

Tokenisation of Real Estate and Private Assets

Hype, Reality and the GCC Opportunity

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May 2026

Abstract

Tokenisation, the representation of ownership in an asset as digital tokens on a ledger, has been heralded as a transformation of how real estate and private assets are owned and traded, promising fractional ownership, liquidity for illiquid assets, and wider investor access. It has also been the subject of considerable hype. This paper separates the hype from the reality of asset tokenisation and sizes the genuine opportunity for the Gulf Cooperation Council (GCC). Using an indicative assessment calibrated to 2026 conditions, it sets out the technical and legal architecture of tokenisation, examines its genuine use-cases and their value, assesses the readiness of the technology, the regulation and the market, and identifies the constraints that separate the realistic near-term opportunity from the longer-term promise. It develops a framework for where tokenisation adds genuine value today, examines the GCC position, and addresses the risks and the gap between promise and reality. The analysis finds that tokenisation offers genuine value in fractional ownership and wider access, that its promise of liquidity for illiquid assets depends on the development of secondary markets that remains nascent, and that the binding constraints are regulatory clarity and market adoption rather than the technology. The GCC, with its progressive regulation and its appetite for innovation, is well-positioned to develop the opportunity, but realistically and incrementally rather than transformationally in the near term. Three indicative use-cases, a sensitivity analysis, an international comparison and an implementation roadmap support the analysis.

Keywords: Blockchain, digital assets, fractional ownership, GCC, liquidity, private assets, real estate, tokenisation

1. Introduction

Tokenisation, the representation of ownership in an asset as digital tokens recorded on a ledger, has been heralded as a transformation of how real estate and private assets are owned and traded. Its proponents promise that tokenisation will fractionalise ownership, allowing many investors to own small shares of large assets; provide liquidity for illiquid assets, allowing the tokens to be traded; and widen investor access, opening previously exclusive assets to a broader pool. It has also attracted considerable hype, with claims that often outrun the reality. This paper separates the hype from the reality and sizes the genuine opportunity for the GCC.

The paper approach is deliberately balanced, neither dismissing tokenisation as mere hype nor accepting the transformational claims at face value, but assessing where it adds genuine value today, where its promise depends on developments that remain nascent, and what constrains its realisation. This balanced assessment is intended to help investors, issuers and policymakers in the region understand what tokenisation can realistically offer now, what it may offer in time, and

how to approach the opportunity sensibly rather than being swept up in the hype or dismissing it prematurely.

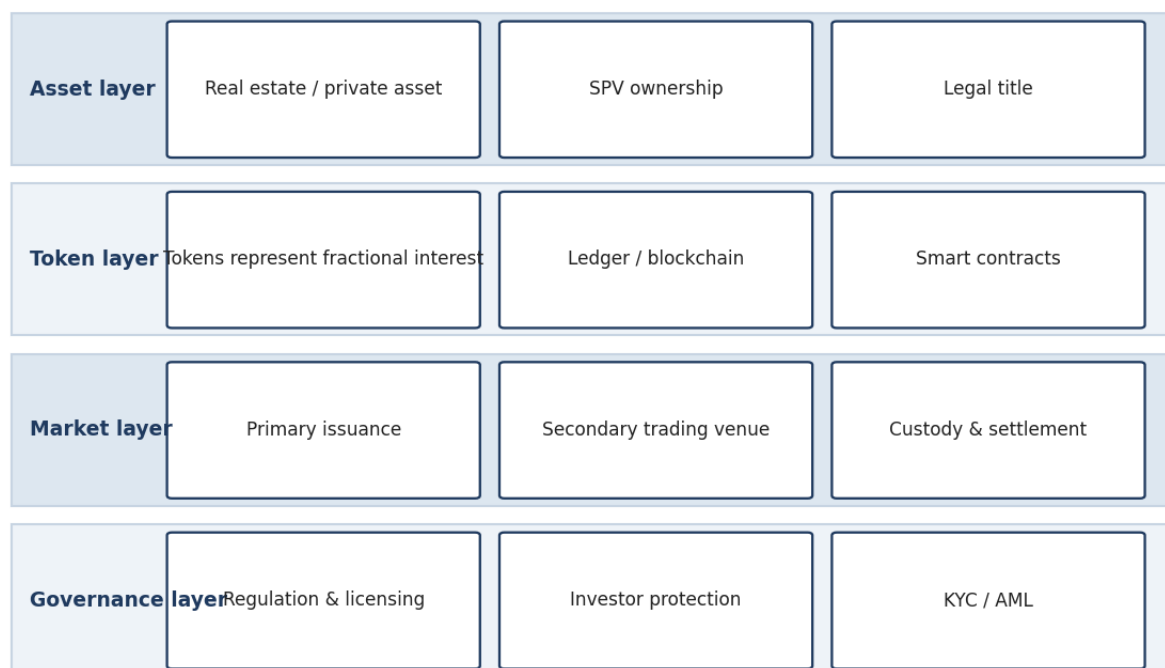
The central argument is that tokenisation offers genuine value in fractional ownership and wider access today, that its much-touted promise of liquidity for illiquid assets depends on the development of secondary markets that remains nascent, and that the binding constraints are regulatory clarity and market adoption rather than the technology, which is largely ready. The GCC, with its progressive regulation and its appetite for innovation, is well-positioned to develop the opportunity, but realistically and incrementally rather than transformationally in the near term. The paper develops the framework for assessing where tokenisation adds value and how to approach it.

