Tokenized Art Funds with Verifiable Data

Unlocking Accessibility And Liquidity For Art Investment

tokeny

ARTORY
NEW YORK · BERLIN

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AUTHORS

ARTORY
NEW YORK · BERLIN

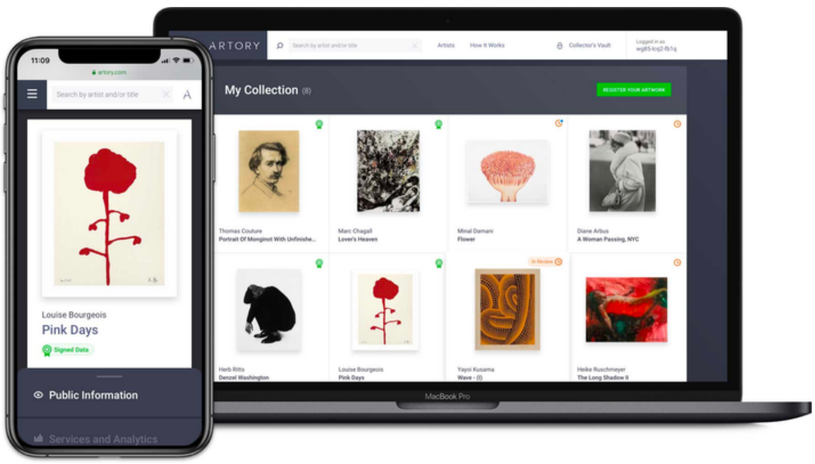
$1.5bn
Worth of Art Secured on Blockchain

44mm
Transaction Records for Art and Collectibles

37 years
of Art and Collectible Transaction Data

Artory is the leader in art and collectibles tokenization, accelerating the liquidity opportunities for the most trusted real-world assets.

With their unique Due Diligence Tool, Artory secures trusted information from expert partners to tokenize physical artworks and collectibles. This process prepares these objects to be incorporated into traditional financial instruments, next-gen digital-first financial products, and other Web3 opportunities.



AUTHORS

tokeny

Tokeny is a leading global provider of tokenization solutions that enable securities issuers, agents, and investors to seamlessly and compliantly issue, manage, and transfer digital securities on any EVM-compatible blockchain, in any jurisdiction.

6 years	$28bn	100+
of track record	in assets tokenized	security tokens issuers

KPMG LUXEMBOURG FINTECH OF THE YEAR · CB INSIGHTS BLOCKCHAIN TOP50 · 2022 TADS AWARDS · AICPA SOC · Proofed by Hacken Smart Contract Audit

The creator of the market standard ERC3643

ERC3643

The standard is supported and adopted by large traditional institutions

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Executive Summary

Art and passion investments have become increasingly popular. However, this asset class has traditionally been hindered by inefficiencies like limited secondary market liquidity, data provenance challenges, and informational asymmetries. Now, developments around blockchain and tokenization are accelerating and enhancing access to credible investment opportunities in art and other passion assets.

At the heart of this digital transformation is the ambition to reshape art funds into programmable, interoperable, and data-rich financial assets, all within an open and shared infrastructure—the blockchain.

Tokenization disrupts and brings new, innovative fund models, automating operations and embedding compliance rules, thus enriching them with extensive data, from net asset value assessments to exhaustive due diligence reports.

This technological innovation promises to increase access to art investment while fostering trust and compliance in the market. Investors now experience an e-commerce-like platform, enabling them to directly and compliantly subscribe to, manage, and transfer digital funds, all while avoiding traditional barriers to entry. Similar to how the internet revolutionized information transfer, blockchain is revolutionizing value security and transfer.

Yet, one of the most significant changes is in fund distribution, which is set to unlock the liquidity of these assets. Once art funds are represented on a blockchain, digital funds can be distributed across any trading platform within the network.

The ERC3643 smart contract ensures that token transfers occur only between eligible investors, whether on the issuance platform or elsewhere in the network. This permissioned token approach enables fund managers to maintain control over digital funds, meeting regulatory requirements even on a public blockchain.

Within the pages of this document, Artory and Tokeny meticulously examine the nuances of market challenges, the catalytic role played by verifiable data and asset tokenization, and a comprehensive how-to guideline for embarking on an art fund tokenization journey. **Our overarching mission is to expedite the adoption of tokenization, with the ultimate aim of rendering finance real-time, interoperable, and open.**

CHAPTER ONE: ART MARKET

The Financial and Emotional Appeal of Art Investments

Barriers such as substantial capital requirements, limited awareness of diverse investment opportunities, illiquidity of the assets and gaps in information often hinder individuals from capitalizing on art.

Nanne Dekking
Founder & CEO at Artory

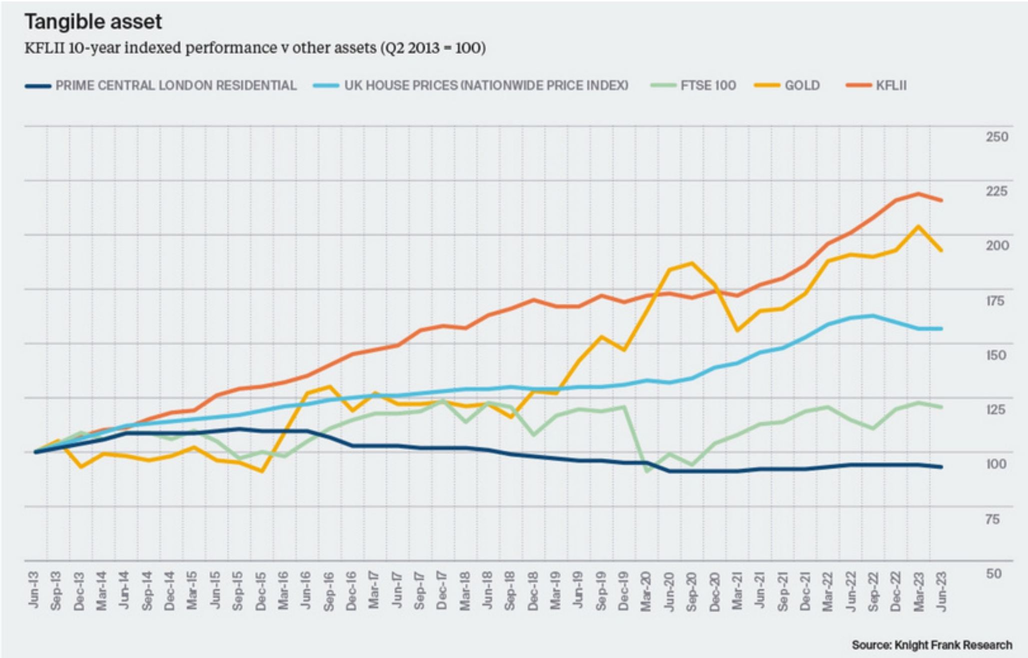
When investing, the primary goal for most investors is typically to achieve a positive financial return. However, in the case of the art market and art-related assets, the motivations of investors can vary.

