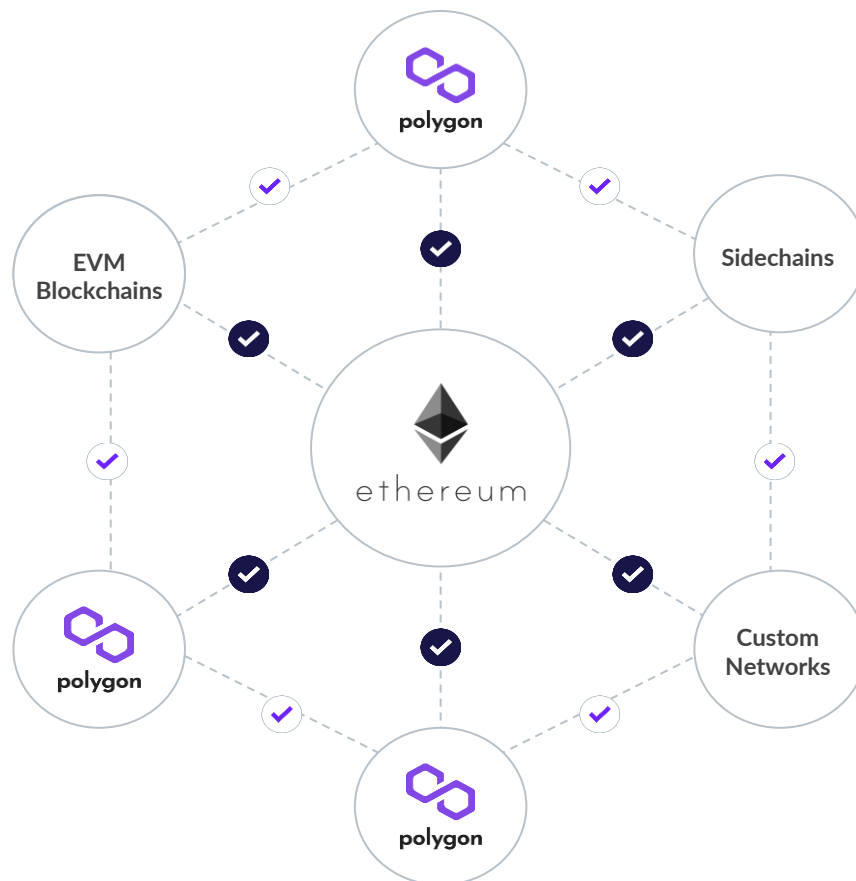
Authorise and revoke Users and Agents performing operations with their wallets



IDENTITY PROOF

Increase credibility and transparency with onchain proofs of identities (issuer, agents, auditors, etc.)

The Market Needs Standards: ETHEREUM EVM



T-REX is compatible with any EVM compatible blockchains / Layer 2 solutions / Sidechains

