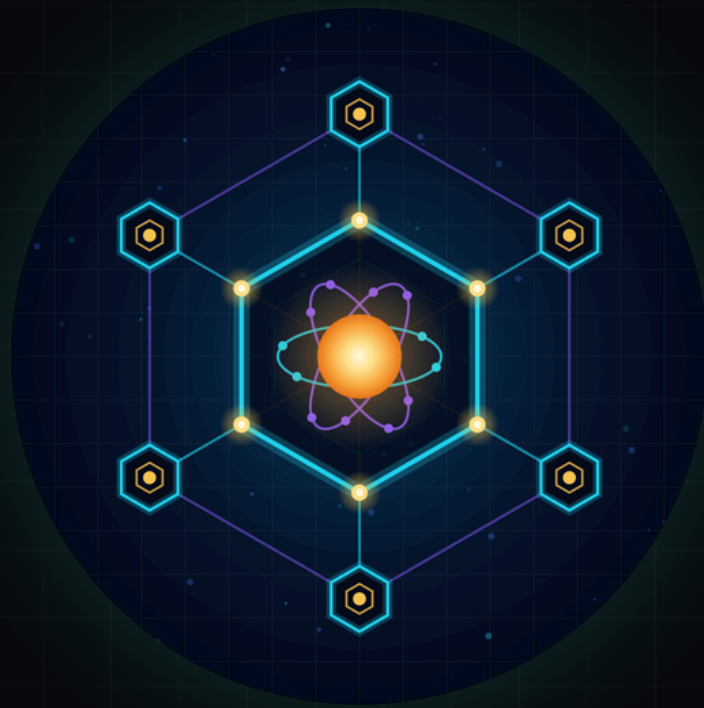




EDITION 1 · OCTOBER 2026

RWA Primer

A clear, sourced introduction to tokenized real-world assets: what they are, how big the market is, how the stack works, where regulation stands and what to check before you trust a token.

Market data as of 18 October 2026 · 12 pages · tokenization-architect.vercel.app · tokenakt.substack.com

INSIDE

Ten minutes to a solid footing

Tokenization is moving from pilots to production. This primer gives you the vocabulary, the numbers and the questions that separate a well-built product from a marketing claim.

1. What tokenization actually is
2. The market in numbers
3. What is being tokenized
4. How a tokenized asset is built: the stack
5. Regulation: United States and European Union
6. Regulation: United Kingdom and Asia, and what to watch
7. The risks that matter
8. A due diligence checklist
9. Glossary
10. Sources and further reading

How to read this primer

Every figure carries a date and a source, listed on the final page. Markets move quickly, so treat numbers as a snapshot, not a forecast. Nothing here is investment, legal or tax advice; many tokenized products are open only to eligible or professional investors in certain jurisdictions.

About Tokenization Architect

Independent research on how tokenization is rebuilding ownership, trade and governance. A free newsletter twice a week on Substack, plus a verified directory of tokenization and RWA projects and a tracker of new research papers.

What tokenization actually is

Tokenization records a claim on an asset, such as a Treasury bill, a fund share, a bar of gold or a loan, as a digital token on a shared ledger (a blockchain).

The token does not replace the asset. It is a new way of recording who owns a claim on it and of moving that claim. The legal rights still come from contracts, fund documents and the law of the place where the asset sits. A well-built token links those rights to the ledger so that a transfer of the token is also a legally effective transfer of the claim.

Why institutions care

SETTLEMENT

Delivery and payment can happen together, at any hour, instead of over days of reconciliation between intermediaries.

PROGRAMMABILITY

Rules such as who may hold the asset, transfer limits and income distribution can be coded into the token itself.

COLLATERAL MOBILITY

Tokenized money-market and Treasury funds can be moved and pledged as collateral faster than traditional securities.

ACCESS

Smaller minimum sizes and fractional units can widen access, within the limits investor-protection rules allow.

Two models: distributed and represented

Data provider RWA.xyz separates two kinds of tokenized asset. **Distributed** assets can be transferred on-chain, peer to peer, into investors' own wallets. **Represented** assets use a blockchain as a record-keeping layer, but holders cannot freely move them on-chain. Both are legitimate; they answer different needs, and mixing them up is the most common way headline figures get exaggerated.

Rule of thumb: when someone quotes the size of "the RWA market", ask which measure they mean and whether stablecoins are included.

