ROSS
SHEM



Tokenization, Explained to My Son

What 7 years in tokenization, 100+ companies and 20 jurisdictions taught me. Written so a 16-year-old can understand it.

ROSS SHEMELIAK

TOKENIZATION SINCE 2019 · COINTELEGRAPH CONTRIBUTOR · SEC CRYPTO TASK FORCE ROUNDTABLE, WASHINGTON DC

Have a company or asset in mind?

Book a free 30-minute call →

A letter to you, at 16

Son,

When you read this, you will probably be 16 and think money is boring. It is not.

When I started in this industry, I spent most of my time explaining one word: **tokenization**. Bankers called it a toy. Investors called it a scam. Some founders thought it was a magic money button. All of them were wrong.

Today the biggest names in finance are doing it:

— **BlackRock**, the world's largest asset manager, runs a tokenized fund worth billions.
— **JPMorgan** moves money and assets on its own blockchain platform.
— **Nasdaq** asked US regulators to allow trading of tokenized shares.
— **Robinhood**, **Coinbase**, **Ondo** and **xStocks** let millions of people buy tokenized stocks.
— **Morgan Stanley** sees this market reaching up to **$10 trillion by 2030**.

This guide is everything I wish someone had explained to me at your age. No jargon. And when something does not work, I will tell you.

Dad

> *Lesson for my son*
>
> *when the biggest players stop arguing and start building, the debate is over.*

Reading this for your business? I can explain your case in 30 minutes

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First: what is a token?

“A token is a digital record that says: ‘this belongs to you.’”

You already use tokens:



a **concert ticket** in your phone proves you can enter;



a **skin** in your game proves the item is yours;



a **gift card** proves you have $50 to spend.

Now imagine the same thing for something serious: **a share of a company, a piece of a building, a part of a fund.**

Where does it live? On a **blockchain**: a giant notebook that thousands of computers keep a copy of, anyone allowed can read, and nobody can secretly change.

When you buy a token, the notebook writes: “From today, this piece belongs to my son.” Everyone can check it. Nobody can quietly cross it out.

Tokenization = writing ownership of something real into that notebook, as digital pieces.

> *Lesson for my son*
>
> *a token is not money from nowhere. It is a receipt of ownership that nobody can fake.*

Wondering what a token of your company would look like?

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A smartphone for money, not a magic button

Old phone, smartphone. A button phone could call and text. A smartphone still calls and texts, but the touchscreen opened the internet, maps, banking and AI.



NORMAL SHARE

A **normal share** is the button phone. It works, but it is stuck: paperwork, banking hours, borders, weeks to transfer.



TOKENIZED SHARE

A **tokenized share** is the smartphone. Same share, same rights, same law. But it can be split into small pieces, move in minutes any day, pay dividends automatically and reach investors in other countries.

Tokenization does not replace the share. **It upgrades it.**

But it is not a magic button. Many founders think: “We tokenize, and money falls from the sky.” It does not.

Think of a **CRM**, the program sales teams use to track clients. If the business was good, a CRM made it faster and bigger. If it was bad, the CRM stayed empty. Clients do not appear in a CRM by themselves.

- ✓ Tokenization **amplifies** a good business: more investors, more trust, faster deals.
- ✗ It does **not replace** the business. No revenue, no clear asset, no buyers? A token will not fix it.

The technology is solved. You can issue a token in days. The hard part is everything around it.

> *Lesson for my son*
>
> *tools make good things better. They never make bad things good.*

Is your business ready to be amplified? Let’s check

Book a call →



What I saw at the SEC table

In May 2025 I was in Washington DC at the SEC, the referee of the American stock market, for its roundtable “Tokenization: Moving Assets Onchain.” Exchanges, asset managers, banks and blockchain companies sat at one table with the regulators.

Four things I took home:

1. **The question has changed.** Not “should we allow this?” but “how do we do it safely, and fast?”
2. **A security stays a security.** The wrapper changes, the rules do not. That is good news: clear rules let big institutions join.
3. **The SEC leadership wants clear rules** for issuing, holding and trading tokenized securities, instead of “regulation through enforcement.”
4. **The open problems are boring plumbing:** who holds the asset, who keeps the official list of owners, how different blockchains connect. Not technology. That is where the opportunity is.

> *Lesson for my son*
>
> *when the referee starts writing the rules of a new game, the game is real.*

Planning to raise from US investors? Let’s talk through the rules

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The market, and the next big wave

~$37B

Real-world assets already on public blockchains (RWA.xyz, July 2026, not counting stablecoins)

<$1B → $3B+

Tokenized public stocks, from March to October 2026

up to $10T

Morgan Stanley's estimate for 2030

The market grows in waves:

Wave 1: government bonds and cash funds.
Simple and safe. Institutions went first.