Metrics at a glance on Polygon

10,000x

cheaper to make transactions on Polygon compared to Ethereum

150x

quicker to make transfer on Polygon compared to Ethereum

100 Validators

and 6,000+ nodes. PoS consensus

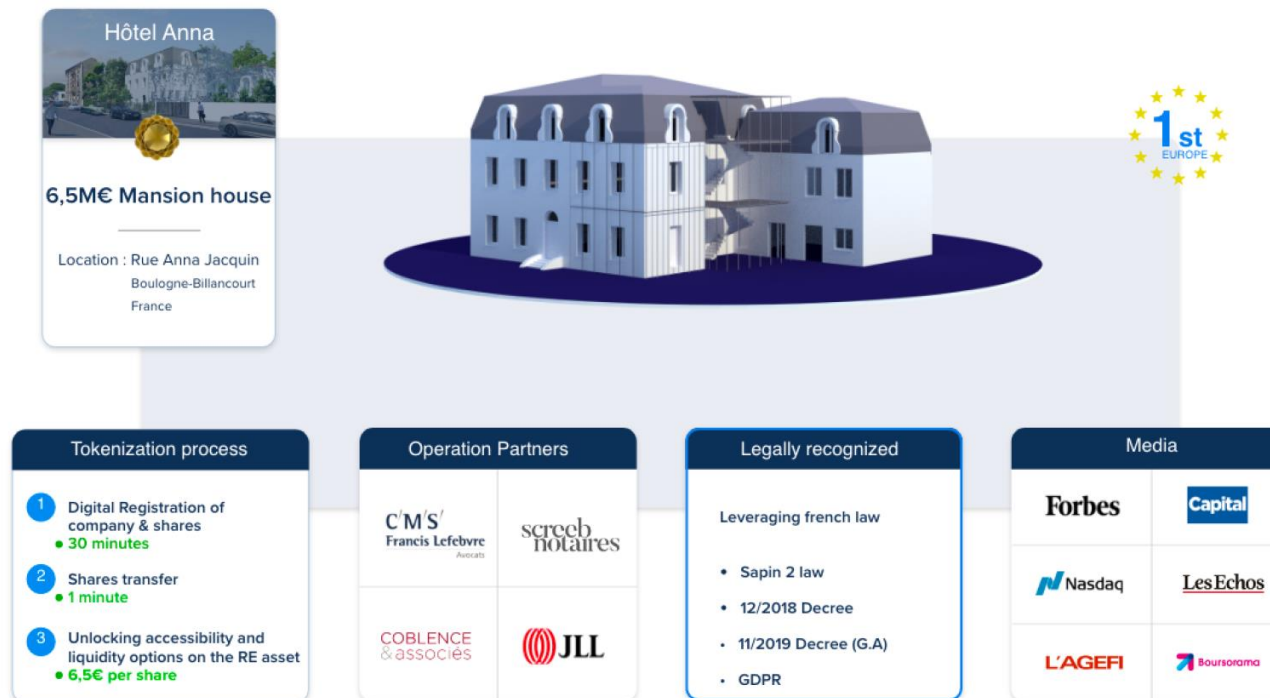


Jérôme Sutour
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Bilal El Alamy
Co-founder & CEO, Equisafe

THE FIRST



NO SOLUTION PROPOSED TO ENHANCE LIQUIDITY

Historical actors with
analogue processes and
privileged and local
networks

Technical and legal
complexity of the
operation

Inexistence of digital
infrastructure as in
public procurement

...UNTIL TODAY

The creation of a decentralised digital property register using the Tezos Blockchain



- **Digitisation** allows an **exhaustive control** of the data for an **optimal** follow-up of the property
- The **resilience** allowed by **decentralisation** acts as an ultimate **business continuity plan**

48H DEAL

Scaling your club deals



Your Job

- 1** Sourcer un deal
Quelle que soit la thèse d'investissement : start-ups, prêt, acquisition d'une oeuvre d'art ou de clubs de football.
- 3** Lancer votre co-investissement
En les invitant depuis la plateforme ou en partageant un lien, vous donnerez à vos investisseurs l'expérience qu'ils méritent tout en suivant votre opération depuis votre salon.

Our Job

- 2** Structuration du véhicule
Vous n'avez qu'un type forme à remplir et en moins d'une semaine vous pouvez lancer la souscription.
- 4** La clôture
En fonction de votre offre, vous pouvez ou nous pouvons faire pour vous l'investissement sous jacents.

A COMPLETE SOLUTION FOR MANAGING ASSOCIATES...

Managing your corporate with dignity

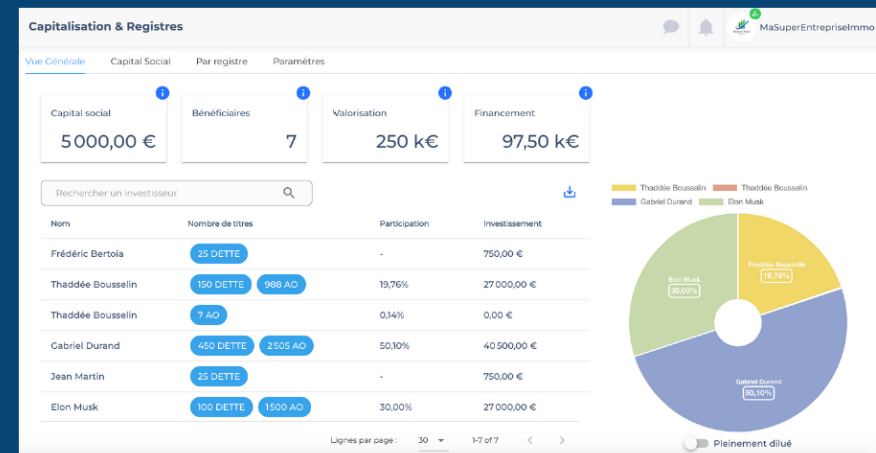


Equisafe makes it possible to issue different categories of **electronic securities**, including their terms and conditions of exercise and information on their owner

Allows you to **securely exchange** your securities online

Allows **automatic approval** of compliance rules related to the transfer and exercise rights of securities