The figures and assessments used throughout are indicative, calibrated to observable conditions in early 2026 but not drawn from any specific project. The paper proceeds from the architecture of tokenisation (Section 2), through its use-cases (Section 3), the readiness assessment (Section 4), the liquidity question (Section 5), the framework for where it adds value (Section 6), the constraints (Section 7), the GCC position (Section 8), the risks (Section 9), three use-cases (Section 10), sensitivity analysis (Section 11), an international comparison (Section 12), common errors (Section 13), an implementation roadmap (Section 14), a strategic perspective (Section 15), a conclusion (Section 16) and limitations (Section 17).

2. The Architecture of Tokenisation

Tokenisation has a layered architecture, illustrated in Figure 1, spanning the asset, the token, the market and the governance. The asset layer holds the underlying real estate or private asset, typically owned through a special-purpose vehicle that holds the legal title. The token layer represents fractional interests in the asset as digital tokens recorded on a ledger or blockchain, with smart contracts automating aspects of the ownership. The market layer provides the issuance, trading and custody of the tokens, and the governance layer provides the regulation, investor protection and compliance.

Figure 1. Asset Tokenisation: Technical and Legal Architecture
Asset Tokenisation: Technical and Legal Architecture



Indicative architecture across asset, token, market and governance layers. Not specific advice.

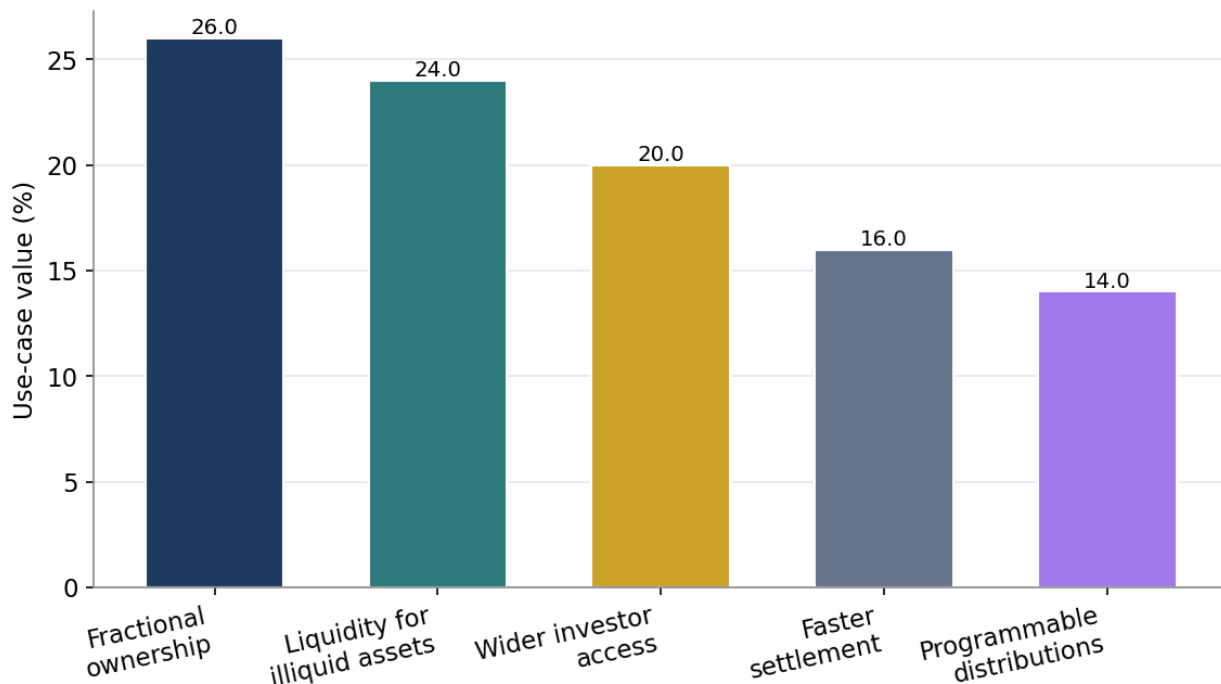
The architecture makes clear that tokenisation is not merely a technology but a combination of technology, legal structure, market infrastructure and regulation. The token represents an interest in the asset, but the value of that token depends on the legal structure that connects it to the asset, the market infrastructure that allows it to be traded, and the regulation that protects the investor. A token without a sound legal connection to the asset, a functioning market, and regulatory protection is of little value, which is why the non-technology layers, the legal, the market, the regulatory, are as important as the technology.

The relative maturity of the layers determines the readiness of tokenisation. The technology layer, the ledger and the tokens, is largely mature and ready; the legal layer, connecting the token to the asset, is developing but workable; the market layer, the secondary trading and custody, is nascent and a principal constraint; and the governance layer, the regulation, is developing and varies by jurisdiction. The architecture, with its mature technology but nascent market and developing regulation, explains why tokenisation is technically possible today but practically constrained, and why the binding constraints are the market and the regulation rather than the technology.