02 • MARKET SNAPSHOT • 18 OCTOBER 2026

The market in numbers

\$39.2bn

Distributed tokenized RWAs, excluding stablecoins (RWA.xyz)

\$367.7bn

Represented assets: blockchain used as a record-keeping layer (RWA.xyz)

5.3m

Holders of tokenized RWAs, up about 16% in 30 days (RWA.xyz)

\$291.3bn

Stablecoins, tracked separately: the cash leg of on-chain markets

\$14.7bn

Tokenized US Treasury funds, distributed value on 16 October (117 products)

\$16.9bn

Distributed RWAs on Ethereum, the largest network by value

Largest tokenized Treasury products

PRODUCT	MANAGER / ISSUER	VALUE, 9 OCT 2026
USYC	Circle (Hashnote short-duration fund)	\$2.40bn
USDY	Ondo Finance	\$2.32bn
BUIDL	BlackRock, tokenized by Securitize	\$2.20bn
iBENJI	Franklin Templeton (Benji platform)	\$1.71bn

What the numbers say

- **Short-term US government debt leads.** Treasury and money-market funds are the largest clearly identified category of distributed RWAs, ahead of private credit and commodities.
- **Rankings move.** The top Treasury products have traded places several times in 2026; a single fund can swing by hundreds of millions in a week.
- **The represented market is far larger.** Much institutional activity uses blockchains for records and settlement without offering open on-chain transfer.

Sources: RWA.xyz Global Market Overview and Networks pages, read 18 October 2026; TokenPost reports of 9 and 17 October 2026 using RWA.xyz data. Figures rounded.

03 · ASSET CLASSES

What is being tokenized

ASSET CLASS	WHAT THE TOKEN REPRESENTS	EXAMPLES
Treasuries and money-market funds	Shares in funds holding short-term government debt, cash and repurchase agreements. Usually priced near \$1, with income paid in new tokens or accrued.	BUIDL, BENJI, USYC, USDY
Private credit	Loans to companies or pools of receivables, originated off-chain and financed through tokens. Higher yields, with credit and liquidity risk to match.	On-chain lending and credit platforms
Commodities	Claims on allocated physical metal held by a custodian, typically gold, redeemable under the issuer's terms.	PAX Gold (PAXG), Tether Gold (XAUT)
Equities	Tokens linked to listed shares. Some carry full shareholder rights; others only give price exposure. In the US, the SEC's 2026 exemption covers tokens with the same rights as the share and excludes synthetic exposure.	Tokenized NMS stocks; issuer-tokenized shares
Funds	Units of regulated investment funds whose register is kept on a ledger, sometimes alongside a traditional register.	Tokenized fund share classes
Real estate	Usually shares in a company or vehicle that owns property, rather than the land title itself. Legal structure and local land law decide what the holder really owns.	Property vehicles and fractional platforms
Bonds and deposits	Digitally native bonds issued on a ledger by governments, supranationals and banks, and tokenized bank deposits used for settlement.	Digital bonds; deposit tokens

The pattern: adoption is fastest where the underlying asset is simple, liquid and easy to value. Treasuries came first because a dollar of T-bills is easy to verify. Illiquid assets such as real estate gain the least from a token unless the legal structure and secondary market also improve.

How a tokenized asset is built

Every credible product has the same layers. If any layer is missing or vague, the token is only as good as the weakest promise in the chain.

1 · Asset

The real thing: T-bills, a loan book, gold bars, shares. It sits off-chain with a custodian, depositary or registrar.

2 · Legal wrapper

A fund, special purpose vehicle (SPV), trust or note that owns the asset and defines holders' rights, priority and what happens in insolvency.

3 · Issuer and agents

The regulated entity that issues the token, plus a transfer agent or registrar who keeps the authoritative record of ownership.

4 · Token and standard

The smart contract. Open tokens often use ERC-20; permissioned securities often use standards such as ERC-3643, which check identity before every transfer.

5 · Ledger

Public chains (Ethereum, Solana, Stellar and others) or permissioned ledgers. Many products are issued on several chains at once.

6 · Identity and compliance

KYC and AML checks, allowlists of eligible wallets, sanctions screening and the ability to freeze or reverse tokens under court order.

7 · Data and oracles

Net asset value, prices and proof of reserves fed on-chain. Ask who publishes them, how often and who audits them.

8 · Cash leg and redemption

How you pay and get paid: stablecoins, tokenized deposits or bank transfer. Redemption terms decide whether the token really tracks the asset.

United States and European Union

Tokenized securities are still securities. The rules below decide how they may be traded, settled and paid for.

