Tokenisation

Digital assets in practice:
practical implications, risks and opportunities

In Partnership With: DIGITAL JERSEY, Economy, switch, KÜNZI HESS MACNAB ATTORNEYS AT LAW, t'charta, Oakbridge, Walkers, APPLEBY

Introduction

Examining the practical factors that will determine whether tokenisation succeeds

Tokenisation and digital assets will play an increasingly integral role in securing Jersey's future competitive edge in financial and professional services.

Noting the Government of Jersey's recent Time to Win Report, we hosted a roundtable discussion to consider the practical implications of tokenisation and the factors that could impact its successful implementation in Jersey. We were joined by Swiss and Liechtenstein business experts to examine cross-jurisdictional impacts and opportunities for regulatory frameworks that encourage cross-border business.

Participants brought expertise across policy, regulation, tax, law and implementation from all three jurisdictions. This report provides pragmatic outputs to understand what Jersey is doing to prepare for tokenisation and to identify opportunities that would drive the change required for practical implementation across business, government and the supervisory community.

The Time to Win Report: Five Imperatives

1. Reducing regulatory cost and complexity
2. Renewing appetite for growth
3. Leading in tokenisation
4. Embracing digitalisation
5. Investing in Jersey's attractiveness as an IFC

“Jersey's financial and related professional services sector is the bedrock of the Island's economy, responsible for more than half of Jersey's economic output, providing 2 in 5 jobs and generating £6 in every £10 of tax revenue.” -Time to Win report

50%+

of Jersey's economic output comes from financial services

2 in 5

of Jersey's economic output comes from financial services

Our Objective:

To demystify tokenisation through practical implementation cases; approach it from a multi-jurisdictional perspective

Establish a working group to define solutions to identified barriers and determine what an effective delivery pathway looks like.

Foundations

What is Tokenisation?

Tokenisation is the process of creating a digital representation of an asset (or of ownership rights in an asset) on a digital ledger. The asset may be financial or physical in nature, such as a fund interest, bond, share, property etc. Tokenisation changes how those rights are recorded, transferred and managed, rather than changing the underlying asset itself.

Although often associated with cryptocurrencies, the two are not the same. Cryptocurrencies are digitally native assets whereas tokenisation is a process used to represent existing assets on a shared digital ledger.

This shared digital infrastructure (often a blockchain) can reduce reconciliation between participants, automate elements of the transaction lifecycle and support faster, more transparent and potentially lower-cost issuance, trading and settlement.

Tokenisation does not create a new asset class. The underlying asset remains unchanged. It offers a more efficient digital method of recording ownership, transferring interests, and improving transparency, traceability and operational efficiency.

Global Market

A market accelerating fast

While tokenisation is commonly associated with cryptocurrency, its application extends far beyond digital currencies. The most successful examples have focused on solving specific operational challenges rather than transforming entire business models at once.

Identifying the right use case with the most valuable impact is key. It is not essential to tokenise an entire structure; tokenisation can fix a specific problem or streamline a single operational element.

The market intelligence and data platform, RWA.xyz provides data on the value of assets currently represented on-chain and in May 2026 showed that:

- **2× real-world assets on-chain since January 2025**
- **10× increase in asset holders since January 2025**

In addition, the CitiBank Tokenization 2030 paper examines how tokenisation could reshape financial markets by moving a growing range of real-world assets and financial instruments onto blockchain-based infrastructure by 2030. Their predictions show:

- **$5.5T tokenised asset market by 2030 (base case)**
- **$8.2T bull case projection by 2030**

Infrastructure Spotlight

Institutional tokenisation is supported by a growing ecosystem of infrastructure providers, including Fireblocks, BitGo, Anchorage and others, offering custody, wallet management, settlement and tokenisation infrastructure that enables institutions to participate in digital asset markets securely and at scale.

By creating a common source of truth and automating traditionally manual processes, this infrastructure can reduce operational complexity, improve transparency and support faster transaction processing.

