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Tokenized Capital Markets Blueprint

How to Structure Funds, Credit, and Real-World Assets On-Chain — Without
Regulatory Failure

A Legal & Structural Framework for the Next Generation of Financial Markets

STRUCTURE. COMPLY. SCALE.

The Core Problem

Most tokenization projects fail not because of technology – but because the **legal structure is fundamentally misaligned**.

Token ≠ Legal Rights

Token not properly linked to enforceable rights. **Consequence:** Investors have no enforceable rights; structure is legally fragile.

Wrong Regulatory Classification

Token misclassified or offered without valid exemption. **Consequence:** Enforcement risk, rescission rights, fines, and reputational damage.

No Transfer Restriction Enforcement

Legal restrictions (KYC, accreditation, lock-ups) not technically enforced on-chain. **Consequence:** Securities law violations and loss of exemptions.

No Institutional Viability

Structure fails institutional standards for custody, reporting, or governance. **Consequence:** Inability to attract institutions; capital is limited or unsustainable.

📌 Tokenization is not just about issuing a token. **It's about designing a legally sound, compliant, and institutionally ready structure from day one.**

Tokenized Fund Structure

From Investors to On-Chain Ownership



Transfer restrictions are enforced at both the legal and smart contract layers – covering whitelisted investors, eligibility verification, and immutable on-chain records.

Reg D / Reg S Alignment

Structure offerings under private placement exemptions.

Investment Company Act

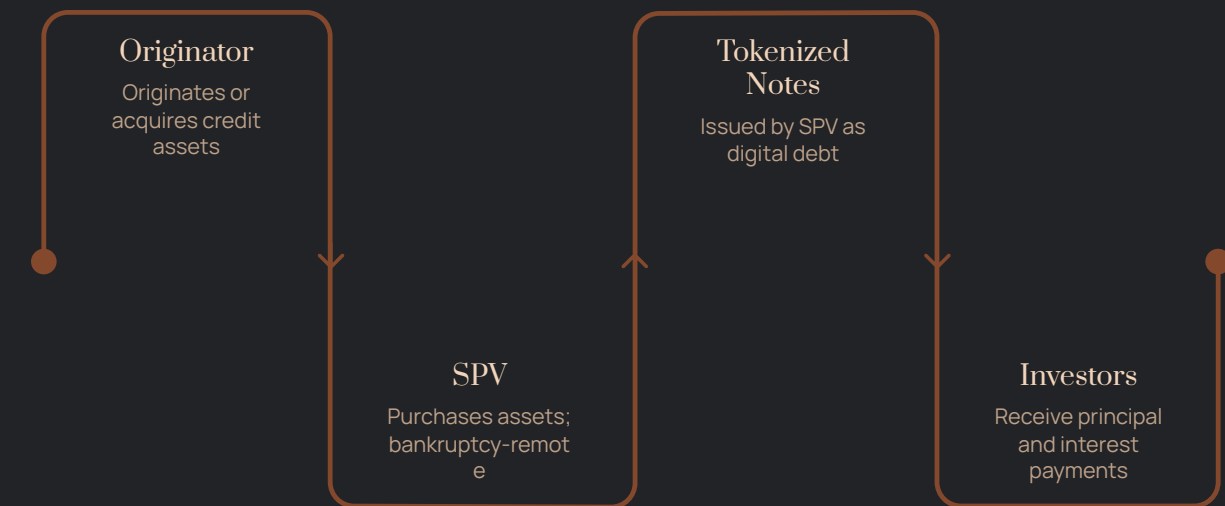
Analyze to ensure the fund does not trigger '40 Act registration.

Custody & Transfer Agent

Leverage qualified custodians and licensed transfer agents for investor protection.

Tokenized Private Credit

A legal and structural framework connecting real-world borrowers with global investors through compliant, tokenized debt instruments.



True Sale

Assets legally transferred to the SPV to avoid recharacterization as a secured loan.

Bankruptcy Remoteness

SPV is legally and operationally insulated from the originator's bankruptcy risk.

Securities Classification

Tokenized notes structured and offered in compliance with Reg D / Reg S exemptions.

Underlying credit assets include: Corporate Loans, Invoice Financing, Trade Receivables, Asset-Backed Loans, and other credit assets.



Stablecoin & Yield Structures

Yield-bearing tokens may trigger securities or investment company regulation. Tokens offering returns based on the efforts of others may be classified as **Securities** (Howey Test), **Investment Companies** (1940 Act), or face other regulatory concerns.