Specifically, in the realm of art and 'passion investments', investors are drawn not only by potential returns, but also by deep-rooted personal interests and emotional ties. Classic examples include art, vintage cars, fine wines, whiskies, and jewelry.

Beyond monetary value, passion investments provide investors with “emotional returns”– the utility gained through a connection to one’s interests, personal values, and community.

Although people engage in passion investments for non-monetary reasons, they often still reap financial benefit, demonstrating the dual value of these assets.

According to the Knight Frank Luxury Investment Index (KFLII), the top passion investments such as fine art, cars, and wine have risen 137% in value since 2012. Despite macroeconomic uncertainty and inflation, the KFLII rose 16% during 2022, beating equities and even gold.



Passion investments have demonstrated their ability to store value and offer an attractive diversification strategy for even the most conservative investors. Fine art, for example, has a strong positive correlation with gold, demonstrating art's potential as a stable, value-preserving asset class and as a hedge against inflation.

Fine art has also historically been able to grow faster than traditional asset classes during financial turmoil. In fact, art was the KFLII's top performing investment of passion, with a 29% increase in value in 2022. Additionally, according to the Artprice100 index, the top performing artists have been outpacing the S&P 500 for over 20 years.

In addition, simply holding and owning individual Art pieces also has the potential to deliver extraordinary returns. Conservation (2010), a painting by Scottish artist Caroline Walker, for example, was first sold at Christie's London in March 2019 for USD $41,336.

According to ArtTactic's resale analysis, the subsequent sale of the piece at Phillips New York for USD $469,900 in May 2023 delivered a total return of over 1,000% in just four years, with an annual return of about 80%.

It’s no surprise that demand for art investment strategies is on the rise. In fact, according to Knight Frank’s 2023 Attitudes Survey, 59% of UHNWIs planned to invest in art in 2023.

However, access to credible art investment opportunities is beset by unique market idiosyncrasies that can be difficult for investors to navigate. In the realm of rare assets, opportunities are often constrained by extremely limited supply, high transaction costs, low liquidity, and informational asymmetries.

CHAPTER TWO: VERIFIABLE DATA

Information Asymmetry In the Art Market

Investing in the art market can be appealing due to its historical returns and potential for diversification, but it's important to recognize that this investment strategy does not guarantee success. Not every piece of art retains or appreciates in value, and some artworks may not be (easily) tradable at all.

It takes experienced partners in the market to understand which artworks have the highest potential to excel, leaving individual investors at a disadvantage when navigating this space.

This disparity in the art market mainly stems from information asymmetries between investors and art market insiders. Several reasons for these asymmetries include:

Lack of standardized pricing
Not only is art a complex asset class that does not follow the economic conventions of supply and demand, but the value creators for an artwork are not always readily apparent.

Beyond the subjective aesthetic qualities that create perceived value, factors such as condition, provenance, freshness-to-market, the artist's reputation, and more can have a large effect on pricing.

Lack of data for asset valuation:
Historic transaction data is key to predicting the price of an artwork, but sales in the art market are spread across venues around the globe and aggregating this data can be an onerous task.

The prevalence of private sales, which make up at least half of global sales in the art market, further inhibits one's ability to find reliable transaction data for comparables and valuation of fine art.

Authenticity issues

Artwork forgeries, especially for high-value artworks, are a highly publicized concern in the art market. Any suspicion of inauthenticity would be the reason to disengage from a transaction.

Authenticity issues may arise after the purchase of an artwork and can negatively affect one's ability to sell the artwork.

Title issues

Potential errors around the legal ownership of an artwork and its provenance can occur if ownership is incorrectly or incompletely documented—this can lead to disputes of ownership of artworks.

Intermediaries

It is common for an intermediary to act on behalf of an artwork's buyer or seller. The social and financial motivations of an intermediary can be unclear. In transactions where a seller and a buyer are remote or unknown to each other, with one or more intermediaries, concealed legal title defects can occur.

For example, if an intermediary acts as an agent for an artwork buyer, title may transfer to the intermediary in error. Any issues for the title of an artwork can affect all previous title holders for the artwork, and it may negatively impact one's ability to resell the artwork.

As you can see, numerous factors come into play when it comes to the art buying, selling, and valuation processes. This further underscores the necessity for a third-party data verifier to ensure confidence in the data received, such as the service provided by Artory through their partnership with leading art advisory and appraisal firm, Winston Art Group.

Real-World Example

The Pitfalls of Information Asymmetry in Art

Person A, an ardent admirer of Pop Art, set her heart on owning an Andy Warhol piece, particularly drawn to his iconic "Marilyn" prints. Believing in their investment potential, she conducted online research and came across Person B, a private art dealer. Person B offered her three Marilyn prints for $30,000, a price that seemed reasonable given their apparent 1970s origin and inclusion in Warhol's catalogue raisonné.

