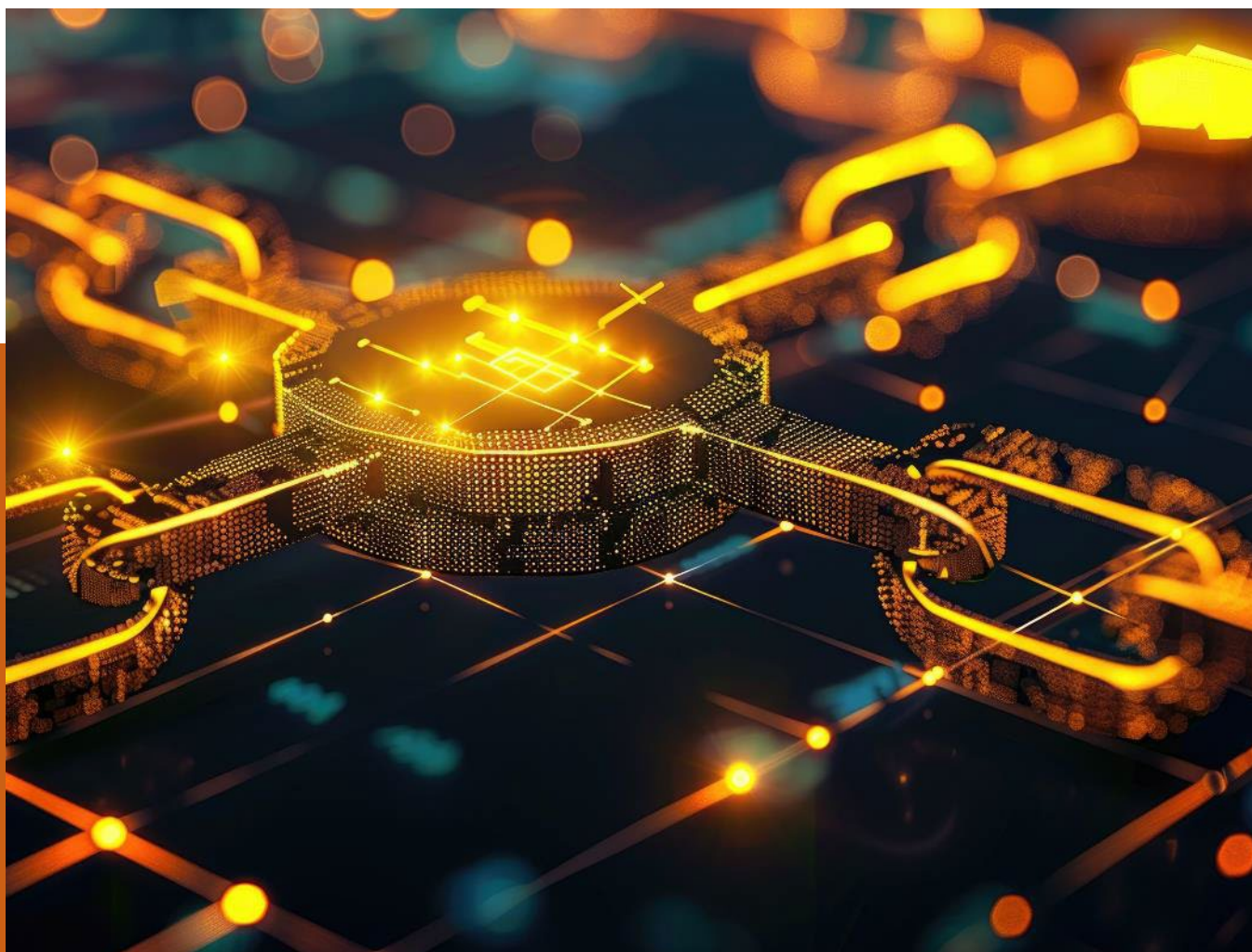

KINSTELLAR

Navigating the regulatory landscape:

An overview of the
tokenization of real-world
assets



Introductory note

As financial markets embrace digital transformation, the tokenization of real-world assets (RWA) is emerging as a ground-breaking innovation that has the potential to redefine ownership, investment, and liquidity. By leveraging blockchain technology, tokenization enables the digital representation of tangible and intangible assets – ranging from real estate, commodities, and artworks, to securities, debt instruments, and intellectual property. Proponents believe that such a transformation democratizes access to high-value assets, enhances market efficiency, and introduces new investment opportunities across industries.

However, the legal and regulatory framework surrounding tokenization remains complex and rapidly evolving. The classification of tokenized assets – whether as securities, financial instruments, or alternative investment vehicles – varies across jurisdictions and carries significant implications for compliance, licensing, investor protection, and taxation. Financial regulators across the globe are actively shaping policies under frameworks such as MiCA, MiFID II, AIFMD, and national securities laws, while addressing critical concerns related to AML/KYC obligations, smart contract enforceability, and secondary market trading.