Wave 2: public stocks *(now)*
Apple, Nvidia and Tesla as tokens, traded 24/7 on Robinhood Chain, Solana, Base and through Ondo.

Wave 3: private companies *(next)*
The biggest wave of all.

Why private companies? More than 99% of the world's companies are private. Fewer than 60,000 are listed on a stock exchange. And private companies share three headaches:

1. Raising money is slow and local.
2. Shares are frozen: a founder can be "worth" $10 million on paper and still have no cash.
3. Investors who love the company cannot buy a piece.

Tokenization gives them a digital list of owners, smaller tickets, global investors and a way to resell shares without waiting for an IPO. I believe every financial instrument will move on-chain sooner or later. For a private company, it is a new way to manage the whole company.

> *Lesson for my son*
>
> *the stock market is the tip of the iceberg. Most of the value is underwater, in private companies.*

Is your private company a fit for wave 3? Find out in 30 minutes

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Readiness: what you can prove, and where the real work is

A blockchain is a notebook of truth. It can only show the truth you put in it. So the first question is not “which blockchain?” It is **“what can we prove?”**

WHAT YOU CAN PROVE

- → who owns what (a clean cap table)
- → what the asset is (legal documents, contracts, deeds)
- → what it is worth (an independent valuation)
- → how it performs (financial reports, audited if possible)
- → who holds it (custodian or trustee confirmation)
- → what investors receive (payments, recorded)

Your level of documents decides your level of investors. Basic documents bring friends and community. Audited numbers bring professional investors. Institutional-grade reporting brings funds and banks.

WHERE PROJECTS WIN OR LOSE IN 2026

1 Distribution who buys, and through which channel. Number one.	**2 Corporate structure** the company that holds the asset, built so investors’ lawyers say yes.	**3 Structuring the offer** equity, debt or revenue share, with what rights.
4 Marketing investors need to know you exist.	**5 Content** trust is built before the raise, not during it.	**6 Risk scoring** an independent rating of your security, like a credit score. Professional investors increasingly ask for it.

> *Lesson for my son*
>
> *building the product is 20% of the job. Getting it trusted and bought is the other 80%.*

Not sure your documents are ready? Let’s run a quick readiness check

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Is your company ready? 10 questions

Answer yes or no. Count your yes answers.

- ☐ **1.** Can you explain in one sentence what investors will own and how they will earn?
- ☐ **2.** Do you have financial statements you would show a stranger?
- ☐ **3.** Is your list of shareholders clean, with no unclear promises?
- ☐ **4.** Do you know which countries your investors will come from?
- ☐ **5.** Do you know if they are regular people, wealthy investors or institutions?
- ☐ **6.** Can you name 10 people or funds who said they are interested?
- ☐ **7.** Do you have a securities lawyer, or can you hire one?
- ☐ **8.** Do you have a budget for structure, legal, marketing and distribution, not just technology?
- ☐ **9.** Do you have a plan to report to investors after they buy?
- ☐ **10.** Are you ready to be more transparent than a normal private company?

0 to 4	start with the basics. Tokenization amplifies what you have, good and bad.
5 to 7	a real case. Fix the gaps now, it is cheaper than after launch.
8 to 10	ready to plan structure and jurisdiction.

> *Lesson for my son*
>
> *a token makes a good company more visible. It makes a weak one more visible too.*

Scored 5 or more? Send me your score and let's look at the gaps together

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The turnkey path: 6 steps, in this order

1 **Assessment**
Can this business or asset be tokenized, and should it be?
Common mistake: Skipping it because "everyone is doing it"

2 **Jurisdiction**
Which country's laws let the right investors buy?
Common mistake: Choosing the cheapest, not the most trusted

3 **Structure**
Shares, a special company for one asset (SPV), a fund, a loan note, or revenue share?
Common mistake: A structure investors' compliance teams cannot approve

4 **Legal**
Offering documents, investor checks (KYC and AML), disclosures
Common mistake: Leaving legal for the end

5 **Technology**
Which platform, which blockchain, who holds the asset?
Common mistake: Starting here

6 **Distribution**
Who buys, through which regulated channel, how much?
Common mistake: Thinking about it after launch

Steps 1 to 4 decide **if you can launch**. Step 6 decides **if anyone buys**. Step 5 gets the most attention and matters the least.

> *Lesson for my son*
>
> *the order of the steps is the strategy.*

I take companies through all 6 steps, turnkey. Let's start with step 1

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Where in the world: the jurisdiction map

A jurisdiction is the country whose laws your token follows. There is no “best” one, only the best one **for your investors**. This is orientation, not legal advice. Always confirm with a local lawyer.