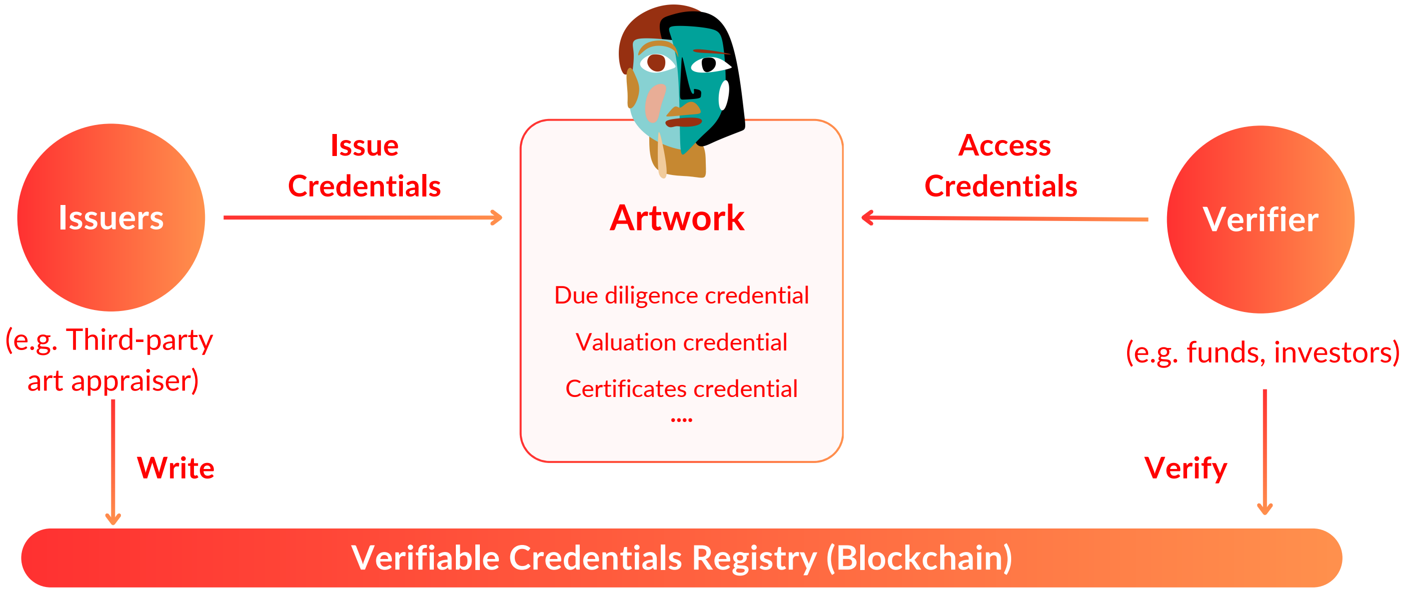
Excited by the prospect, Person A displayed two prints in her living room and stored the third, expecting them to appreciate in value. After three years, aiming to capitalize on her investment, she was stunned when a regional auction house valued the stored print at merely $1,000. The auction revealed that the prints were not produced in Warhol's Factory and lacked the artist's signature, significantly diminishing their value. Despite her initial optimism, the print sold for just $2,000, less than the cost of its storage, while the others, now slightly damaged, became virtually worthless.

> Without any historical transactional data or expertise on valuing an art piece, the secondary market for buying and selling artworks can be difficult to navigate confidently.
>
> ***Nanne Dekking***
> *Founder & CEO at Artory*

On-Chain Verifiable Data: Achieving Information Symmetry

We've covered some of the main limitations via the exploration of a real-world, practical example in the art market and what factors lead to significant informational asymmetries. Now, let's dive deeper into how tokenization creates a more efficient market and bridge the informational gap.

Blockchain technology provides a shared, tamper-proof, and immutable infrastructure to allow participants to securely store all the proofs of authenticity, identifiers, and signatures relating to verifiable credentials. This allows art data to become verifiable, trustworthy, and accessible, achieving information symmetry via verifiable credentials.



Reputational institutions like third-party art appraisers can issue credentials for artworks such as due diligence, valuation, and certificates on the blockchain. Any party who is authorized can easily access credentials to verify these proofs, such as fund managers, administrators, or investors.

With data solution providers like Artory, investors can even access a data room that includes the high standards of asset due diligence carried out by expert partners such as Winston Art Group. These credentials can be updated to ingest changes in the artwork, including its condition and valuation, ensuring that the information remains current and accurate.

CHAPTER THREE: ART FUND TOKENIZATION

Additional Challenges with Art Funds: Liquidity and Accessibility

While verifiable data can resolve issues regarding the trustworthy valuation, authenticity, and provenance of artworks, individual investors still face significant challenges in investing in art. One major concern is the requirement of committing substantial capital to invest in a single or a limited number of artworks.

Additionally, the ownership of art involves responsibilities like maintenance, insurance, and proper storage, which demand specific expertise and additional resources. This is compounded by the risk of market volatility, where the value of artwork can fluctuate unpredictably, potentially leading to a concentration of risk if invested in just a few pieces.

In order to mitigate some of these aforementioned risks and limitations, artworks can be incorporated as underlying assets for financial instruments like art investment funds (e.g., mutual funds).

Art funds represent a compelling investment avenue, offering unique benefits such as portfolio diversification, the potential for high returns, and access to expert management and exclusive artworks. However, they also come with their own set of challenges, primarily inaccessibility and illiquidity. Below is a list of reasons contributing to these issues:

HIGH BARRIERS TO ENTRY

The majority of art funds set a substantial threshold for minimum investment, frequently exceeding $10,000, placing them beyond the reach of individual and small-scale investors, making them only accessible to affluent individuals and institutional investors. Consequently, this exclusivity also narrows the scope for fund managers, limiting their potential investor base and reducing the diversity of investment profiles.

LENGTHY AND SLOW PROCESSES

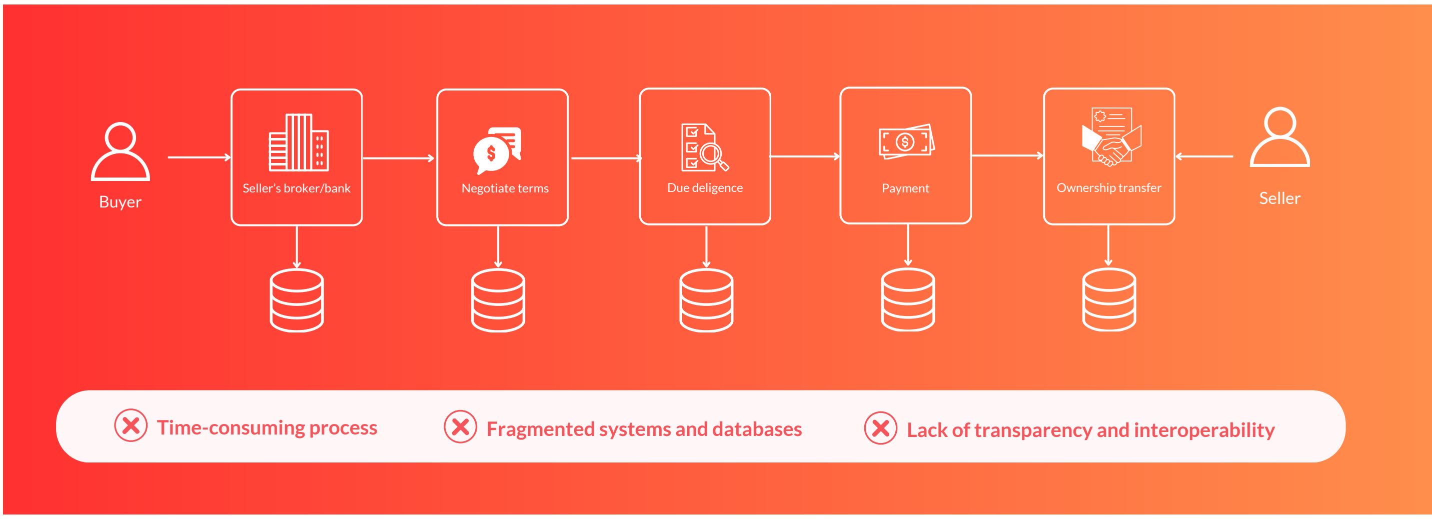
Stakeholders using siloed systems cause lengthy data reconciliations. The investment process, burdened by manual compliance checks and fragmented communication across emails, calls, and Excel updates, often stretches over several weeks or months, hampering efficiency. This limitation is a key factor driving fund managers to focus on wealthier investors, as constrained manpower necessitates a more selective approach, restricting their ability to broaden access and reach.