For businesses, start-ups, and institutional investors exploring tokenization, understanding how different jurisdictions regulate digital assets, licensing requirements, and the associated legal risks is crucial. As regulatory frameworks develop, companies must proactively engage with legal advisors to navigate uncertainties, mitigate risks, and ensure compliance while capitalizing on the potential of tokenized markets.

This publication serves as a comprehensive guide to the regulatory landscape of tokenization across Kinstellar's jurisdictions, offering insights into key compliance considerations, emerging trends, and the strategic pathways for businesses looking to thrive in a tokenized economy.



Illya Muchnyk

Partner, Firm Wide Head of Fintech

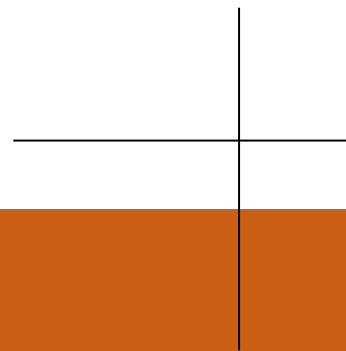
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Information current as of February 2025. This brochure provides an executive summary of the latest trends in the tokenization of real-world assets across Kinstellar's jurisdictions. It is for general informational purposes only and does not constitute legal, professional or investment advice. For specific guidance or expert consultation, please contact our team.

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Is the tokenization of real-world assets (RWA) legally recognized in your jurisdiction?

There is no dedicated legal framework for the tokenization of RWA in Bulgaria. However, as with all other EU Member States, the Markets in Crypto-Assets Regulation (“**MiCA Regulation**”) is directly applicable in Bulgaria. The MiCA Regulation recognizes the public offering and admission to the trading of digital assets and the provision of crypto-asset services, such as providing custody for and administering crypto-assets, the operation of crypto-asset trading platforms or providing advice or portfolio management on crypto-assets.

Draft legislation is currently pending (the “**Draft Cryptocurrencies Markets Act**”), which aims to better incorporate the MiCA Regulation into the Bulgarian legislative framework. The draft bill, however, is yet to be voted on in the National Assembly.



Who is the relevant regulator of digital/crypto-assets services?

Currently, the competent Bulgarian authority to supervise the offering of crypto-assets and the provision of the crypto-asset services is the National Revenue Agency (“**NRA**”). According to the Measures Against Money Laundering Act, each natural person or company providing exchange services between digital currencies and recognised currencies, as well as services for the transfer and storage of digital assets, must register at a special public registry, which is administrated by the NRA (“the NRA registry”).

However, if the Draft Cryptocurrencies Markets Act enters into force, the regulation of these services will fall within the competence of the Financial Supervision Commission (FSC) or the Bulgarian National Bank (BNB), depending on the service providers and the nature of the specific crypto-assets and services.



How are tokens qualified under applicable laws in your jurisdiction?

The regulatory treatment and classification of tokens and digital/crypto assets would depend on their features. If a token grants rights similar to securities, such as ownership, profit-sharing, or voting rights, it may be classified as a financial instrument and subject to Bulgarian securities and financial instruments regulations. Other tokens may fall under the MiCA Regulation framework which applies to crypto-assets that do not qualify as traditional financial instruments.



Does a token confer direct ownership of the underlying real-world asset?

Under Bulgarian law, ownership rights to an asset cannot be directly embedded into a token. However, legal structures can be designed to link tokenized assets to economic rights through contractual arrangements, special-purpose entities, or trust-like structures, depending on the given business model and regulatory considerations.



Do tokens issuers require financial services licenses or other authorizations to publicly offer tokens?

Depending on the features and the regulatory classification of the token either as a financial instrument or other type of crypto asset, certain regulatory approvals or authorisations may be required. Services related to financial instruments are generally subject to licencing requirements in accordance with the Bulgarian Markets in Financial Instruments Act transposing MiFID II. In addition, the public offering of such tokens may be subject to applicable requirements for the publishing of a prospectus that must be approved by the FSC. Tokens and crypto-assets subject to the MiCA Regulation require the issuer to publish a crypto-asset whitepaper. Some offerings may qualify for exemptions, depending on factors such as the investor type and distribution method.

Currently, exchange services between virtual currencies and fiat currencies, services for the transfer and exchange of virtual assets, services for the safekeeping and management of virtual assets enabling control over those assets and services related to the public offering of virtual assets requires prior registration at the NRA registry.

Upon entry into force of the Draft Cryptocurrencies Markets Act, the issuance of tokens will require a license from the FSC.

Are retail investors allowed to participate in the token offerings?

There is no prohibition on tokens being offered to retail (non-professional) investors. It should be noted, however, that specific disclosure obligations, suitability assessments, and investor protection measures may apply. Public offerings of certain tokenized assets may require regulatory approvals or be subject to marketing restrictions.

The Draft Cryptocurrencies Markets Act contains specific obligations to the issuers of tokens, related to the protection of non-professional investors, which will apply if the bill is passed into law.

Do smart contracts have the same legal status as traditional contracts?