Allows you to check the **identity** of the parties at **any time**

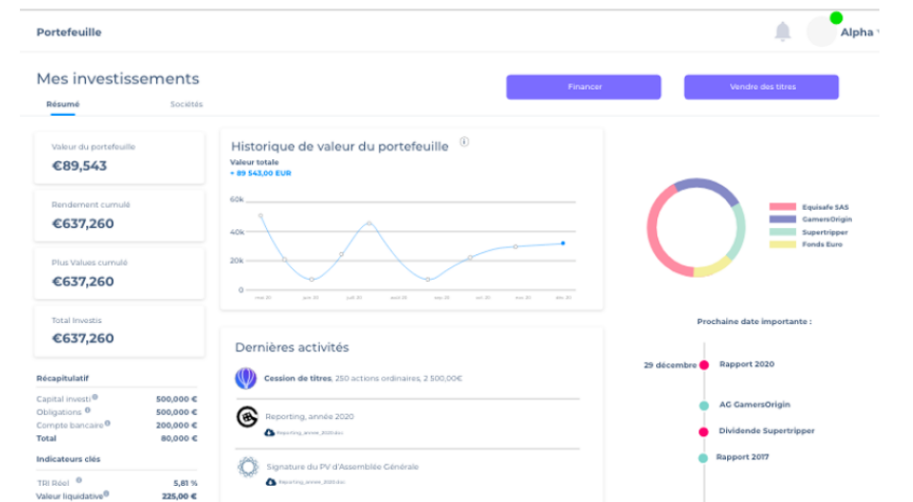


...AND THE REPORTING OF THEIR MANAGERS

Seeing clearly in its shareholdings

EQUISAFE

- Improve the **monitoring** of your investments with a **chronological and graphical** view
- Participate in **General Meetings** from the comfort of your living room
- **Automate** the generation of documents required for **tax administration** and **accounting purposes**
- **Manage** your cash flow from your wallet



TO FACILITATE CASH OUTS

Find liquidity from our over-the-counter market with investors from all over Europe

EQUISAFE

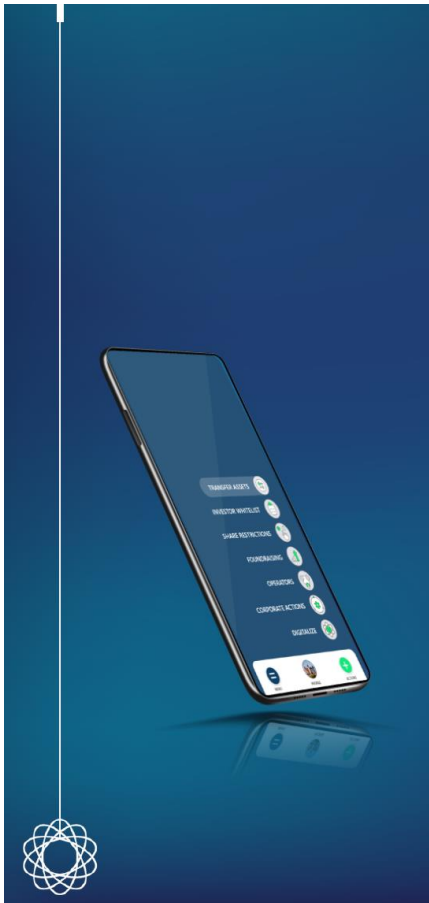
- Access to a **private area** of sales offers, where anyone can **post an order** anonymously
- **Automatic management** of eligibility rules
- **Securing** the transaction from payment to delivery, including legal documentation.

Marché secondaire

Toutes les opportunités d'investissement

Société	Nom du registre	Quantité	Prix du titre	Total	Status	Action
Alan	REGISTRE 1 Actions ordinaire	9	90,00 €	810,00 €	Attente Signature Acheteur	🗑️ ✎️
Equisafe	Actions ordinaires	2	10,00 €	20,00 €	Attente Signature Vendeur	🗑️
Alan	REGISTRE 1 Actions ordinaire	9	90,00 €	810,00 €	Complet	
Alan	REGISTRE 1 Actions ordinaire	9	90,00 €	810,00 €	Attente Signature Acheteur	🗑️ ✎️
Equisafe	Actions ordinaires	9	10,00 €	90,00 €	Attente Signature Acheteur	🗑️ ✎️
GamersOrigin2	Action 1	1	5000,00 €	5000,00 €	Attente Signature Acheteur	🗑️ ✎️
Big Fernand	Rest	1	120,00 €	120,00 €	Attente Signature Vendeur	🗑️
Big Fernand	Rest	1500	70,00 €	105 000,00 €	Attente Signature Vendeur	🗑️