United States

SEC · INNOVATION EXEMPTION

On 17 September 2026 the SEC granted temporary, conditional relief, running to 17 September 2031, for permissioned trading of tokenized NMS stocks on "Tokenized Securities Venues" using automated market makers. Conditions include identical rights to the traditional share, issuer notice and a right to object for third-party tokenization, public and auditable smart contracts on public permissionless ledgers, and limits on symbols and volume. Synthetic exposure tokens are excluded.

STABLECOINS · GENIUS ACT

Signed into law on 18 July 2025. Most implementing rules from the OCC, the Federal Reserve and the Treasury were still at the proposal stage in October 2026. The effective date is expected to be 18 January 2027.

MARKET STRUCTURE · CLARITY ACT

The broader market-structure bill failed to advance in the Senate in September 2026, which is why the SEC acted within its existing powers.

European Union

MICA

The Markets in Crypto-Assets Regulation has applied in full since 30 December 2024, after its stablecoin rules took effect on 30 June 2024. National transitional periods for existing providers ended by 1 July 2026 at the latest. MiCA does not cover tokens that qualify as financial instruments; those remain under MiFID II and related rules.

DLT PILOT REGIME AND ITS REFORM

The DLT Pilot Regime has applied since 23 March 2023, but uptake has been limited. On 9 October 2026 the Council agreed its negotiating position on the Market Integration and Supervision Package, which would raise the main threshold to €300bn (adjustable up to €500bn), add a €10bn simplified regime and admit crypto-asset trading platforms. Talks with the European Parliament are still to come.

United Kingdom, Asia and what to watch

United Kingdom

DIGITAL SECURITIES SANDBOX

Run jointly by the Bank of England and the FCA, the sandbox lets firms operate DLT-based trading and settlement infrastructure under modified rules. Since 30 June 2026 it allows qualifying stablecoins as settlement assets, subject to Bank approval and minimum standards on backing, redemption and safeguarding.

FCA · FUND TOKENIZATION

Policy Statement PS26/7, "Progressing fund tokenisation", published on 30 April 2026, gives guidance for authorised funds using DLT and introduces an optional direct-to-fund dealing model.

Asia

SINGAPORE

The Monetary Authority of Singapore's Project Guardian, launched in 2022, brings regulators and financial institutions together to test tokenized assets in live and pilot transactions.

HONG KONG

The HKMA's Project Ensemble, launched in 2024, works on interbank settlement of tokenized deposits and tokenized assets.

What to watch next

- The final GENIUS Act rules and the 18 January 2027 effective date.
- The first venues and volumes under the SEC Innovation Exemption, and the comments the SEC invited on it.
- EU trilogue negotiations on the DLT Pilot Regime reform.
- Tokenized funds used as collateral at clearing houses and in derivatives markets.
- DTCC's Tokenization Service, due to launch in October 2026 with 25 securities on Canton and DTCC's private Besu network, each token backed 1:1 by securities held at DTC.

The direction across the major jurisdictions is the same: regulators are building lanes for tokenized assets inside existing investor-protection law, not outside it. That is good news for durable adoption.

The risks that matter

A token changes how a claim is recorded and moved. It does not remove the risks of the underlying asset, and it adds a few of its own.

Legal enforceability

Does a token transfer legally transfer the claim? The answer depends on the wrapper, the governing law and the official register.

Transferable is not liquid

A token that moves 24/7 may move only between pre-approved investors. Selling quickly still needs an eligible buyer and a current price.

Redemption

Check notice periods, cut-off times, minimums, fees and gates. Redemption is what anchors the token to the asset.

Custody and reserves

Who holds the asset, are holders' assets segregated, and how often are reserves independently verified?

Smart contracts and keys

Code bugs, administrator keys, upgrade rights and bridges between chains are all points of failure.

Data and oracles

Stale or manipulated prices can misprice collateral and trigger wrong liquidations.

Counterparties

Issuer, transfer agent, custodian, stablecoin issuer: each can fail or freeze activity.

Regulation and eligibility

Rules differ by country and change quickly. Many products are not available to retail investors where you live.