LONG LOCK-UP PERIODS

Although artworks and art investment funds hold the potential for yielding higher returns to investors, they frequently necessitate a prolonged investment lock-up period, limiting investors' ability to liquidate their investments quickly. Depending on the type of investment, lock-up periods might have an expiration date, or they might not. Regardless, even when investors have the freedom to manage their shares, finding a buyer can be challenging.

Art funds, similar to any other private assets, suffer from inefficiency. Mostly because there is no shared infrastructure for all stakeholders. Blockchain provides this missing infrastructure.

Luc Falempin
CEO at Tokeny



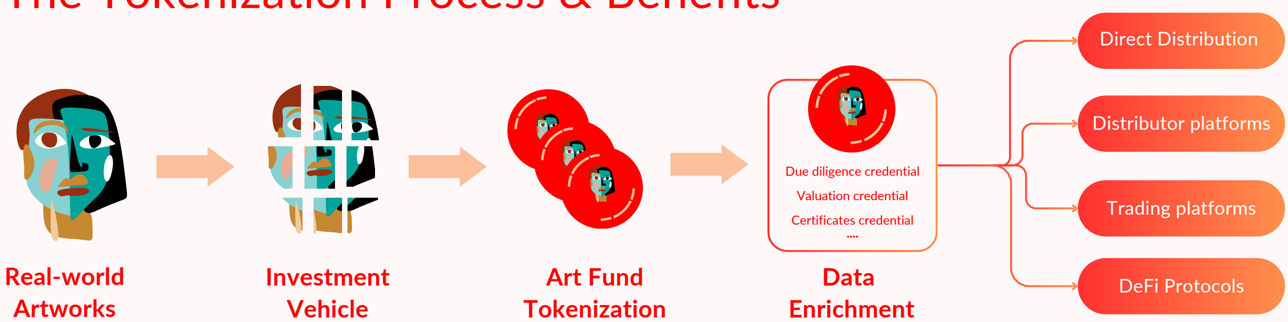
Tokenizing Funds: Unlocking Broad Distribution And Liquidity

Blockchain technology offers a shared infrastructure. Through tokenization, the process of representing assets on a blockchain, fund managers can address key challenges they are facing in the traditional market.

Tokenized funds are programmable through smart contracts like ERC3643 (see more details later). They enhance fund accessibility and operational efficiency. This includes enabling the fractionalization of shares, automating compliance, and streamlining overall operations.

One of the most significant advantages of tokenized funds is interoperability. This feature allows fund managers to distribute their tokenized assets not just directly to investors but also across various trading platforms, broadening their reach and facilitating wider market access. Such interoperability is a major leap forward in how funds are managed and distributed in the financial sector.

The Tokenization Process & Benefits



DEMOCRATIZED ACCESS

Fund managers can broaden their investor reach to democratize fund investment. Through fractional ownership, they can significantly lower the minimum investment requirements, making it feasible for smaller investors to participate. Additionally, by offering a user-friendly, Amazon-like digital experience, fund managers can streamline the investment process, making it more accessible and appealing to a broader audience.

IMPROVED OPERATIONAL EFFICIENCY

Stakeholders in the fund management sector can now operate in real-time, thanks to using a shared infrastructure. When an action is initiated, all participants receive immediate updates, significantly enhancing the efficiency of middle and back-office operations.

A fully digital and automated process allows fund managers to efficiently manage a larger pool of investors with their existing team size. This streamlined approach revolutionizes how fund operations are conducted, leading to increased productivity and scalability.

BROAD DISTRIBUTION

Fund managers have the distinct advantage of distributing tokenized funds directly to investors, thereby creating and cultivating their own investor base. Furthermore, the interoperability of these tokens with applications on the same network means that tokenized funds can be freely distributed across various trading platforms or through distributors' platforms.

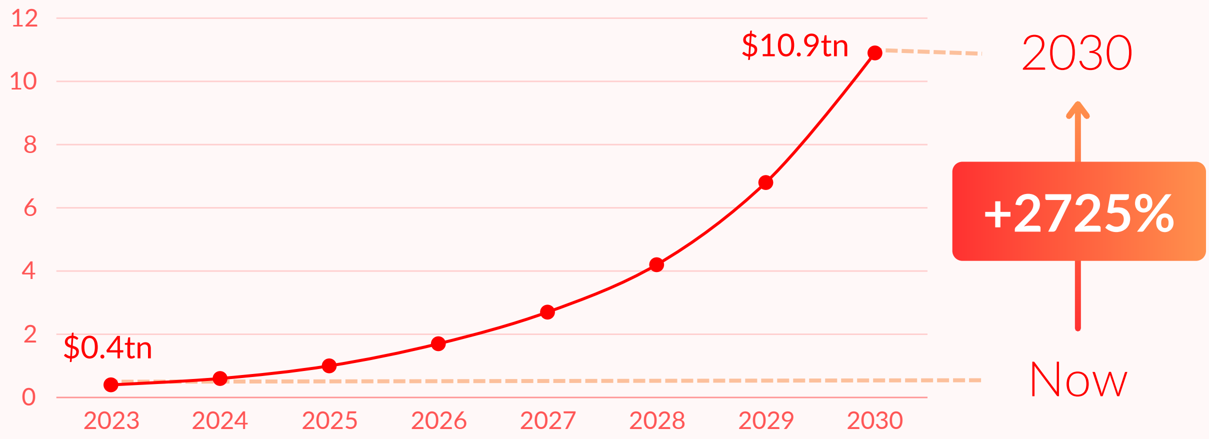
DIVERSE LIQUIDITY OPTIONS

Investors can trade tokenized funds at various venues, transfer them peer-to-peer, or use them in DeFi services. By adopting token standards like ERC3643 for tokenized securities, compliance is embedded, ensuring trades are limited to qualified investors to ensure compliance.

