2.3.5.2.1 Asset Tokens

Return to Tokens

Asset Tokens are broadly defined as **digital assets** representing ownership of a physical or intangible asset. These tokens represent physical assets such as gold bullion, real estate, and inventory or paper assets such as stock, bonds and profit rights. For example, Asset Tokens are similar to paper stock certificates and grant the rights such as the ability to vote at meetings, receive dividend payouts or be notified of quarterly or annual reports. Asset Tokens allow for the transferring or selling of the asset. See Murray and Auch [1)]

Advantages of using Digital Assets to represent equity ownership or ownership of other assets are:

- No reliance on centralized administrators to track and uphold ownership
- Increase in security over the asset
- Increase in transparency
- Automated compliance for record keeping
- Self-custody or trusted agent custody of digital assets

1)
Mark Murray, Sam Auch, Understanding Digital asset Classifications, RSM.com, 08 June 2020, Accessed: 24 September 2021, https://rsmus.com/what-we-do/services/assurance/featured-topics/audit-innovation/understanding-digital-asset-classifications.html