3. The Use-Cases

Tokenisation has several use-cases, illustrated in Figure 2, of varying value and maturity. The foremost is fractional ownership, allowing an asset to be divided into many small interests that many investors can own, which is genuinely valuable for large, indivisible assets such as real estate, opening them to investors who could not own them whole. The second is liquidity for illiquid assets, allowing the tokens to be traded, which is the most touted use-case but, as the liquidity section explores, depends on secondary markets that remain nascent. The third is wider investor access, opening previously exclusive assets to a broader pool.

Figure 2. Tokenisation Use-Cases by Value (Indicative Weights)



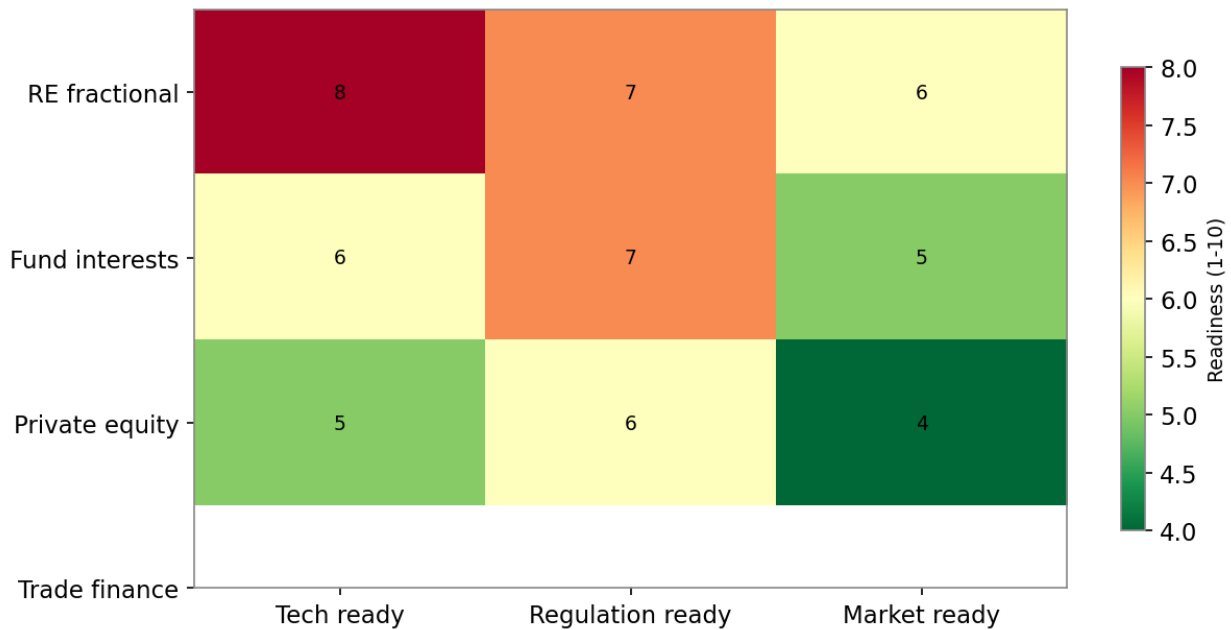
The fourth use-case is faster, cheaper settlement, as the tokens can be transferred and settled more quickly and cheaply than traditional ownership transfers, and the fifth is programmable distributions, as smart contracts can automate the distribution of income to token holders. These use-cases offer genuine, if incremental, value, improving the efficiency and the accessibility of asset ownership. The use-cases vary in their value and their maturity, and an assessment of tokenisation must distinguish the genuinely valuable and mature use-cases from the more speculative and nascent ones.

The distinction between the genuinely valuable use-cases available today and the more speculative ones that depend on future developments is central to separating the hype from the reality. Fractional ownership and wider access are genuinely valuable today, opening large assets to broader pools of investors, and they do not depend on nascent secondary markets. The liquidity use-case, the most touted, depends on the development of secondary markets that remain nascent, and so its value is more promise than reality today. An assessment of tokenisation should value the genuine, available use-cases while recognising that the most touted use-case, liquidity, remains largely a promise.

4. The Readiness Assessment

Assessing the readiness of tokenisation requires examining the technology, the regulation and the market separately, as illustrated in Figure 3, because they are at different stages. The technology is largely ready: the ledgers, the tokens and the smart contracts work, and the technical capacity to tokenise assets exists. The regulation is developing: some jurisdictions, including in the GCC, have developed frameworks for tokenised assets, but the regulation varies and is still maturing. The market is the least ready: the secondary trading venues, the custody, and the investor adoption that would make tokenised assets genuinely liquid remain nascent.

Figure 3. Readiness of Tokenisation by Asset and Dimension



Indicative readiness across technology, regulation and market. Not a forecast.