The tokenization market has witnessed a rapid surge in growth since last year, with significant endorsements and projections from leading financial entities. Larry Fink, CEO of BlackRock, has proclaimed tokenization as "the next generation for securities." Reinforcing this perspective, a report by Citi Bank labels the tokenization of financial and real-world assets as a potentially groundbreaking use case.

Citi's report anticipates the market expanding by 80 times in private sectors, potentially reaching nearly $4 trillion by 2030. Adding to this optimistic outlook, Boston Consulting Group forecasts the market could soar to $16 trillion, while Roland Berger predicts growth of at least $10 trillion by the same timeframe. These projections from reputable sources collectively underscore the burgeoning potential and escalating significance of tokenization in the financial world.

Tokenized Assets Market Size (USD trillion)



Source: Roland Berger, October 2023

Tokenization is rapidly moving from prediction to reality, with a growing number of major institutions launching their tokenization projects. In a significant development in November 2023, J.P. Morgan and Apollo utilized fund tokenization for personalized portfolios on Avalanche.

Earlier this year, Franklin Templeton launched their tokenized Money Market Fund, and ABN AMRO Bank issued digital bonds, both utilizing Polygon's public blockchain. Additionally, UBS has advanced in this domain by tokenizing a money market fund on Ethereum. These developments are a testament to the growing institutional embrace of tokenization, and they are happening on public blockchains.

The momentum in art tokenization projects is also seen increasing significantly. A notable example is the Royal Museum of Fine Arts Antwerp's initiative to tokenize a million-euro masterpiece by Belgian painter James Ensor (1860–1949), enabling retail investors to become 'co-owners' of this classic work.

In a similar vein, Artory and Winston Art Group's joint venture, known as Artory/Winston, successfully tokenized a diversified art fund in 2022. Artory/Winston recently announced the offering of the Artory/Winston Fine Art Fund to Asia's private market investors through its partnership with Singapore's Digital Asset Exchange (SDAX).

Tech Notes

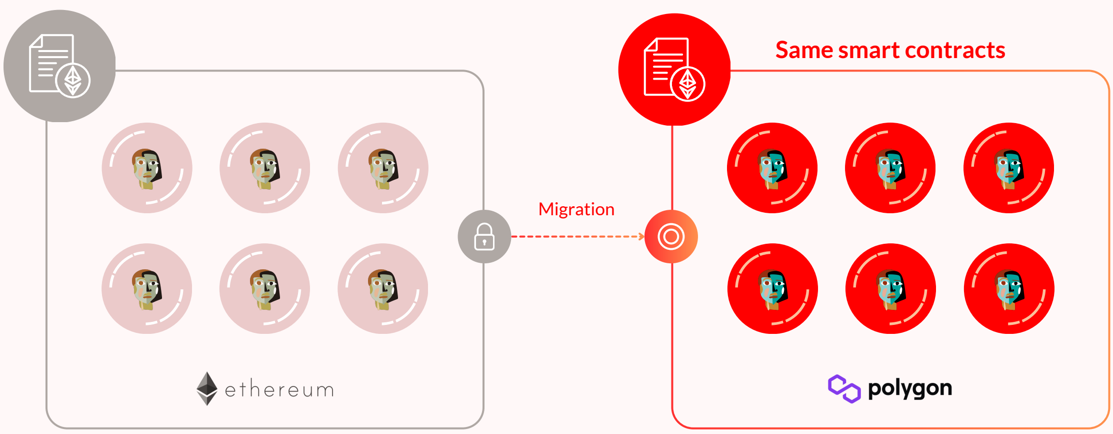
EVM Blockchains: The Foundation of On-Chain Interoperable Finance

The Ethereum Virtual Machine (EVM) functions as the core processing unit of the Ethereum blockchain, overseeing the blockchain's state and facilitating smart contract operations. It's akin to a vast, decentralized computer that executes Ethereum-based transactions and applications globally.

For tokenization projects, regardless of whether they're on private or public blockchains, the majority opt for EVM-compatible blockchains. This choice stems from a need for interoperability, positioning the EVM as a cornerstone in the realm of on-chain finance.

The EVM ecosystem uses the same programming language called Solidity. Because of this standardization, it's easier for developers to create applications that work well on the Ethereum blockchain and any other EVM-compatible blockchain.

For instance, if issuers wish to switch their tokens from Ethereum to another EVM-compatible blockchain such as Polygon or Avalanche — perhaps for lower transaction fees or a more active network — the migration is straightforward. The existing token smart contracts on Ethereum can be easily adapted and redeployed on Polygon with minimal modifications, delivering a ‘plug-and-play’ compatibility.



Tech Notes

ERC3643 token standard brings compliance at the token-level

The token standard has to ensure that fund tokens are transferable exclusively to qualified investors. Only investors verified by fund managers or their pointed KYC agents can become qualified investors. Additionally, maintaining control over these tokens is essential, enabling fund managers to execute necessary actions like recovering or freezing tokens. Lastly, the ownership has to be tracked by identities instead of wallets to ensure the auditability of the cap table.

To achieve the objectives outlined above, the ERC20 and NFT (ERC721) standards fall short due to their limited functionality and permissionless nature. Instead, fund managers must issue permissioned tokens, a need precisely met by the ERC3643 standard. It is open-source and audited by Hacken, laying a strong code foundation for scalable tokenization in the market. **Fund managers can leverage public blockchains while ensuring compliance with ERC3643**.

	ERC-20	ERC-721	ERC-3643
Interoperability Tokens can interact with any applications on the same network, such as exchanges and DeFi protocols.	✓	✓	✓
On-chain compliance Tokens are permissioned. They can only be transferred when both investor and offering rules are met.	✗	✗	✓
Guarantee of ownership Tokens are recoverable as they are linked with on-chain identity, instead of wallets.	✗	✗	✓
Auditable registry Who owns what is tracked by identity, so the blockchain can be used as an auditable registry.	✗	✗	✓

