

Democratizing Tokenization: Accomplishments and Challenges

Weset is on a mission to revolutionize the way we own assets. By leveraging the power of blockchain technology on [Weset.app](https://weset.app), we're making tokenization accessible for **all**, not just a select few.

Weset has built great technology which is already being used by hundreds of investors worldwide. While early success has been promising, there are many hurdles to clear. Many of these hurdles are related to the asset owner size. This blog shares the insider perspective on the scalability issues that we are looking to address.

Streamlined Asset Ownership for Token Holders

From the token holder's perspective, Weset.app delivers on its promise of accessibility. Anyone with a web3 wallet can easily:

- **Connect to the platform:** Weset.app seamlessly integrates with your existing web3 wallet, eliminating the need for complex account creation processes.
- **Purchase Digital Assets:** Invest in tokenized assets using your preferred cryptocurrency, opening up a world of investment opportunities beyond traditional financial instruments.
- **Manage Holdings Securely:** Our user-friendly dashboard provides a clear overview of your token holdings, allowing you to track your investments and manage them with confidence.

Challenges for Asset Owners: Bridging the Supply Gap

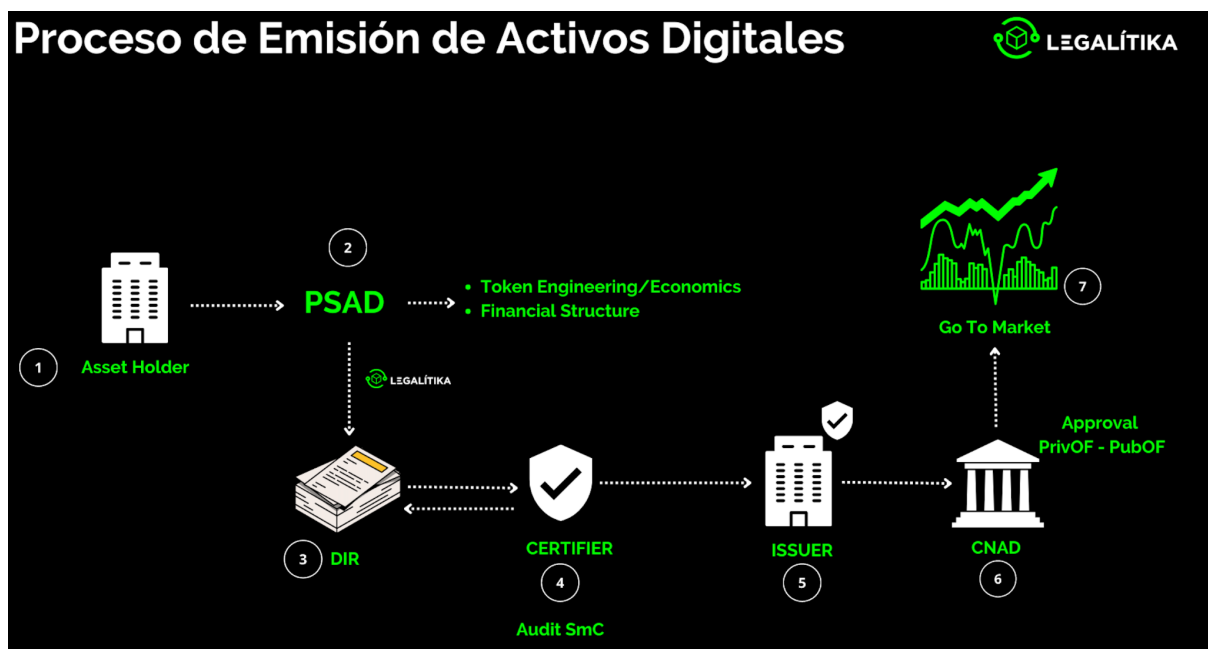
While Weset excels in empowering token holders, creating a truly accessible environment requires addressing challenges on the other side of the equation: **asset owners**. As we work with clients (asset owners) to tokenize their real-world assets (represented by ERC-1155 collections), we encounter several hurdles that limit broader adoption, particularly for small and medium-sized enterprises (SMEs).