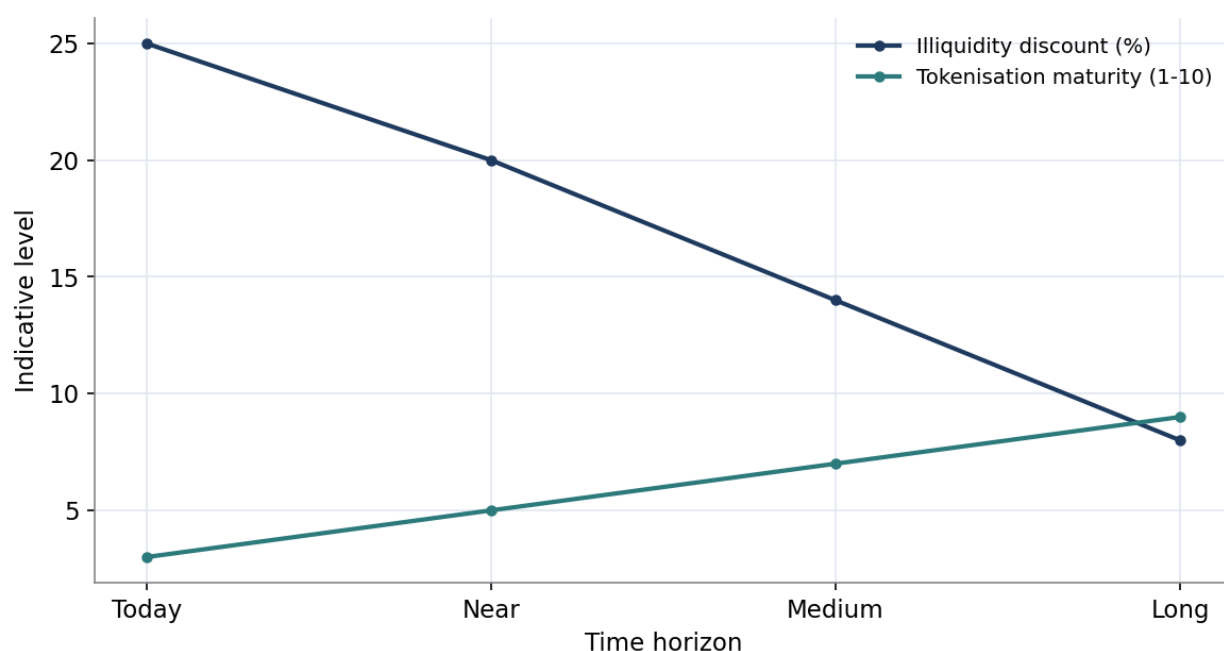
The readiness assessment shows that the binding constraint is not the technology, which is ready, but the market and, to a lesser extent, the regulation. The technology can tokenise an asset today, but the absence of developed secondary markets means the tokens cannot be traded liquidly, and the developing regulation means the legal and investor-protection framework is still maturing. This means that tokenisation initiatives today are constrained not by what the technology can do but by what the market and the regulation can support, and that the development of tokenisation depends on the development of the market and the regulation rather than further technology.

The readiness also varies by asset type. Real estate fractional ownership is relatively ready, as the asset is well-understood and the fractional-ownership use-case does not depend on nascent secondary markets; fund interests and private equity are less ready, as their tokenisation is more complex; and trade finance tokenisation is developing. An assessment of a specific tokenisation initiative must consider the readiness for that asset type and use-case, recognising that some, such as real estate fractional ownership, are more ready than others. The readiness assessment, by asset and dimension, guides where tokenisation can add value today and where it remains a future prospect.

5. The Liquidity Question

The most touted promise of tokenisation is liquidity for illiquid assets, the idea that tokenising an illiquid asset such as real estate makes it liquid by allowing the tokens to be traded. This promise, if realised, would be transformational, reducing the illiquidity discount that illiquid assets bear and opening them to investors who value liquidity. But the promise depends on the development of secondary markets where the tokens can actually be traded, and these markets remain nascent, which means the liquidity promise is, today, more aspiration than reality.

Figure 4. The Illiquidity Discount and Tokenisation Maturity Over Time



The liquidity benefit depends on the maturation of secondary markets over time. Not a forecast.

Figure 4 illustrates the liquidity question over time. Today, with nascent secondary markets, tokenisation provides little genuine liquidity, and the illiquidity discount on the underlying assets remains largely intact, because tokenising an asset does not make it liquid if there is no developed market to trade the tokens. Over time, as secondary markets develop and adoption grows, tokenisation may provide genuine liquidity, reducing the illiquidity discount, but this is a future prospect that depends on the development of the markets, not a present reality. The liquidity promise is real in prospect but largely unrealised today.

The reason liquidity does not follow automatically from tokenisation is that liquidity requires not just the ability to trade but a market of buyers and sellers, a venue, custody, and adoption, none of which the technology alone provides. A token can be transferred, but it is liquid only if there are buyers willing to buy it at a fair price, which requires a developed market that does not yet exist for most tokenised assets. The development of this market, the venues, the participants, the adoption, is the key to realising the liquidity promise, and it is developing slowly. Until it develops, the liquidity promise remains largely unrealised, and an assessment of tokenisation should treat the liquidity benefit as a future prospect rather than a present reality.

6. Where Tokenisation Adds Value Today

The framework for where tokenisation adds value today distinguishes the genuine, available value from the future promise. Today, tokenisation adds genuine value in fractional ownership and wider access, allowing large, indivisible assets to be divided into small interests owned by a broad pool of investors, which is valuable for opening real estate and other large assets to investors who could not own them whole. This value does not depend on secondary markets or liquidity, and it is available today, making fractional ownership the principal near-term use-case.

Tokenisation also adds incremental value today in faster, cheaper settlement and programmable distributions, improving the efficiency of asset ownership and administration. These are genuine, if incremental, benefits available today, reducing the cost and friction of owning and

administering fractional interests. They are not transformational, but they are real, and they add to the case for tokenisation in the use-cases where it is applied. The near-term value of tokenisation lies in these available benefits, fractional ownership, wider access, and efficiency, rather than in the future promise of liquidity.