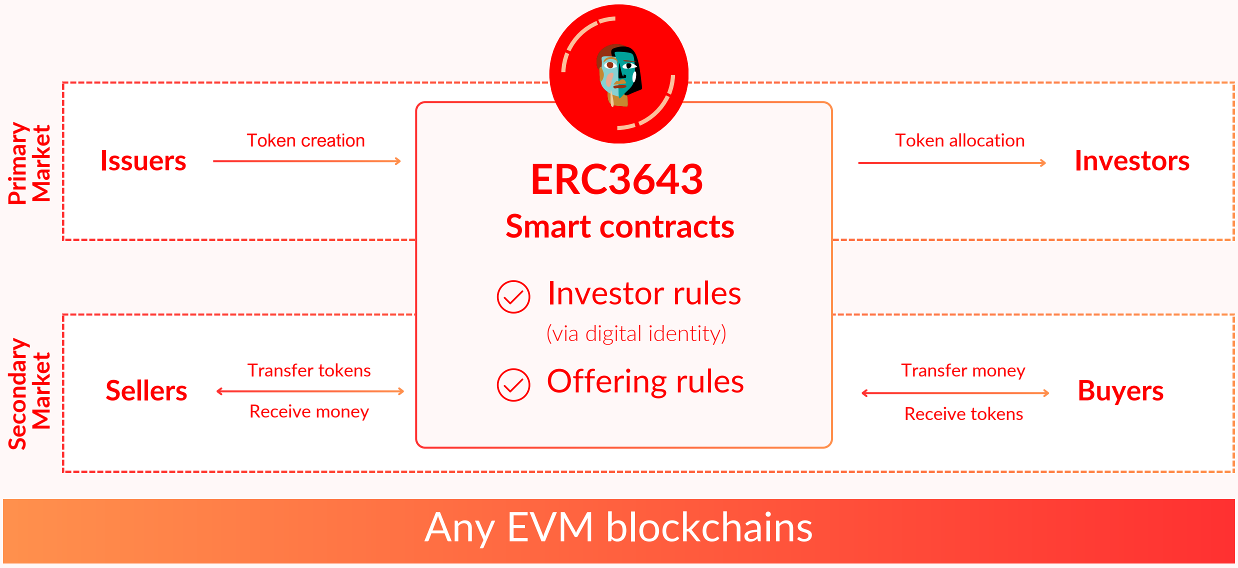
Ensuring on-chain compliance is the biggest challenge for fund managers. They must opt for permissioned token standards like ERC3643, which offer necessary control, rather than standard ERC20 or NFTs, which lack sufficient controllability.

Joachim Lebrun
Head of Blockchain at Tokeny

Tech Notes

How ERC3643 tokens work

ERC3643 tokens enable transfers only when both investor rules (via digital identity) and offering rules are met, applicable across primary and secondary markets on both public and private blockchains.



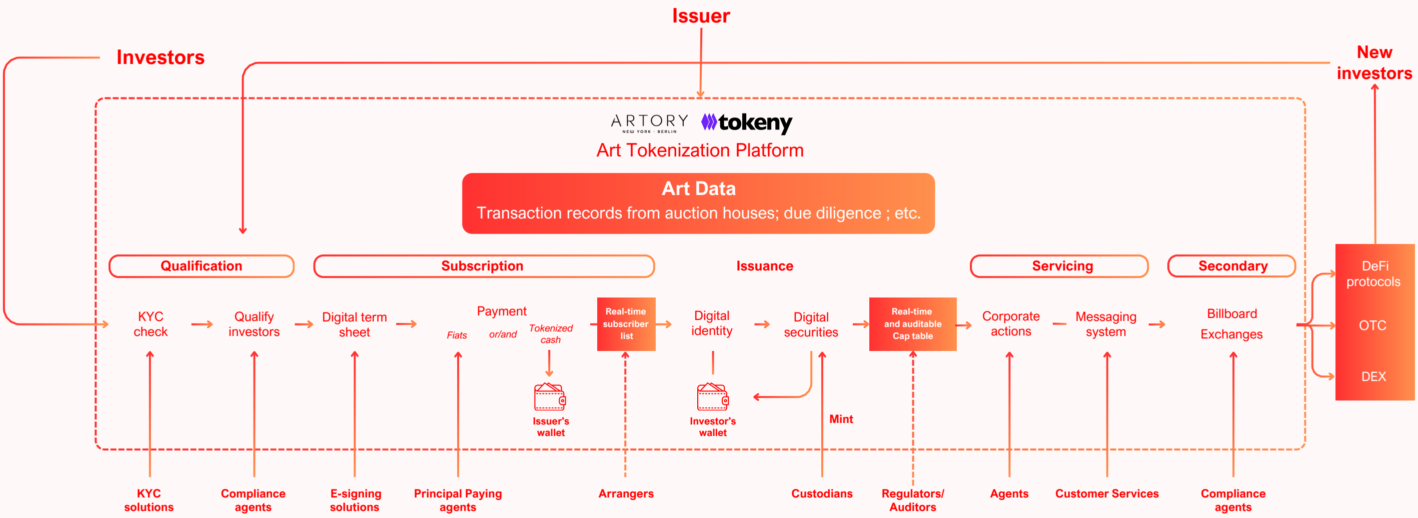
CASE STUDY: TOKENIZED ART FUNDS MEET VERIFIABLE DATA

In this report, we present technical insights aimed at aiding fund managers in understanding the nuances of blockchain technology for their tokenization strategies. Our goal is to provide clarity on selecting blockchains and token standards, and on leveraging verifiable data to effectively secure value for their assets.

When it comes to building a complete and user-friendly platform for tokenized funds and verifiable data, it can be time-consuming and costly. Technology providers like Artory and Tokeny partnered together to provide an end-to-end and user-friendly solution to allow fund managers to focus on their core business without needing to handle any technical difficulties.

The integrated platform offers streamlined experiences for issuing, managing, and transferring tokenized art funds, enriching art data to the tokens, and facilitating access to verifiable art data. The following case study illustrates the practical application of these solutions for fund managers and investors. Below is an overview of how the platform works. More details can be found in the tokenization process report.

How the tokenization platform works for art funds



The process of the case study for a fund manager developing an art fund using Artory and Tokeny's unified solution is as follows:

1 SOURCING ASSETS

As noted at the beginning of this e-book, sourcing investment-grade fine art requires sufficient data and domain expertise. Fund managers can choose to source artworks themselves or partner with a market expert such as Winston Art Group, which appraises an average of $10 billion worth of art annually and over 40,000 objects from every collecting category each year. The specialists at Winston Art Group have a track record of sourcing artworks for clients that spans over 30 years and select investment-grade artworks based on a robust process that considers factors such as freshness to the market, condition, provenance, as well as objective data insights, market indices, and artist risk profiles provided by Artory's leading dataset of historical market data to assess valuations and projections.

