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One ticker, three products: what “tokenized equity” means when it reaches a South African desk

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In under a year, tokenized US equities went from regulatory debate to live settlement infrastructure. This article distils TFOS’s 44-page review of sixteen key events and twelve jurisdictions, and asks what the shift means for South Africa’s market professionals.

Somewhere in the world right now, a client is buying an “Apple token”. Depending on which platform serves them, they are acquiring one of three very different things:
the Apple share itself in tokenized form, with full voting rights and dividends;
a structured note that tracks Apple's price but confers no ownership, issued by the platform's own EU vehicle (in Robinhood's case, a Lithuanian entity);
a perpetual future with up to 20x leverage, available around the clock in more than 110 countries.

The price chart is identical in all three cases. Everything else that matters is not: the rights, the counterparty, the disclosure the client should have seen, and the answer to the question every compliance officer is trained to ask. On a default, whose credit risk does the client actually bear?

That question is the reason we spent July compiling a 44-page review of equity tokenization across twelve jurisdictions. This article is the condensed version. The full review, with sources for every claim, is available for download at the end.

The US: from permissions to production in 309 days

Read from the outside, the American story of the past year looks like a sequence of filings and intentions. That picture is deceptive. Between September 2025 and July 2026, all three load-bearing elements of a “share = token” regime came into operation at once.

The legal layer closed first.

On 28 January 2026 the SEC published its Staff Statement on Tokenized Securities: the recording format does not change how securities law applies. A share remains an equity security whether recorded in a conventional database or on a blockchain, and a DLT network can form part of the official securityholder register. On 18 March the SEC approved Nasdaq’s rule change permitting tokenized securities to trade in the same order book as conventional ones, with the same execution priority. The NYSE followed with Rule 7.50, filed on 9 April and effective on 17 April. Eight days from filing to a live rule, against six months for Nasdaq: once a competitor’s structure was approved, the regulator had nothing left to question.

The settlement layer is live.

The DTC, the US central securities depository, received an SEC no-action letter in December 2025 for a tokenization service covering assets already in its custody: Russell 1000 constituents, major-index ETFs and US Treasuries. On 14 July 2026 the service entered production with its first limited trades. Full launch is scheduled for October 2026. The working group behind it includes more than 50 firms: Nasdaq and NYSE, BlackRock and Franklin Templeton, J.P. Morgan and Goldman Sachs, Schwab and Robinhood, Circle and Fireblocks. The infrastructure layer is being built jointly; competition will happen at distribution.

The product layer opened on a single day.

On 2 July 2026 both models contemplated in the SEC's January statement went live in production. Ondo and Broadridge issued the first US custodial tokens on BlackRock's IVV ETF and Micron stock, with voting delivered through ProxyVote. The same day, Securitize listed on the NYSE under the ticker SECZ and tokenized its own common stock on Avalanche and Solana, becoming the first newly public company to bring its own share onchain at listing.

From Nasdaq's first filing to the DTC's first production trades took 309 days. For a regulatory change of this magnitude, in the world's largest capital market, that is remarkably fast.

Two caveats belong in any honest account.

First, the pilot relies on an SEC staff no-action position, not a formal Commission rule, so it can be changed or withdrawn - its main legal risk.

Second, the promised sandbox for crypto-native venues, the Innovation Exemption, was shelved in May after Nasdaq, NYSE and Cboe objected to a parallel trading venue operating without equivalent surveillance. The decisive voice in US market design currently belongs to infrastructure, not only to the regulator.

Two rails behind one price chart: the compliance fact of the year

While the regulated rail was being assembled, crypto-native venues built their own, and moved faster, because they serve mainly non-US clients.

Kraken launched perpetual futures on tokenized equities in June: more than 110 countries, up to 20x leverage, 24/7. Robinhood Chain went live on 1 July with over 90 equity and ETF tokens in more than 120 countries; legally these are ERC-20 debt instruments giving economic exposure but neither ownership nor voting rights. Ondo runs both models side by side: a US product that is a real entitlement to the security, and an offshore programme of structured notes, more than 430 instruments, that track prices without conferring ownership.