The framework therefore directs an issuer or investor to value tokenisation for its available benefits, fractional ownership, wider access, and efficiency, rather than for the unrealised liquidity promise, and to apply it where these available benefits are valuable. A real estate owner seeking to open its asset to a broad pool of fractional investors can use tokenisation today to do so, capturing the genuine fractional-ownership value; an investor seeking liquidity should not expect it from tokenisation today. The framework, valuing the available benefits and discounting the unrealised promise, guides a realistic approach to tokenisation that captures its genuine value without being misled by the hype.

7. The Constraints

The constraints on tokenisation, as the readiness assessment showed, are principally the regulation and the market rather than the technology. The regulatory constraint is the need for clear, supportive regulation that recognises tokenised assets, protects investors, and provides the legal certainty that issuers and investors require. Without clear regulation, tokenisation initiatives face legal uncertainty that deters participation, and the development of clear regulation, which is progressing in some jurisdictions including in the GCC, is a key enabler of the opportunity.

The market constraint is the need for developed secondary markets, custody, and adoption that would make tokenised assets genuinely tradable and liquid. The secondary trading venues, the custody solutions, and the investor adoption that constitute a developed market remain nascent, and their development is the principal constraint on the liquidity promise. The development of these markets depends on a combination of regulation, infrastructure, and adoption, and it is progressing slowly. Until the markets develop, the liquidity promise remains constrained, and tokenisation value is limited to the use-cases that do not depend on liquidity.

The constraints mean that the development of tokenisation depends on the development of the regulation and the market, not on the technology, which is ready. This is significant because it means that the pace of tokenisation development is set by the slower-moving regulation and market rather than by the fast-moving technology, which is why tokenisation has developed more slowly than the technology proponents predicted. An assessment of the opportunity must recognise that the binding constraints are the regulation and the market, and that their development, which is incremental, will set the pace of the opportunity. The constraints temper the transformational claims and explain the gap between the promise and the reality.

8. The GCC Position

The GCC is well-positioned to develop the tokenisation opportunity, with progressive regulation, an appetite for innovation, and supportive infrastructure. Several regional jurisdictions have developed, or are developing, frameworks for digital and tokenised assets, providing the regulatory clarity that is a key enabler, and the region appetite for financial innovation and its investment in financial technology support the development of the market infrastructure. The region progressive stance on digital assets positions it among the more advanced jurisdictions for tokenisation.

The region also has the asset base and the investor base that tokenisation can serve. The region substantial real estate and private assets provide the assets to tokenise, and its broad and growing investor base, including the retail and mass-affluent investors that fractional ownership can serve, provides the demand. The combination of the regulatory progressiveness, the asset base, and the investor base positions the region to develop the genuine, available use-cases of tokenisation, particularly real estate fractional ownership, which can open the region substantial real estate to a broad pool of investors.

The realistic regional opportunity is therefore in the available use-cases, particularly fractional ownership, developed incrementally as the regulation and market mature, rather than in a transformational liquidity revolution in the near term. The region can lead in developing the genuine fractional-ownership and wider-access use-cases, leveraging its regulatory progressiveness and its asset and investor base, while the liquidity promise develops over the longer term as the secondary markets mature. An approach that captures the available value incrementally, while building toward the longer-term promise, is the realistic and sensible one for the region, and it positions it to lead in tokenisation without being misled by the hype.

9. Risk Considerations

Tokenisation carries risks that an issuer or investor must consider. The regulatory risk is that the regulation, still developing, may change or may not provide the certainty and protection required, leaving tokenisation initiatives exposed to legal uncertainty. The technology and custody risk is that the technology, while largely ready, carries risks of error, hacking, or loss of the tokens, and that the custody of digital tokens raises distinctive security challenges. These risks, the regulatory and the technological, must be managed for tokenisation to be safe.

The liquidity risk is the gap between the promise and the reality: an investor that buys tokens expecting liquidity may find that the nascent secondary markets do not provide it, leaving the investor unable to sell at a fair price. This gap between the expected and the actual liquidity is a genuine risk for investors misled by the liquidity promise, and it underlines the importance of valuing tokenisation for its available benefits rather than the unrealised liquidity. An investor should not pay a premium for an expected liquidity that may not materialise, and should value the tokens on the underlying asset and the available benefits.

A broader risk is the hype risk, the risk that the transformational claims for tokenisation lead to over-investment, mispricing, or disappointment when the reality falls short of the promise. The history of financial technology includes episodes where hype outran reality, leading to over-investment and subsequent disappointment, and tokenisation carries this risk. An issuer or investor should approach tokenisation realistically, valuing its genuine, available benefits and discounting the hype, to avoid the over-investment and disappointment that the hype risk represents. A realistic, measured approach, capturing the genuine value while avoiding the hype, manages this risk.

10. Indicative Use-Cases

Three indicative use-cases show tokenisation in practice. The assessments are indicative and constructed for analytical clarity, not drawn from any specific project.