Lignes par page : Tous 1-23 of 23 < >



Products

A controlled evolution

2019 / 2020  LegalTech

- *Equity Management*
- *Governance Management*
- *Cash-flow Management*

Admin tools
B2B

-40% costs from day one

2021  FinTech

- *Primary Market*
- *Secondary Market*

MarketPlace
B2C / C2C

+90% operational speed



In numbers,



Equisafe is certified :



RGPD Compliant



E-Signatures
"advanced"



Payment Service
Provider Agent

Soon by :





Matthew Nortcliff
Partner, CMS Singapore



David Fassbender
Managing Director, Head of Southeast Asia,
PGIM Real Estate

The Broad Benefits (Realities) of Tokenisation

Key Benefits

Investor access: Tokenising private assets could attract new investors – especially retail investors – by allowing for smaller ticket sizes on digital platforms that are more frictionless and easier to trade

Operational efficiency: Transaction costs would be reduced by sharing tech infrastructure (everyone tracks assets on a shared blockchain ledger, versus internal systems) and removing middlemen (reconciliation, compliance, settlement-clearance...)

Transparency Blockchain transactions could be made transparent to all participants, providing a view of the history, verifiable data, and ownership of the tokenised asset

New financial products and features: Tokenisation could be used to create new products and ownership features (e.g., trading of tokenised data, use of fund units as collateral in decentralised finance applications)

Reality Check

The strategy of which investors to reach and how to reach them is very much in its infancy, and liquidity has yet to be unlocked

Sufficient improvements might be achieved with various forms of digitalisation and templatisation, without blockchain and smart contracts

Full, public transparency is likely not desirable, may confer private information to competitors, and will need to be carefully managed

New ideas, while technically feasible, need to be proven out in real-world scenarios for investor demand and legal / tax / regulatory realities

Using blockchain in multiple ways

Least Attractive Today

Most Attractive Today

#1: Put data on
blockchain

#2: Tokenise a single
asset to offer to investors

#3: Tokenise a fund or a
portion of a fund

#4: Put fund admin
processes on blockchain

Pros

- Create confidence in (and maybe even generate a return on) the **verity and immutability of our data** (for e.g., energy consumption data for a building)
- Targeted improvement of investor access and liquidity for a perhaps **highly recognisable asset**
- Provide **greatest upside** in increasing investor access and liquidity
- Receive **operational efficiency** benefits as a byproduct
- **Process automation and scale** is a key business need for us
- **Operational efficiency** benefits of automating through a blockchain ledger are tangible
- May help to prepare investment managers for future fund and other tokenisation

Cons

- Market for on-chain data is non-existent today (most nascent of all the opportunities)
- Practical complexity of tokenising an asset but not the fund (or all assets in the fund) seems substantial today
- Limited investor access and almost no liquidity today
- Legal / tax / regulatory / tech landscape is evolving and has barriers
- Changing current processes will be uncomfortable and challenging

Blockchain appears to have tremendous long-term potential to create new value streams, unlock new investor types, increase liquidity, and bring efficiencies to bear in how funds are administered

Experimentation is occurring across the industry to raise money on blockchain-based platforms but challenging to access new investor capital and liquidity. The **efficiencies gained in fund administration is more concrete** today

Both blockchain technology and the various platforms that offer related services are evolving, and as **it is still far from a fully developed market, we will need to continue to monitor developments**

The regulatory landscape is progressing at different speeds globally with Asia, followed by Europe, leading the pack, and regulations will need to catch up for the opportunity to take off at a substantial level