Set the two rails against each other and the compliance picture writes itself. On the regulated rail, the client holds the same security, same CUSIP, same ticker; voting and dividends flow as on the underlying share; settlement runs through the DTC. On the crypto-native rail, the client generally holds a debt instrument or a synthetic; ownership and voting are usually absent; the counterparty is the token issuer, not the security's issuer.

Both rails use identical tickers and identical price charts. A client who buys an “Apple token” on a crypto venue is, in most cases, not an Apple shareholder: they hold an obligation of the token issuer. As volumes grow, this becomes the main source of complaints and regulatory questions. Documentation, disclosure and suitability processes need to separate the two cases explicitly, and the test is mercifully simple: on a default, whose credit risk does the client bear, the security's issuer or the token's issuer?

UK authorities have already signalled where this leads: non-natively tokenized securities will be treated the same way as equivalent traditional structures, meaning CFDs, depositary receipts and ETNs. A “token on a share” without real ownership lands on a shelf that is already tightly regulated. The principle that runs through

IOSCO's November 2025 report, Hong Kong's circulars and the SEC's statement is the same one South African supervisors apply daily: same activities, same risks, same regulatory outcomes. Structuring a product "outside the perimeter" through a blockchain wrapper has no regulatory future in any significant jurisdiction.

The world: five models, one empty column

More than a dozen countries now operate regimes for tokenized securities. Compare them in a single matrix, as the full review does, and one column stands out: almost every regime covers funds and bonds. Listed-equity tokenization operates at scale only in the United States.

	DEDICATED REGIME FOR TOKENIZED SECURITIES	TOKENIZATION OF LISTED COMPANY SHARES	TOKENIZED FUNDS AND BONDS	LICENSED DLT VENUE OR DEPOSITORY	RETAIL ACCESS
United States SEC · DTC · Nasdaq · NYSE	●	●	●	●	◐
Japan FSA · FIEA · SBI consortium	●	◐	●	●	●
Switzerland FINMA · DLT Act · SIX SIS	●	◐	●	●	◐
European Union DLT Pilot Regime · MiCA	●	◐	●	●	●
United Kingdom FCA · Bank of England · DSS	◐	○	●	●	◐
Hong Kong SFC · April 2026 circulars	●	○	●	●	●
Singapore MAS · Project Guardian	◐	○	●	◐	○
UAE CMA · VARA · DFSA · ADGM	●	◐	●	●	◐
South Korea January 2026 legislation	●	○	◐	◐	◐
Kazakhstan Law 193-VII · AIFC/AFSA	◐	○	◐	●	◐
Brazil CVM · B3 platform	◐	○	◐	◐	◐
South Africa FSCA · crypto asset regime	◐	○	○	○	◐

● in force and used in practice ◐ pilot, limited perimeter or isolated transactions ○ no regime

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Assessment compiled from public regulatory documents and venue disclosures; reflects the position as of 27 July 2026.

How to read this table. *Look at the second column: funds and bonds are tokenized nearly everywhere, listed equities nowhere except the United States. The obstacle is not technology but shareholder rights, which cannot move onchain without amending company law. A half-filled mark means "permitted, but within a narrow perimeter": before a product decision, check the primary source.*

The approaches reduce to five models.

- The US and Switzerland embed tokenization into existing market infrastructure; Switzerland's FINMA approved the merger of SIX Digital Exchange into the traditional depository in May, creating the world's first hybrid CSD five months before the DTC's full launch.
- The EU, UK and UAE run sandboxes with caps; the EU's DLT Pilot reform is not expected to reach political agreement before end-2027, and the UK's cross-authority roadmap is due by end-2026.
- Hong Kong tokenizes funds rather than shares, deliberately sidestepping the shareholder-rights problem, and is the only jurisdiction to open 24/7 secondary trading to retail: assets in tokenized share classes grew roughly sevenfold in a year to HK$10.7 billion.
- Singapore builds the wholesale institutional layer and does not open retail access at all.
- And the fifth model, which covers most emerging markets, is a crypto-asset regime without a securities-token regime.

The most consequential development outside the US came on 16 July, when Japan's SBI and Ondo announced a partnership to tokenize Japanese assets, including equities. The division of roles is instructive: the Japanese side brings distribution and a yen-stablecoin settlement asset, the American side brings issuance technology. It is the first serious institutional attempt to bring non-US equities onchain, and a ready-made partnership template for any emerging-market broker.