10.1 Use-case A: real estate fractional ownership

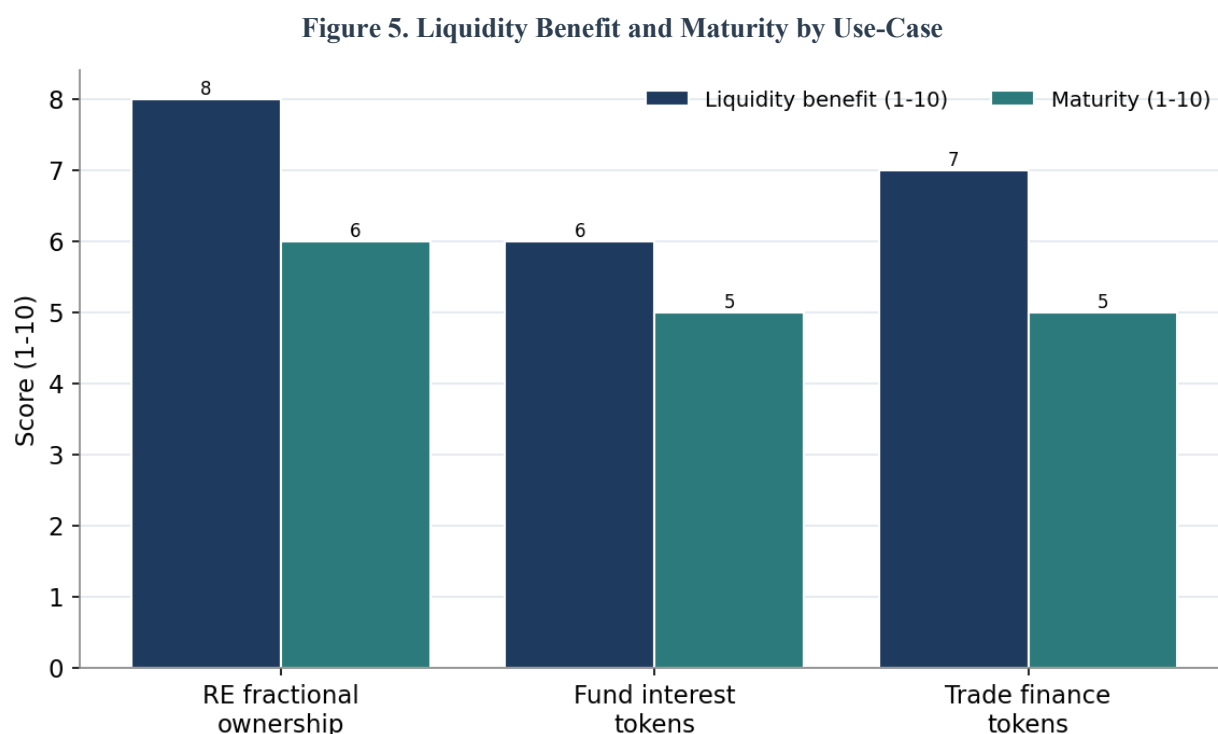
Use-case A is the tokenisation of a real estate asset to open it to a broad pool of fractional investors, dividing the ownership into small token interests that many investors can own. This use-case captures the genuine, available fractional-ownership value, opening a large asset to investors who could not own it whole, and it does not depend on secondary liquidity, deriving its value from the fractional access itself. The use-case illustrates the principal near-term value of tokenisation, fractional ownership of real estate, available today.

10.2 Use-case B: fund interest tokens

Use-case B is the tokenisation of interests in a fund, representing the limited-partner interests as tokens, which can ease the administration and potentially the transfer of the interests. This use-case is less mature than real estate fractional ownership, as the tokenisation of fund interests is more complex, but it offers value in the administration and potential transferability of the interests. The use-case illustrates a developing application of tokenisation to private fund interests, with genuine but more nascent value.

10.3 Use-case C: trade finance tokens

Use-case C is the tokenisation of trade finance assets, representing the receivables or trade instruments as tokens, which can ease their transfer and financing. This use-case applies tokenisation to the trade finance assets examined in a companion paper, potentially easing their transfer and the access of investors to them. The use-case illustrates a developing application of tokenisation to trade finance, with value in the transferability and access it can provide, though it remains nascent.