Sam Robinson
Partner, CMS UK

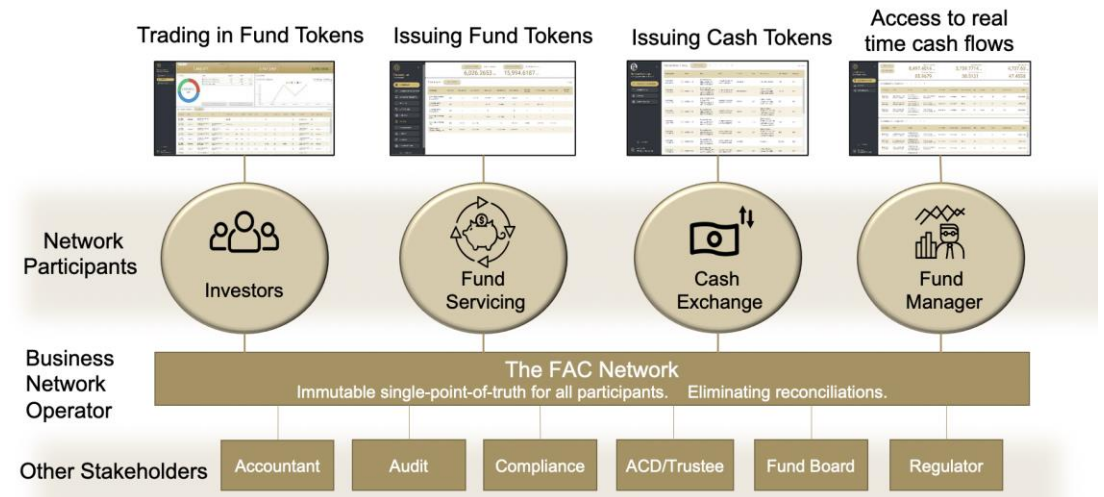


Reyer Kooy

Program Manager, FundAdminChain (FAC)

Launching, distributing, trading and settlement of tokenised investment funds on a DLT network

- FAC is enabling a radical new way for investment funds to issue shares as digital tokens on a secure network
- The solution maintains the distinctive benefits of investment funds, while offering a common operating environment
- The network collapses and syndicates system architecture onto a single industry-wide venue
- Tokenised cash on ledger to enable atomic DVP settlement
- Current silos of replicated data across participants replaced by a single-point-of-truth, eliminating reconciliations and messaging



Benefits

- Delivering 'cost-out' across the Funds value-chain
- Enhanced transparency, certainty and speed of transactions
- Restructuring fund industry layers and duplication
- New downstream distribution / flow opportunities

UK OEIC Pilot

- 7 'Lead' Fund Management companies, 5 Transfer Agents and 13 'Observer' Fund Managers
- FCA Sandbox / engagement
- In association with :  **LSEG** and 



Aurélien Hollard
Partner, CMS Luxembourg



BlocHome



Jean-Paul Scheuren
Co-founder, BlocHome

Problem

Difficult Access to Property

Rising housing prices
Housing cost overburden
High fees



Transfer Costs

Complex Contracts
Poor Market Transparency
Lengthy processes



Illiquidity

Money tied up for a long period
Time needed to sell



Create a global **Real Estate community**

Democratise access to Real estate property

Turn Real Estate into a **liquid asset** in a fast, secure and easy way

Offer a well-balanced **Real Estate portfolio** with no fixed lock up period

Pay rent according to ownership

Ultimately **separate Property from Usage** – **Housing as a service**



Solution



A new platform that allows people
to purchase real estate in

‘SLICES’



Benefits of Tokenisation

Fractionalisation

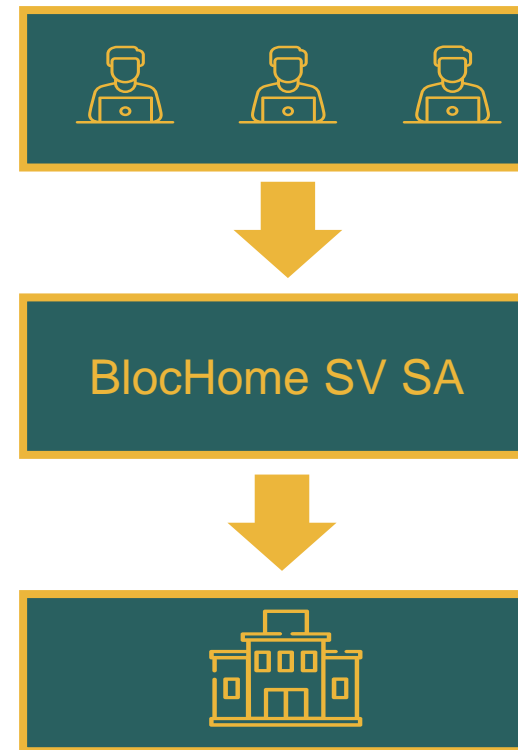
Operational Efficiency

Reduced Settlement Time

Data Transparency

Flexibility

Liquidity





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Tokenisation in the Netherlands





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**Next webinar | All
you need to know on
funds tokenisation
(20 October 2021):**

**Experiences of use
of technology for
funds and latest
developments**