2 ASSET DUE DILIGENCE

Conducting and recording artwork due diligence is essential to determining current value and securing future value. Artory partners with Winston Art Group, which conducts due diligence on each artwork prior to investment, based on a proven methodology of over 50 factors. This wealth of information contributes to the potential resale value of each artwork and is captured in Artory's proprietary Due Diligence Tool. This tool generates a secure and audit-ready diligence smart contract. This appendable smart contract is designed to stay current with compliance requirements and ingest ongoing data updates, such as valuations or changes in condition.

3 SECURITIZATION & LEGAL DOCUMENTATION

Once artworks are selected and diligence secured, they can be incorporated into various traditional financial instruments, such as art fund debts or share products. This is a specialized form of securitization. In this process, the selected artworks effectively become the underlying assets. Fund managers are then responsible for preparing the necessary legal documentation and term sheets, which are crucial for outlining the structure, terms, and legal rights associated with these financial instruments.

> *Tokenization is the step after securitization, with the issuance process being the same as before, only the output becomes a smart token instead of paper.*

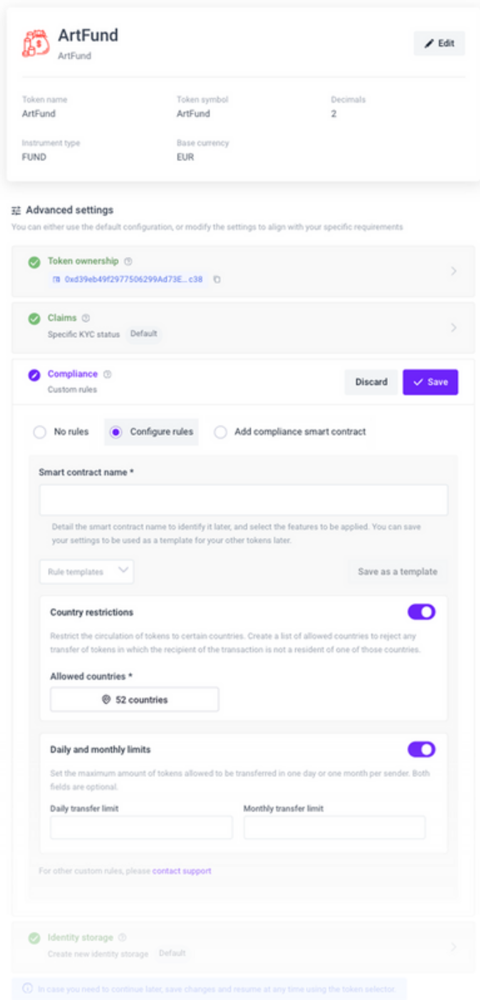
Luc Falempin
CEO at Tokeny

4

ASSET TOKENIZATION

The fund manager can set the parameters of the ERC3643 tokens on the platform without requiring any coding experience, including:

- **Basic information**: Token name, token symbol, decimals, instrument type, base currency.
- **Advanced settings:**
  - ***Token ownership:*** the fund manager set up its wallet address to be the owner of the smart contract.
  - ***Claims:*** set up the needed verifiable credentials, such as KYC checks.
  - ***Compliance:*** Set up additional compliance rules such as country of restrictions, transfer limits per period, etc.
- **Identity Storage:** Choose to create a new identity whitelist or use an existing one.



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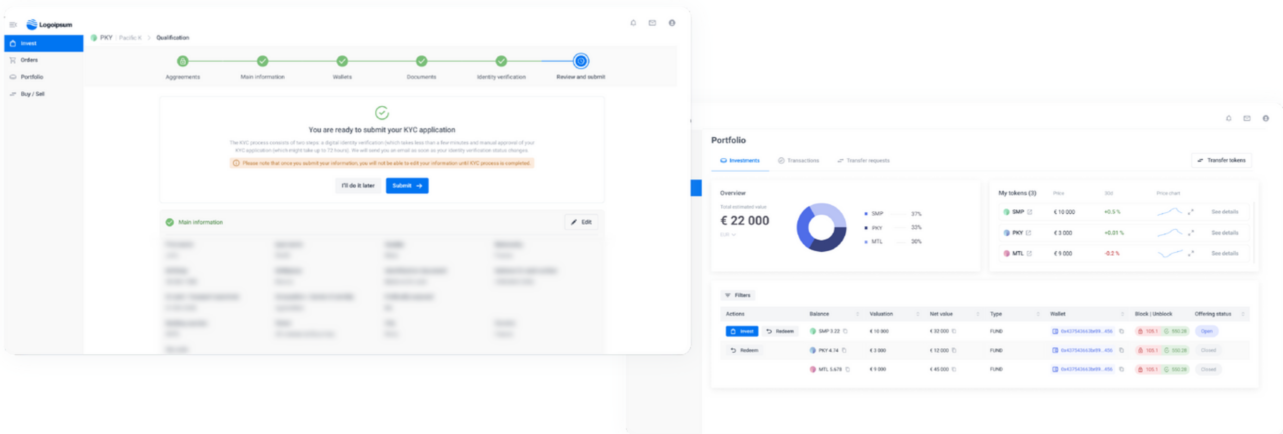
INVESTOR ACCESS

Investment subscriptions: Investors are offered a seamless, digital subscription experience reminiscent of e-commerce platforms for investing the art fund. The process is designed to be user-friendly and efficient, allowing for easy qualification and subscription. Upon completing the subscription, tokens representing their ownership are automatically allocated to their portfolios.