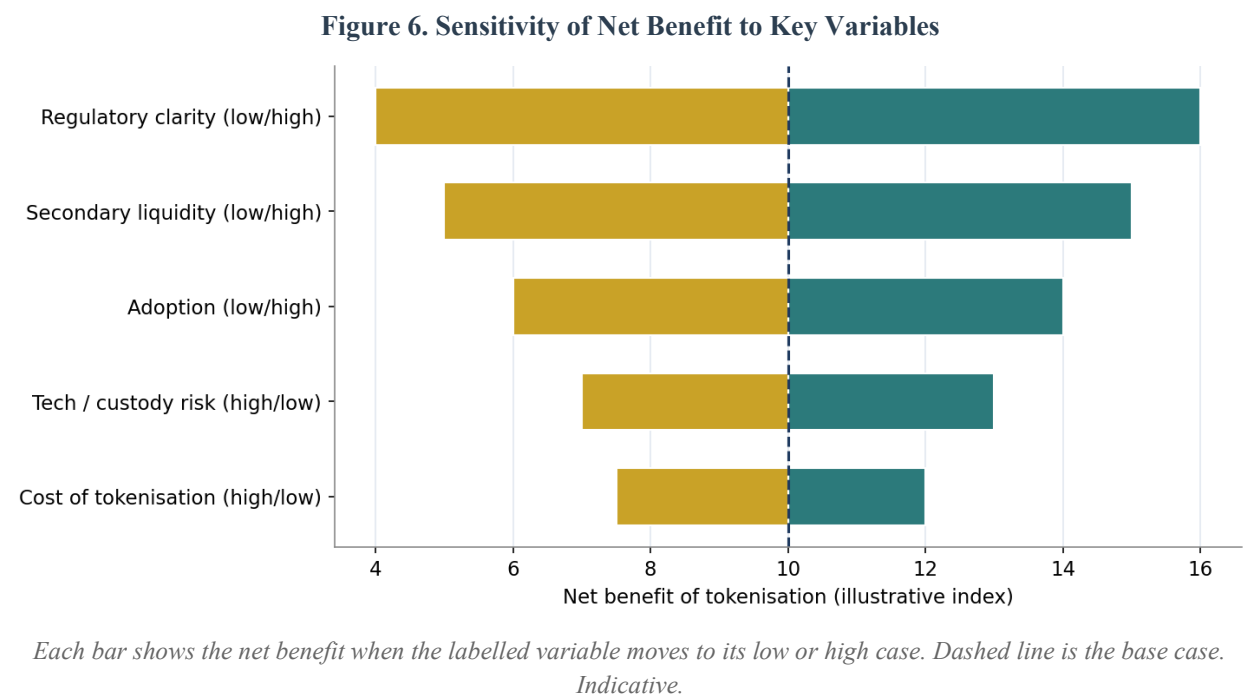
Synthetic assessment for analytical comparison. Not a forecast.

Figure 5 compares the three use-cases on the liquidity benefit and the maturity. Real estate fractional ownership offers the most genuine, mature value; fund interest and trade finance tokens are less mature, with value that is more developing. The comparison illustrates that the genuine,

available value of tokenisation today is concentrated in the more mature use-cases, particularly real estate fractional ownership, while the others are developing, and that an assessment should focus on the mature use-cases for near-term value while watching the developing ones for future value.

11. Sensitivity and Scenario Analysis

A sensitivity analysis identifies the variables that most influence the net benefit of tokenisation. Figure 6 presents the result.



The analysis shows that the regulatory clarity and the secondary liquidity dominate the net benefit of tokenisation, with the adoption, the technology and custody risk, and the cost also significant. The prominence of the regulatory clarity and the secondary liquidity confirms that these, the regulation and the market, are the binding constraints, and that their development is what would most increase the benefit of tokenisation. The technology and custody risk and the cost matter but are secondary. The sensitivity confirms that the development of the regulation and the market, not the technology, is the key to realising the benefit of tokenisation.

Table 2. Scenario Matrix for Tokenisation Benefit

Scenario	Regulation	Secondary market	Net benefit
Mature	Clear	Developed	Transformational
Base	Developing	Nascent	Incremental
Constrained	Unclear	Absent	Limited
Today	Developing	Nascent	Fractional only

Indicative scenarios. Not a forecast.

The scenario matrix shows the range from the today scenario, where the benefit is limited to fractional ownership, to the mature scenario, where developed regulation and secondary markets make the benefit transformational. The matrix underlines that tokenisation benefit today is

incremental and concentrated in fractional ownership, and that the transformational benefit depends on the maturation of the regulation and the market, which is a future prospect. This realistic view, incremental today and potentially transformational in time, is the balanced assessment the paper advances, capturing the genuine value while recognising the gap between the present reality and the future promise.

12. International Comparison

Tokenisation is being developed globally, with initiatives in many jurisdictions and growing institutional interest, but it has developed more slowly than the early hype predicted, constrained by the same regulatory and market factors that constrain it in the region. The international experience confirms the balanced assessment: tokenisation offers genuine value in fractional ownership and efficiency, its liquidity promise depends on developing markets, and the binding constraints are the regulation and the market rather than the technology. The global development is incremental, building the regulation and the market over time.

The international experience also shows that the jurisdictions that develop clear, supportive regulation and the market infrastructure are advancing fastest, which is relevant to the region progressive stance. The jurisdictions that have provided regulatory clarity and fostered the market infrastructure have seen more tokenisation activity, while those with unclear regulation have seen less, confirming that the regulation and the market are the enablers. The region, with its progressive regulation, is among the advancing jurisdictions, and it can learn from the international experience to develop the opportunity sensibly, capturing the genuine value incrementally while building toward the longer-term promise.

13. Common Errors and How to Avoid Them

A recognisable set of errors recurs in approaching tokenisation.

- **Believing the hype.** Believing the transformational hype and over-investing in unrealised promise leads to disappointment. The remedy is a realistic assessment of the available value.
- **Expecting premature liquidity.** Expecting liquidity from tokenisation today, before secondary markets develop, leaves investors unable to sell. The remedy is to value the available benefits, not the unrealised liquidity.
- **Dismissing it entirely.** Dismissing tokenisation entirely as mere hype misses the genuine, available value in fractional ownership. The remedy is to recognise the genuine use-cases.
- **Neglecting the foundation.** Neglecting the regulatory and legal foundation leaves a tokenisation initiative exposed to uncertainty. The remedy is to build on a sound regulatory and legal foundation.

Each of these errors is avoidable through the balanced approach the paper advances: assess realistically, value the available benefits, recognise the genuine use-cases, and build on a sound foundation. The participant that does so captures the genuine value of tokenisation while avoiding both the over-investment of the hype and the missed opportunity of dismissal, approaching the opportunity sensibly.