Because here is the structural imbalance the headlines miss: as of April 2026, every tokenized stock in circulation was a US security, while emerging markets host more than 20,000 public companies. Supply has not left one market. The obstacle is not technology but shareholder rights, which cannot move onchain without amending company law.

South Africa: a crypto regime, awaiting a securities regime

South Africa sits, with Kazakhstan and Brazil, in the fifth model. What exists is substantial: crypto assets were declared a financial product under the FAIS Act in October 2022, and CASP licensing has run since June 2023 inside the existing FSP framework. The FSCA has received 512 applications and approved around 300 licences, with 14 declined and 121 withdrawn after engagement. That is a functioning, supervised perimeter, and the FATF grey-listing that shadowed it was lifted in October 2025.

What does not yet exist is any dedicated regime for tokenized securities: no “share = token” construct comparable to the US or Swiss frameworks, though the JSE is discussing tokenized bonds. Domestic innovation is starting where regulation permits: RainFin, operating inside the FSCA CASP perimeter, has issued South Africa’s first R100 million in tokenized debt on its permissioned network, focusing on private credit and treasury tokens rather than equities.

For an FSCA licensee, the lawful route today is distributing foreign products inside the CASP and FICA perimeter, with the full discipline that entails: licensing scope, disclosure, suitability and the accountable-institution obligations under FIC. For the industry’s policy conversation, the five-model map is worth keeping to hand. When a South African securities-token framework is eventually designed, the drafting choices, infrastructure-embedded or sandboxed, funds-first or full equities, will determine whether local participants become product manufacturers or remain distributors of someone else’s product.

What the shift means for a brokerage business

The full review sets out eleven consequences for the brokerage model, written as a backlog with owners rather than observations. Four carry the most weight.

1. **Settlement becomes a client-visible feature.**

After the DTC's October launch, tokenized form becomes a standard settlement option in the US market. Supporting it is back-office and order-instruction work, not marketing work, and firms that leave the integration late will find the gap visible to clients.

2. **The margin relocates.**

Buying a share is becoming a free commodity. Atomic settlement shortens the intermediary chain, though in the regulated rail the saving accrues first to infrastructure rather than arriving as a zero commission. Revenue moves to 24/7 margin lending, high-assurance custody, and the correct handling of corporate actions. Crypto venues already monetise the first two. The third, delivering voting rights and correct dividend treatment, is the one field where the regulated broker retains a structural advantage, because voting has become the marker that distinguishes a real security from an exposure.

3. **Disclosure has to separate three products.**

The security, the note and the perpetual future now live under one name. Sales scripts, risk disclosures and suitability checks that do not distinguish them are a mis-selling file waiting to be opened.

4. **Demand cannot be taken as a given.**

IOSCO's most sobering finding deserves quoting against every optimistic business case: even where DLT settlement is available, market participants continue to favour traditional infrastructure. Tokenization remains a small part of the financial sector. The calendar, however, is concrete: the DTC's full launch in October 2026, the UK roadmap by end-2026, EU agreement expected by end-2027, and the Bank of England's settlement synchronisation service targeted for 2028.

Five questions for testing any jurisdiction, including ours

The review closes Part II with a five-question test that travels well.

1. Does the jurisdiction have a construct under which the token holder owns the security rather than holding a claim on the token issuer?
2. Who maintains the register, and how are voting and dividends delivered?
3. What does cash settlement occur in: fiat, tokenized deposits, a regulated stablecoin or central bank money?
4. Is retail access permitted, and under what disclosure and suitability requirements?
5. And on cross-border distribution, whose law governs a token issued in one jurisdiction and sold into another?

Ask those five questions of any “tokenized equity” product that reaches a South African desk, and most of the marketing evaporates, leaving the parts a compliance officer can actually work with.

The full review

This article compresses a 44-page analysis: the complete US chronology with all sixteen events and their sources, the twelve-jurisdiction capability matrix, deep dives from Switzerland to Kazakhstan, the eleven-row impact table for the brokerage model, and the decision calendar through 2028, plus a directory of all 64 companies covered.

If you have ten minutes rather than an afternoon, the review opens with a four-page executive summary written for exactly that reader. **Download the full 44-page review at events.tfos.com/tokenization-review.** It is available directly, no registration required.

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