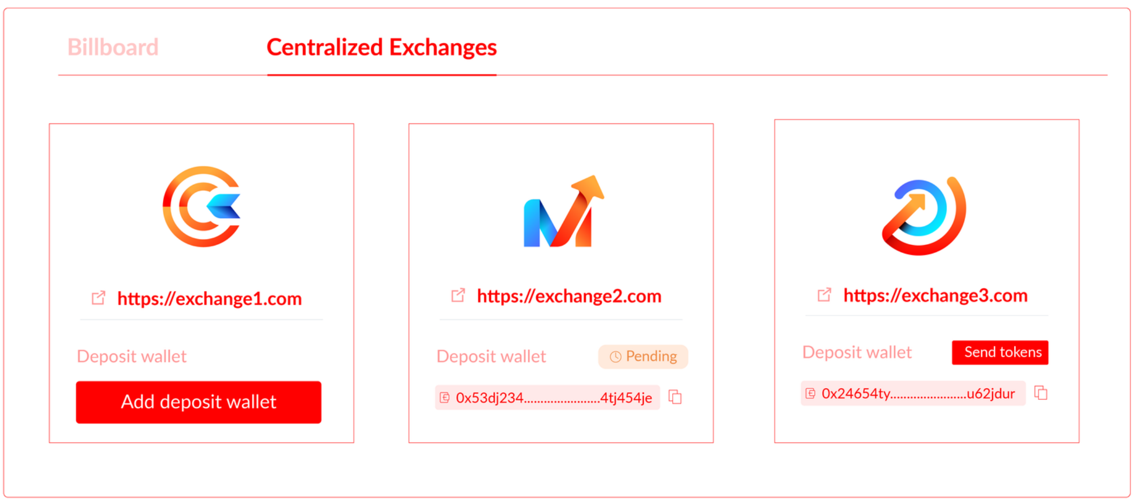


Asset data: Through Artory's technology, investors can access information on the artworks held by the fund and the diligence conducted on each asset to be confident in their investment. However, the value of artwork often hinges on its market novelty. To preserve this element of surprise and ensure the artworks remain fresh to the market, the fund manager may choose to keep certain details of their offerings confidential. For transparency and assurance, the fund manager has the discretion to disclose either the complete details of the artwork portfolio or, at a minimum, provide attestations for each piece, validating their authenticity and value. Artory's technology also allows investors to access regular due diligence updates, valuations, and sophisticated market analytics throughout the lifecycle of the offering.

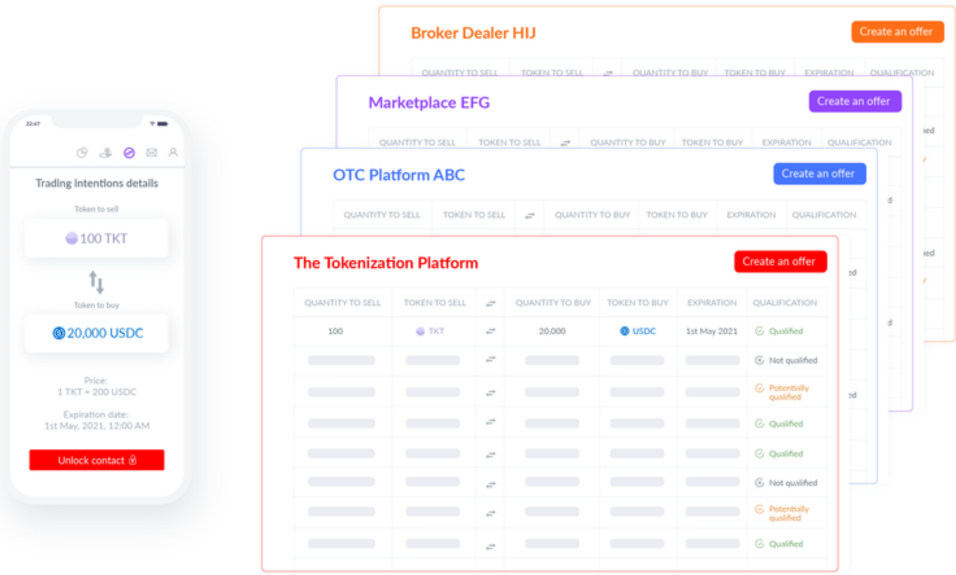
6 SECONDARY MARKET SOLUTIONS

Peer-to-peer transfers: Investors have the ability to execute delivery versus delivery (DvD) transfers with a qualified counterpart, eliminating counterparty risk. In cases where the counterpart is not a qualified investor, the platform will prompt these investors to undergo the qualification process.

Centralized exchanges: ERC3643-based tokenized securities are technically compatible with any centralized exchange using the same blockchain network of the tokens. The fund manager can activate any centralized trading platform such as exchanges, ATS, or MTF, allowing investors to trade their tokenized securities on these platforms. Read more here.



Billboard: The fund manager can offer a unique Billboard, the license-free secondary market solution, on the tokenization platform. This feature allows investors to either create or search for offers directly within the platform. Once an offer is identified, investors can unlock the contact details of the counterpart to negotiate and execute peer-to-peer transfers upon reaching an agreement. Additionally, this flexibility extends beyond the tokenization platform, as investors can also utilize billboards provided by broker-dealers, investment platforms, and OTC (Over-the-Counter) desks to find a counterpart. Read more details here.



DeFi: ERC3643-based tokenized funds introduce a new level of compliance and enriched data, including asset valuations, facilitating their use on DeFi platforms. Investors can leverage these tokenized funds for various DeFi activities, such as participating in lending programs or contributing to liquidity in automated market maker (AMM) pools.

ERC3643 token standard ensures compliance and maintains control, any new counterparties not previously identified will be required to undergo the qualification process via the tokenization platform. This approach not only broadens the scope for DeFi engagement but also upholds the necessary compliance standards and control measures for fund managers.

> *The ERC3643 standard enhances tokenized funds with native interoperability, turning the blockchain into a dynamic asset catalog for improved liquidity.*

Nanne Dekking
Founder & CEO at Artory

WHAT'S NEXT?

Partnering with specialized tech and legal providers: Collaborating with experienced technology providers and legal firms in tokenization accelerates project success and shortens time-to-market. This approach not only demonstrates added value to decision-makers but also optimizes costs effectively.

Adopting a Forward-Thinking Operation Model: Traditional art fund operations will need to evolve to accommodate tokenized assets. This includes rethinking asset valuation methods, fund redemption processes, and even investor relations. By incorporating digital platforms and technologies, art funds can focus on redesigning their operational model and provide added value use cases for investors.

Securing a Competitive Edge: In the dynamic realm of tokenized art, first movers typically gain a significant competitive advantage. Art funds should actively explore launching tokenized offerings to capitalize on this emerging market. Those who hesitate risk not only missing out on new opportunities but also potentially losing their existing market share.

> *Embrace the future now or watch the opportunity pass by. In the fast-evolving world of tokenization, hesitation isn't just a pause—it's a step back. Seize the moment and lead the change.*

Luc Falempin
CEO at Tokeny

CONTACT US

Get your tokenized assets to market faster to reach global investors at scale, improving liquidity.

Traditional capital markets are underpinned by many fragmented and siloed networks with barely any interoperability between them. This leads to an industry that is analogue and fraught with slow, inaccurate and costly processes.

At Tokeny and Artory, we believe tokenization of securities will benefit all stakeholders in the value chain by offering tremendous improvements in interoperability, automation, distribution and ultimately liquidity. We act as a catalyst for firms seeking to digitize their operations and benefit from the latest advancements in technology.

We navigate our clients throughout their tokenization journey with our technology and know-how.

CONTACT

Tokeny

www.tokeny.com
contact@tokeny.com

Artory

www.artory.com
contact@artory.com