14. Implementation Roadmap

1. Assess tokenisation realistically, distinguishing the genuine, available value from the unrealised future promise.

2. Focus on the mature use-cases, particularly real estate fractional ownership, that add genuine value today without depending on secondary liquidity.
3. Build on a sound regulatory and legal foundation, ensuring the token is soundly connected to the asset and the regulation supports the initiative.
4. Value the available benefits, fractional ownership, wider access, and efficiency, rather than the unrealised liquidity promise.
5. Manage the regulatory, technology, custody and liquidity risks, and approach the opportunity measuredly.
6. In the GCC, leverage the progressive regulation and the asset and investor base to develop the genuine use-cases incrementally.
7. Watch the development of the regulation and the secondary market, which will determine when the longer-term promise can be realised.

15. Strategic Perspective: Incremental, Not Transformational

The strategic insight of this paper is that tokenisation is, in the near term, an incremental rather than a transformational opportunity, adding genuine value in fractional ownership and efficiency while its transformational liquidity promise develops over the longer term. A participant that approaches it as such, capturing the incremental value today while building toward the longer-term promise, positions itself sensibly, while one that approaches it as transformational risks over-investment and disappointment, and one that dismisses it risks missing the genuine value. The balanced, incremental approach is the strategically sensible one.

For the GCC, the strategic opportunity is to lead in developing the genuine use-cases, leveraging its regulatory progressiveness and its asset and investor base, while building the regulation and the market that will enable the longer-term promise. The region can capture the near-term value of fractional ownership, opening its substantial real estate to a broad pool of investors, while developing the regulatory and market infrastructure that will, over time, enable the liquidity promise. This incremental, building approach positions the region to lead in tokenisation realistically, capturing the value as it becomes available rather than betting on a transformational revolution.

The broader strategic point is that the sensible approach to a hyped technology is to separate the genuine value from the hype, capture the genuine value, and build toward the future promise, rather than either over-investing in the hype or dismissing the technology. Tokenisation, like many financial technologies, offers genuine value that is more incremental than its proponents claim, and the participant that captures the genuine value while building toward the future, neither over-investing nor dismissing, navigates the opportunity well. This balanced approach, capturing the genuine and building toward the promise, is the strategic lesson that applies to tokenisation and to hyped financial technologies generally.

16. Conclusion

Tokenisation has been heralded as a transformation of asset ownership and trading, and it has attracted considerable hype, but the reality is more incremental. This paper has argued that tokenisation offers genuine value today in fractional ownership and wider access, that its much-touted liquidity promise depends on secondary markets that remain nascent, and that the binding constraints are the regulation and the market rather than the technology, which is ready. The

genuine near-term value is in fractional ownership and efficiency, while the transformational liquidity promise is a longer-term prospect that depends on the development of the market.

The GCC, with its progressive regulation and its asset and investor base, is well-positioned to develop the opportunity, but realistically and incrementally, capturing the genuine fractional-ownership value today while building toward the longer-term promise. The sensible approach, for the region and for participants generally, is to separate the genuine value from the hype, capture the genuine value, and build toward the future, neither over-investing in the transformational claims nor dismissing the genuine opportunity. The frameworks in this paper are intended to help participants approach tokenisation realistically, capturing its genuine, incremental value while understanding the gap between its present reality and its future promise.

17. Limitations and Directions for Further Research

This paper is assessment-oriented and relies on indicative judgements, and its conclusions are directional rather than precise. The readiness and benefit assessments are calibrated to observable conditions but are not empirical estimates, and the rapidly evolving regulatory and market landscape makes them particularly uncertain. The pace of development of the regulation and the market, central to the opportunity, is inherently difficult to predict.

Several extensions would strengthen the analysis. An empirical study of tokenisation initiatives and their outcomes in the GCC and internationally would replace the indicative assessments with evidence. An analysis of the developing regulatory frameworks for tokenised assets in the region would sharpen the regulatory assessment. And a study of the development of secondary markets for tokenised assets would illuminate the liquidity question that is central to the opportunity. Each is a natural subject for a later paper in this series.

Appendix A. Base Case Assumptions

Table 3. Base Case Assumptions

Parameter	Value	Parameter	Value
Technology readiness	High	Regulation readiness	Developing
Market readiness	Nascent	Binding constraint	Regulation & market
Near-term value	Fractional ownership	Liquidity promise	Longer-term
Most mature use-case	RE fractional	Region position	Progressive
Approach	Incremental	Hype risk	Significant
Compliant tokenisation	Available	Currency	Regional

Indicative parameters used to generate the assessments and use-cases. Not specific advice.

Appendix B. Glossary of Terms

Table 4. Glossary of Key Terms

Term	Definition
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Tokenisation	Representing ownership in an asset as digital tokens.
Token	A digital representation of a fractional interest in an asset.
Blockchain / ledger	The distributed record on which tokens are held.
Smart contract	Code automating aspects of token ownership.
Fractional ownership	Dividing an asset into small interests owned by many.
Secondary market	A venue for trading tokens after issuance.
Custody	The secure holding of digital tokens.
Illiquidity discount	The discount on an asset that cannot be sold quickly.
Special-purpose vehicle	An entity holding the asset whose interests are tokenised.
Programmable distributions	Automated distribution of income to token holders.

Definitions provided for reference.

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