

Token City



- What is tokenization?
- Key benefits of tokenization
 - Fractional ownership
 - Liquidity
 - Not necessarily financial assets
 - Fast, secure, transparent, borderless
 - Automation, disintermediation
- Impact on economy and society → policy question
- Legal considerations



**Baker
McKenzie.**

Tokenization Laws

Existing Paradigm

- Capital Markets
 - Fundraising Activities
 - License Scheme for Intermediaries
 - AML/CFT

New Paradigm

- Holistic approach for token economy
- Switzerland: “Federal Act on the Adaptation of Federal Law to Developments in DLT”
- Liechtenstein: “Token and Trusted Technology Service Provider Act”

Legal Ecosystem for Tokenization

Switzerland: Federal Act on the Adaptation of Federal Law to Developments in DLT

- Amends 9 Federal Acts e.g. obligations, securities, property, insolvency
- Recognizes issuance and transfer of security token on DLT
- Sygnum: Investible Fine Wine Tokens

Liechtenstein: “Token and Trusted Technology Service Provider Act”

- Token container model
- Book-entry register
- Physical validator
- Technology-Agnostic

Legal considerations

- Property law - ownership, possession, economic benefits / formality
- Restrictions on holding, transfer, sale of certain assets – land, alcohol
- Collateral law
- Smart contract
- Physical validator / trustee / custodian
- Technical standards on infrastructure, security, governance
- AML / CFT
- Tax