Three jurisdictions, one opportunity

Jersey, Switzerland and Liechtenstein each bring distinct strengths to the tokenisation opportunity. Switzerland's technology-neutral legal framework, Liechtenstein's Blockchain Act, and Jersey's reputation as a well-regulated International Financial Centre (IFC) together create a compelling cross-border offering, where collaboration can generate greater value than any single jurisdiction acting alone.

Regulatory restrictions on cross-border trading remain a barrier to the free flow of capital. Collaborative regulatory dialogue between our three jurisdictions collaborative regulatory dialogue between the three jurisdictions, exemplified by initiatives such as Jersey's Digital Asset Innovation Council (DAIC) that acts as a bridge between industry and the regulator will be a key enabler.

International Perspective

Learning from other jurisdictions

A key theme from the roundtable was the importance of cross-border discussion and collaboration. Switzerland's legal and regulatory approach to tokenisation provides valuable lessons and a model for how Jersey can replicate what works.

Switzerland

A view from Switzerland

The Swiss system adapts existing rules where needed without creating a separate regulatory framework for digital assets. Regardless of whether the underlying asset is physical or digital, the underlying regulatory requirements remain the same. This approach gives Swiss businesses clearer legal pathways to tokenised securities and removes many legal blockers.

Creating the token is often viewed as the easy part. Adoption is slower because products must genuinely work for institutions and their clients in practice. Businesses need a clear view of real-world applications, and must understand the governance requirements and the need for effective multi-party collaboration.

"When tokenisation enables cheaper, new, strategically critical, or faster delivery: this is where we see the true value come to the forefront." - Swithun Mason,
Non-Executive Director, MasonBreese

Switzerland, Jersey and Lichtenstein all share important common ground. They are all driven by sophisticated financial services sectors, maintain robust regulatory standards and have a history of close regulator and industry engagement.

Tokenisation is already being adopted in Switzerland in funds and asset management, private equity and debt, markets also prominent in Jersey and Liechtenstein.
Switzerland's framework demonstrates how tokenisation can be integrated into existing legal concepts by focusing on ownership recording rather than changing the characteristics of the underlying asset. Jersey follows a similar principle, generally looking through the technology to the legal and economic substance of the underlying asset. The opportunity is to learn from Switzerland's implementation experience while developing practical pathways within Jersey's own legal and regulatory framework.

Filling the knowledge gaps

Globally the adoption of tokenisation is progressing more slowly than early forecasts anticipated, but this is a global trend, not a Jersey-specific challenge. Technology enables tokenisation, but adoption depends on the wider ecosystem being ready. Legal, product, compliance, operational and distribution functions must all be aligned to deliver genuine value.

Alignment is one of the most important factors in successful cross-border business. MiFID, introduced following the 2008–09 financial crisis, provides a useful example of a cross-border regulatory framework that delivers improved transparency and stronger investor protection.

Education remains critical: organisations are unlikely to adopt sustainably unless the practical benefits.

Where it works

Solving common problems

Tokenisation generates the greatest benefits by streamlining traditionally complex and slow processes, particularly through automating ownership records, compliance checks and settlement in private markets.

1. **Investor access:** lowering investment thresholds through fractional ownership, enabling a wider range of investors to participate in previously inaccessible assets.
2. **Record keeping:** creating a shared, consistent and tamper-resistant digital record that reduces duplication and reconciliation between parties.
3. **Ownership transparency:** providing a clear and auditable ownership history that improves traceability and confidence across the investment lifecycle.
4. **Settlement speed:** enabling near real-time asset and payment transfers, significantly reducing delays and operational risk.
5. **Lifecycle processing:** automating distributions, redemptions, corporate actions and compliance checks throughout an asset's lifecycle.

Particularly in private markets, where slow and costly processes are common, standardised rights and clear, credible, regulated structures produce the best efficiencies and cost savings.

Barriers and enablers

Addressing the risks to capitalise on opportunities

Tokenisation can be costly and complicated, so identifying the application with the right economic justification is essential. Significant risks and barriers exist, particularly for larger or international firms with legacy systems, compliance questions, custody risk, cyber risk and reputational concerns to navigate before considering tokenisation.