08 · DUE DILIGENCE

Twelve questions before you trust a token

- ❑ **What exactly do I own?** A fund share, a note, a beneficial interest or just price exposure?
- ❑ **Who is the issuer, and who regulates it?** Check the regulator's own register, not the website.
- ❑ **What is the legal wrapper and governing law?** What happens if the issuer becomes insolvent?
- ❑ **Where is the asset held?** Name the custodian and confirm segregation of holders' assets.
- ❑ **What is the official record of ownership?** The ledger, a transfer agent or both, and which wins if they differ?
- ❑ **How do I redeem, and how fast?** Minimums, fees, cut-offs, gates and the currency of payment.
- ❑ **Who may hold and receive it?** Eligibility rules, allowlists and transfer restrictions.
- ❑ **How is it valued?** Source and frequency of net asset value, and who audits it.
- ❑ **Is the smart contract audited?** By whom, when, and who holds administrator or upgrade keys?
- ❑ **Which chains, and which bridges?** Every extra chain or bridge adds operational risk.
- ❑ **What are the total costs?** Management fees, network fees, spreads and redemption costs.
- ❑ **Where are the documents?** Prospectus or offering memorandum, audit reports and attestations should be public or provided.

Red flags: guaranteed yields, no named custodian, no redemption route, unverifiable reserves, pressure to buy before documents are available.

Words you will meet

RWA	Real-world asset: a financial or physical asset that exists off-chain and is represented by a token.
Distributed asset	A tokenized asset that can be transferred on-chain into holders' wallets (RWA.xyz definition).
Represented asset	An asset recorded on a blockchain without free on-chain transfer by holders.
Stablecoin	A token designed to hold a stable value, usually one US dollar, backed by reserves. Often the cash leg of on-chain trades.
Tokenized deposit	A bank deposit recorded as a token on a ledger; a liability of a regulated bank.
Smart contract	Code on a blockchain that enforces rules such as who may hold or transfer a token.
ERC-20 / ERC-3643	Ethereum token standards. ERC-20 is the general standard; ERC-3643 adds identity checks for permissioned securities.
Transfer agent	The entity that keeps the official register of a security's owners.
SPV	Special purpose vehicle: a company or trust set up to hold a specific asset and isolate its risk.
NAV	Net asset value: the value of a fund's assets minus liabilities, per share or unit.
Oracle	A service that brings off-chain data, such as prices or reserves, onto a blockchain.
Atomic settlement	Delivery of the asset and payment happen in a single, indivisible step.
Permissioned	Restricted to approved, identified participants, whether the ledger itself or a token on a public ledger.
KYC / AML	Know-your-customer and anti-money-laundering checks required by financial regulation.
MiCA	The EU Markets in Crypto-Assets Regulation, covering crypto-assets that are not financial instruments.
DLT	Distributed ledger technology, the family of technologies that includes blockchains.

10 · SOURCES AND FURTHER READING

Check it yourself

1. RWA.xyz, Global Market Overview and Networks, app.rwa.xyz, read 18 October 2026.
2. TokenPost, "Tokenized Treasury Funds Reach \$14.95 Billion in Distributed Value", 9 October 2026; "Tokenized Treasury Funds Reach \$14.69 Billion as Liquidity Faces Test", 17 October 2026.
3. US SEC, press release 2026-90 and Commission order granting the Innovation Exemption for tokenized NMS stock, 17 September 2026; Federal Register 2026-19388, 22 September 2026.
4. US SEC, Chairman Atkins, "Statement on the Innovation Exemption: A Bridge Toward Durable Rulemaking", 17 September 2026.
5. Federal Register: OCC GENIUS Act proposed rule (2 March 2026); Treasury proposed rule on payment stablecoin issuance, offer and sale (18 August 2026); Federal Reserve proposed rule (29 September 2026).
6. Regulation (EU) 2023/1114 on markets in crypto-assets (MiCA); Regulation (EU) 2022/858 on the DLT Pilot Regime.
7. Council of the EU, "Savings and investments union: Council agrees key elements of crucial measures to deepen EU capital markets", 9 October 2026.
8. Bank of England, Digital Securities Sandbox guidance and dashboard; FCA, PS26/7 "Progressing fund tokenisation", 30 April 2026.
9. DTCC, "Tokenization Service: Scope at Launch and What's Next" (at-a-glance), October 2026; DTCC press release, 15 July 2026.
10. Monetary Authority of Singapore, Project Guardian; Hong Kong Monetary Authority, Project Ensemble.
11. Issuer pages: Securitize (BUIDL), Franklin Templeton (BENJI), Ondo Finance (USDY), Circle (USYC).

Keep up to date

Facts change. Tokenization Architect publishes two editions a week on tokenization, RWA and the law, and corrects every linked article when a fact changes. Read it at tokenakt.substack.com, browse the verified directory at tokenization-architect.vercel.app and follow [@TokenizationArc](https://twitter.com/TokenizationArc) on X.

Important

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