JURISDICTION	GOOD FOR	WATCH OUT
United States (SEC)	The biggest capital market. Clear paths: Reg D (wealthy investors), Reg S (non-US investors), Reg A+ (regular people, with limits)	*Tokens are securities. You need a transfer agent and broker-dealers*
Cayman Islands	Funds for global and institutional investors	*Rarely right for an operating company*
British Virgin Islands	Simple, low-cost holding companies and SPVs	*On the FATF “grey list” since June 2025. Expect extra questions from banks*
Switzerland (FINMA)	Tokenized shares of private companies. A Swiss company can issue shares directly as tokens	*Higher costs, strict rules*
Liechtenstein (FMA)	Tokens clearly defined in law, access to the EU	*Small market, needs EU partners*
Luxembourg (CSSF)	Funds and securities for European investors, EU passporting	*Built for institutions, not small raises*
Singapore (MAS)	Asian investors, bank-led pilots (Project Guardian)	*Strict on retail investors*
Abu Dhabi (ADGM)	Institutional projects in the Middle East, English common law	*High licensing standards*
Dubai (VARA)	Virtual asset businesses and tokens backed by real assets	*Security-like tokens may fall under other regulators*
Qatar (QFC)	Middle East investors, real-asset tokenization framework	*Young framework, mostly institutional*
European Union	EU investors. The DLT Pilot Regime allows trading of tokenized securities	*Securities follow MiFID II, not MiCA*

Choose with 3 questions: Where do your investors live? Who are they? Will banks and custodians accept your structure without endless questions?

> *Lesson for my son*
>
> *pick the country your buyers trust, not the one with the lowest fee.*

Choosing between two or three jurisdictions? I have worked with 20. Let’s compare

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Distribution: the part almost everyone forgets



Founders always ask me: “Which blockchain?”

The real question: **“Who is going to buy this?”**

A token is a product on a shelf. The shelf can be beautiful. If nobody walks in, nothing sells.

Who buys tokenized assets today:

→ wealthy investors, through broker-dealers, private banks and wealth managers
→ institutions: funds, family offices, company treasuries
→ regular investors, where the law allows, through regulated platforms
→ your own people: customers, partners and employees who already believe in you

BEFORE YOU LAUNCH, HAVE

✓ one anchor investor committed (a big first buyer others follow)
✓ a list of interested investors, with amounts
✓ a clear answer to “how can I sell it later?”
✓ marketing materials checked by a lawyer

> *Lesson for my son*
>
> *the token is the shelf. Distribution is the customer who walks in.*

If you invest, or advise people who do

5 QUESTIONS BEFORE YOU BUY ANY TOKEN

1. **Who is the issuer, and who supervises them?** No real company and no regulator? Walk away.
2. **Where is the real asset, and who holds it?** Look for a named custodian.
3. **What exactly do I own?** A share, a loan, part of revenue, or just “a token”?
4. **How can I sell it?** Is there a regulated place to find buyers?
5. **What if the app disappears?** Is my ownership recorded outside the app?

IF YOU WORK AT A BANK

If you work at a bank or wealth firm, your clients will soon ask: “Can I buy tokenized stocks through you? And why can I trade this on Sunday in another app, but not with you?”

Get ready in 3 steps:

1. Learn which tokenized products are live and how they are regulated.
2. Start one small pilot, for example a tokenized bond fund.
3. Choose partners carefully. Custody and distribution matter more than the blockchain.

> *Lesson for my son*
>
> *if you cannot answer the five questions, you are not investing. You are hoping.*

Want a 30-minute briefing for your team or a second opinion on a product?

Book a call →

7 lessons, and let's talk

1. Start with the buyer, not the blockchain.
2. Clean your house before you open the doors.
3. The cheapest jurisdiction is often the most expensive one later.
4. Regulation is not the enemy. It is what makes big investors trust you.
5. Never promise liquidity. Build it with real buyers.
6. One committed anchor investor beats a thousand followers.
7. Be patient. The market comes. The ones who are ready win.

Thinking about tokenizing your company, fund or asset?

I help companies do it turnkey: assessment, jurisdiction, corporate structure, legal support, technology choice (vendor-neutral), marketing, risk assessment, and above all **distribution: finding the investors who will actually buy**.

Book a free 30-minute call. You will know if your asset is a fit, which jurisdiction and structure make sense, and what it takes in time and budget.

Book a free 30-minute call →

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Ross Shemeliak

- → 9 years in crypto, 7 in tokenization.
- → $300M+ in real-world assets moved on-chain.
- → 100+ B2B clients in 20 jurisdictions.
- → 5 US broker-dealer partnerships.
- → Member of the QFC Digital Assets Lab.
- → SEC Crypto Task Force roundtable and SelectUSA delegation.
- → Cointelegraph contributor.
- → Speaker at Web Summit.

For education only. Not legal, tax or investment advice. Rules change often. Talk to qualified professionals before you act.