Key consideration points

1. Cost and economic justification
2. Regulatory uncertainty
3. Ecosystem knowledge gaps
4. Technical complexity
5. Ecosystem-wide upskilling
6. Cross-border legal recognition

Tokenisation is also inherently interdisciplinary, meaning effective communication and collaboration across legal, technology, finance and operations is required. The winner will be those who can bring these perspectives together across organisational and jurisdictional boundaries. The comparatively small, interconnected nature of Switzerland, Jersey and Liechtenstein means that collaboration can happen more easily than in larger markets. The DAIC is one example of this in practice.

The outcome

Organisations that create compliant, reliable tokenised products will gain significant competitive advantage. Jersey's combination of ecosystem readiness, regulatory clarity, collaborative culture and international reputation places the Island in a strong position to lead.

Spotlight

The Digital Asset Innovation Council (DAIC)

The Government of Jersey and the Jersey Financial Services Commission (JFSC) have established the DAIC to help ensure Jersey's approach to digital assets and tokenisation remains innovative, proportionate and aligned with international standards. The Council brings together representatives from government, regulator, industry and the wider digital economy.

The DAIC's role is not simply to encourage adoption of digital assets, but to provide a forum where policy, regulatory and operational challenges can be explored collaboratively, including investor protection, financial crime risk, custody arrangements, market integrity, cyber resilience and cross-border legal recognition.
By examining real-world use cases and monitoring international developments, the DAIC helps Jersey assess where tokenisation can deliver genuine economic and operational benefits, and where additional safeguards or regulatory clarity may be required.

Casestudy

How Baillie Gifford overcame legacy to innovate

Baillie Gifford recently launched the UK's first native tokenised fund. The 117 year old investment firm partnered with BNY to issue a short-duration fixed income fund directly on the Ethereum and Solana blockchains, proving that large institutions with legacy systems can overcome these challenges.

Project Agorá

A major BIS/IIF public-private initiative testing how tokenisation and smart contracts can fix slow, costly cross-border payments, laying the foundation for new regulated financial market infrastructure.

Next Steps

Addressing the risk to capitalise on opportunities

Financial institutions that are early adopters of tokenisation will benefit from new and better products at reduced operational costs. As interconnected international finance centres, Jersey, Switzerland and Liechtenstein must together build the ecosystem for effective implementation.

Four practical actions that success will be defined against:

1. Maintain and build a cross-border working group

Allow Jersey to learn from the implementation of tokenisation in other offshore jurisdictions and Build upon each international finance centre's strategic positioning with established tokenisation jurisdictions like Switzerland, while exposing Jersey's opportunities to Swiss and Liechtenstein colleagues. Each jurisdiction's international reputation as a well-regulated financial centre is vital to its continued success as an IFC. Operating in an increasingly competitive market means each must continue to demonstrate the ability to innovate to help differentiate it from other jurisdictions.

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3. Grow the shared skills base across all three jurisdictions

Each jurisdiction needs the right knowledge and practical skills to implement tokenisation within its own professional services industry. Beyond that, cross-border knowledge exchange, including joint education, shared case studies and coordinated training, will accelerate adoption across shared case studies and coordinated training will accelerate adoption.

4. Provide practical support

That will increase the levels of understanding of tokenisation with a focus on implementation. Clear guidance, accessible regulatory engagement, implementation roadmaps, and case studies from each of the three jurisdictions, coordinated across government, regulators, Digital Jersey, DAIC and industry partners.

Next Steps

The formal cross-border tokenisation working group spans Jersey, Switzerland and Liechtenstein and is focused on commercial applications and industry implementation. The group will provide real world feedback on practical challenges and share knowledge across all three jurisdictions.

The working group will:

- Increase levels of understanding of tokenisation with a focus on practical implementation, supporting governments and regulators.
- Review factors impacting successful implementation and develop mitigation strategies to reduce barriers
- Facilitate structured cross-border collaboration between Jersey, Switzerland and Liechtenstein, increasing capital flows and removing shared barriers
- Establish measurement principles to understand the value of effective implementation across all three participating jurisdictions

Roundtable Participants

The minds behind this report

Senior specialists from Jersey, Switzerland and Liechtenstein who contributed to the roundtable discussion on the practical implementation of tokenisation.

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