Common High-Risk Structures

- **Direct Yield Promises** – fixed/variable returns from issuer revenue
- **Pooled Yield Models** – commingled funds redistributed to holders
- **Managed Investment Strategies** – issuer makes decisions on behalf of holders
- **Revenue-Sharing Structures** – returns tied to business performance

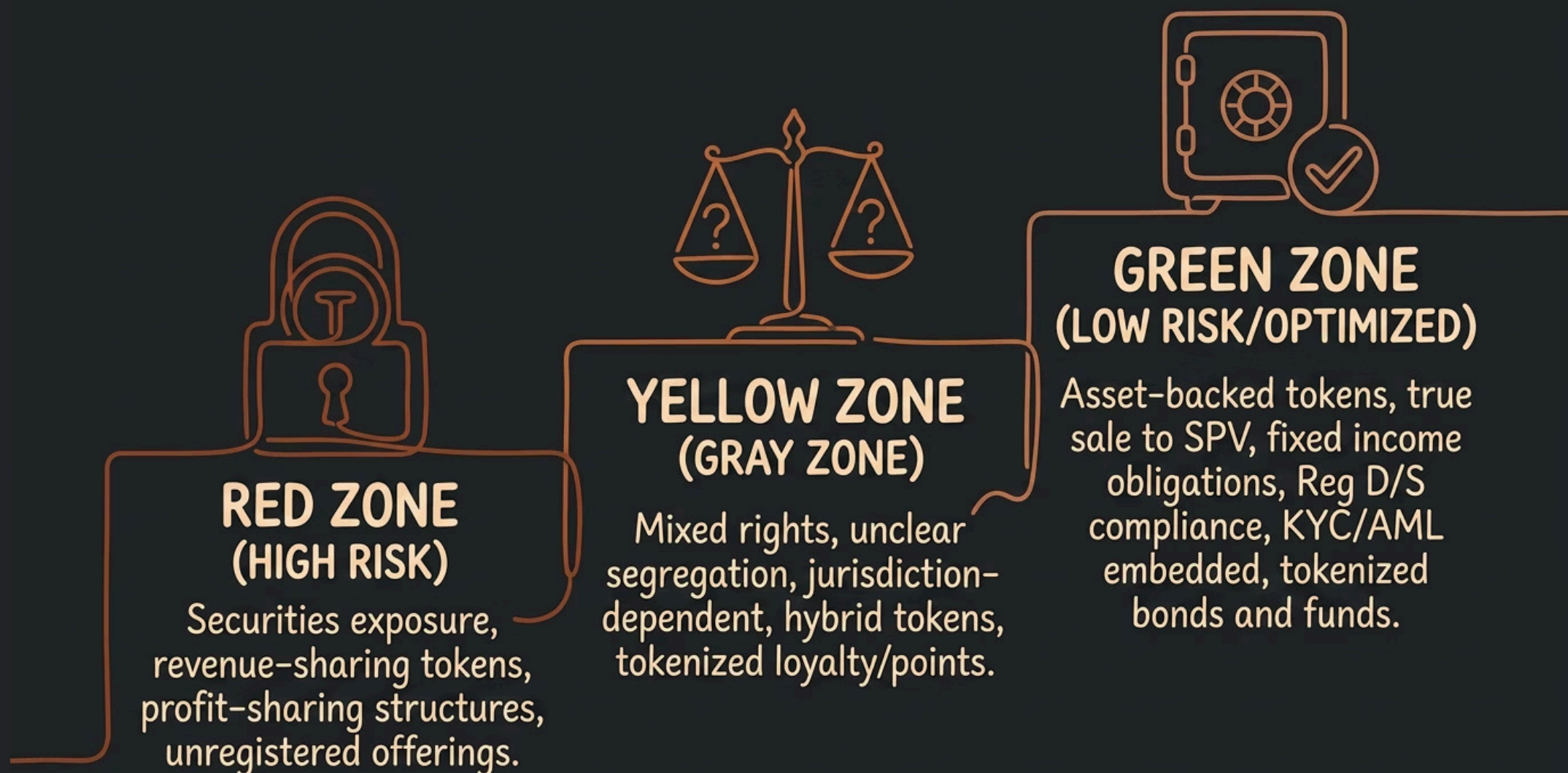
The Solution: Structure It Right

- Maintain 1:1 or overcollateralized reserves in high-quality liquid assets
- Hold reserves in bankruptcy-remote trusts or SPEs
- Ensure reserves are legally segregated from operating assets
- Clearly define token rights – avoid profit, management, or control rights
- Document legal analysis supporting classification

✔ Yield is not the problem – **structure is**. Proper reserve design and accurate classification minimize regulatory risk.