1. Regulation: A Necessary Hurdle, But a High One

El Salvador's Comisión Nacional de Activos Digitales (CNAD) plays a crucial role in safeguarding the digital asset ecosystem. Their rigorous regulations are essential for protecting investors and fostering a healthy market. However, complying with these regulations presents a significant challenge for SMEs.

Examples of Regulatory Hurdles:

- **Licensing and Registration:** Obtaining a license from the CNAD can be a complex and costly process for SMEs. This necessitates legal expertise, which adds to the overall cost burden.
- **Compliance Requirements:** CNAD regulations necessitate adherence to strict compliance standards regarding record-keeping, audit trails, and investor communication. Implementing and maintaining these processes can be resource-intensive for smaller businesses.
- **Anti-Money Laundering (AML) and Know Your Customer (KYC) Protocols:** CNAD mandates robust AML/KYC procedures to combat financial crime. While essential, implementing these protocols can be overwhelming for SMEs with limited resources.



2. Business Model Complexity

Every asset owner has unique goals and requirements. Some may seek to raise capital, while others might aim to unlock liquidity or optimize revenue streams. This diversity necessitates a flexible and adaptable tokenomics model.

Key considerations for asset owners include:

- **Token Type:** Choosing between utility tokens and security tokens, each with its own set of benefits and regulatory implications. Utility tokens could allow token holders to tangibly benefit from holding or using the asset, whereas security tokens provide purely financial benefits. Hybrids collections are also possible.
- **Asset Type:** Art and real estate are examples of the many types of assets that can be tokenized and each one requires industry specific structuring.
- **Revenue Sharing:** Defining how revenue generated from the tokenized asset will be shared between the asset owner and token holders.
- **Governance Structure:** Establishing a governance framework to ensure transparency, accountability, and community participation.

Navigating these complexities can be daunting for asset owners, especially those with limited technical expertise. We are still early in the development of this technology, so asset owners are trailblazing their own business models.

The tokenomics models are difficult to change once the collection is launched, so it's important to find a balance between meeting the demands of the asset owner and providing an appealing option to the market. Asset owners do not want to go through the hurdles and costs of tokenizing only to find out that their tokenomics does not suit their needs or those of their market.

3. Finding Demand

Once an asset owner has successfully navigated the regulatory hurdles and defined a suitable tokenomics model, the next challenge lies in finding a receptive market for their tokenized assets. Building a strong demand for tokenized assets requires a multi-faceted approach.

Key strategies to attract investors include:

- **Effective Marketing and Branding:** Create compelling narratives around the tokenized assets, highlighting their unique value proposition and potential for growth.
- **Strategic Partnerships:** Collaborate with influential individuals, organizations, and platforms to expand reach and credibility.
- **Community Building:** Foster a strong and engaged community of token holders through social media, forums, and other online channels.
- **Incentivized Programs:** Implement referral programs, airdrops, and other incentives to attract new investors.
- **Token Utility:** Design tokenomics models that offer real-world utility, such as access to exclusive services, voting rights, or revenue sharing.

Weset's Role in Democratizing Tokenization

Our Commitment to Client Success

At Weset, we understand that tokenization is a complex and evolving landscape. We work closely with our clients throughout the entire tokenization process, from initial consultation to post-launch support. Our team of experts provides guidance on:

- **Tokenomics Design:** We help clients develop effective tokenomics models that align with their business goals and attract investors.
- **Regulatory Compliance:** We assist clients in navigating the complex regulatory landscape and ensuring compliance with local and international laws.
- **Technical Implementation:** We leverage our cutting-edge platform to streamline the tokenization process, minimizing technical hurdles.
- **Marketing and Community Building:** We help clients create compelling narratives and build strong communities around their tokenized assets.

As pioneers in the field of tokenization, we embrace the challenges and opportunities that come with this emerging technology. We are committed to working with our clients to navigate the complexities of tokenization and achieve their goals.