RWA Tokenization Risk Map

The legal characterization of your token and underlying asset determines your regulatory risk. **Structure it right. Mitigate risk. Enable capital.**



● Red Zone

Revenue-sharing, profit-sharing, unregistered offerings. High enforcement exposure.

● Yellow Zone

Mixed rights, unclear segregation, evolving guidance. Fact-specific regulatory scrutiny.

● Green Zone

Asset-backed, SPV-structured, Reg D/S compliant, KYC/AML embedded. Optimized for scale.

Jurisdiction Strategy

The right jurisdictional structure strengthens compliance, enhances investor confidence, and **unlocks global capital**.

Factor	U.S.	Cayman / BVI	Hybrid
Regulatory Environment	Robust SEC oversight	Flexible, light-touch	Tailored alignment
Investor Perception	Very high credibility	Neutral to positive	High with structure
Time to Market	Moderate to long	Fast	Moderate
Cost & Complexity	Higher	Lower	Moderate
Tax Efficiency	Depends on structure	Highly efficient	Optimized
Ideal Use Case	U.S. investors, registered funds	Private funds, intl. offerings	Global multi-asset platforms

i No one-size-fits-all solution. A thoughtful jurisdiction strategy — U.S., offshore, or hybrid — optimizes compliance, reduces risk, and enhances access to global capital.

Hybrid Structure: Best of Both Worlds

Hybrid structures combine the credibility of U.S. regulation with offshore flexibility – often the optimal solution for complex, global offerings.

U.S. Investors

Offshore Master Fund

Investment Structures

Tokenized Interests



Regulatory Alignment

Ensure compliance with offering jurisdiction and investor location across all vehicles.



Substance & Governance

Maintain adequate substance and governance in each jurisdiction used.



Tax Planning

Align structure with investors' tax expectations and local rules.



Investor Profile

Match jurisdiction strategy to investor type and risk appetite.

Execution Roadmap

From Strategy to Tokenized Capital – a structured legal and operational path to launch compliant, investor-ready tokenized offerings.

- 1** **Define Asset & Capital Strategy**
Clarify the asset, investment objectives, target investor profile, and assess regulatory implications early.
- 2** **Select Jurisdiction**
Evaluate onshore vs. offshore options; consider regulatory framework, tax efficiency, and investor alignment.
- 3** **Structure Entity**
Incorporate SPV/Fund/Issuer vehicle; draft governing documents; ensure bankruptcy remoteness and governance controls.
- 4** **Map Token Rights**
Define economic, legal, and operational rights; design transfer mechanics, lock-ups, and offering materials.
- 5** **Align Compliance**
Securities law analysis (Reg D/Reg S), KYC/AML, ongoing disclosure, and coordination with legal, tax, and auditors.
- 6** **Launch**
Finalize offering documents, onboard investors, issue tokens, monitor compliance, and scale for secondary markets.

Key Takeaways & Success Factors



Early Legal Analysis

Reduces risk and rework before capital is deployed.



Right Jurisdiction & Structure

Drives investor confidence and institutional access.



Clear Token Rights

Transparent disclosures build trust and reduce legal exposure.



Robust Compliance

Ensures access to institutional capital and long-term sustainability.



Strong Governance

Supports long-term scalability and secondary market development.

A disciplined process. A compliant structure. Investor-ready execution.

Tokenized capital – built the right way.

STRUCTURE WITH INTENT

COMPLY WITH CONFIDENCE

SCALE WITHOUT LIMITS

Structure It Right. Then Scale.

If you're serious about launching a compliant, investor-ready tokenized product, the first step is getting the structure right.



[Apply for a Tokenization Legal Sprint](#)

We work with a limited number of engagements to ensure depth and precision.

Frequently Asked Questions

How long does the sprint take?

Typically 1-2 weeks depending on complexity.

Do you provide full legal documentation after?

Yes – this sprint is the foundation for full engagement if needed.

What jurisdictions do you cover?

U.S., Cayman, BVI, and hybrid structures.

Is this suitable for startups?

Only if actively raising or structuring a real asset-backed product.