No specific provisions establish rules regarding smart contracts. However, this does not mean that smart contracts cannot be entered into. The general rule in Bulgarian civil law is that any agreement, which does not violate the provisions of the law or good faith principles, can be concluded. Additionally, the intent of the parties can be interpreted through all means. Certain contracts, which have been concluded in electronic form (e.g. through e-mail correspondence or via e-commerce), are accepted as valid by the Bulgarian courts.

In other words, as long as a smart contract meets the general requirements for contract conclusion (offer, acceptance, and the mutual expression of serious intent by the parties, etc.), such a contract can be deemed valid under the existing laws of Bulgaria.

Could a tokenized project be classified as an unlicensed collective investment scheme?

If a tokenized structure involves pooled investor funds managed for a shared return, it may fall under collective investment regulations. As a general rule, the operation of a collective investment scheme is subject to licensing requirements under Bulgarian law.

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CROATIA

Is the tokenization of real-world assets (RWA) legally recognized in your jurisdiction?

No specific legal framework has been created for the tokenization of real-world assets (RWA) in the Republic of Croatia. However, the EU-wide MiCA Regulation is applicable in Croatia, which recognizes the public offering and admission to trading of digital assets, as well as the provision of crypto-asset services such as custody and the administration of crypto-assets, the operation of a crypto-asset trading platform, and the offering of advice or portfolio management related to crypto-assets.

Who is the relevant regulator of digital/crypto-assets services?

Oversight over the performance of functions and duties arising from the MiCA Regulation in the Republic of Croatia is divided between the Croatian Financial Services Supervisory Agency (HANFA) and the Croatian National Bank (CNB). Depending on the nature of the specific crypto-assets and the provision of crypto-asset services, either HANFA or the CNB have competence as the respective oversight authorities.

The official webpages are: <https://www.hnb.hr/en/> for the CNB and <https://www.hanfa.hr/en/> for HANFA.

How are tokens qualified under applicable laws in your jurisdiction

The legal classification of a given token dictates the applicable regulatory framework. If a token provides rights similar to those of securities, such as ownership, profit-sharing, or voting rights, it may be subject to securities regulations under Croatian laws. Other types of tokens may fall under the MiCA Regulation, which applies to crypto-assets that do not meet the criteria of traditional financial instruments.

Does a token confer direct ownership of the underlying real-world asset?

Under Croatian law, ownership rights to an asset cannot be directly embedded within a token. Nevertheless, legal structures may be developed to connect tokenized assets to economic rights through contractual agreements contingent upon the given business model and applicable regulatory requirements.

Do tokens issuers require financial services licenses or other authorizations to publicly offer tokens?

The need for regulatory approval depends on the nature of the given token. Securities tokens typically require a prospectus and regulatory approval, while tokens falling under MiCA may require the publication of a crypto-asset whitepaper. Some offerings may qualify for exemptions, depending on factors such as investor type and distribution method.

Are retail investors allowed to participate in the token offerings?

The need for regulatory approval depends on the nature of the given token. Securities tokens typically require a prospectus and regulatory approval, while tokens falling under MiCA may require the publication of a crypto-asset whitepaper. Some offerings may qualify for exemptions, depending on factors such as investor type and distribution method.

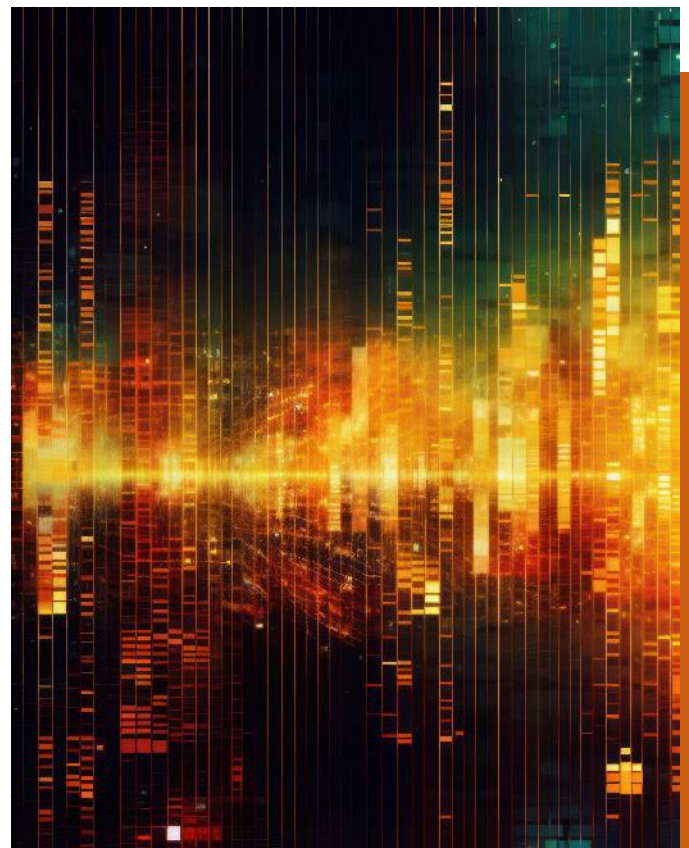
Do smart contracts have the same legal status as traditional contracts?

Smart contracts can be legally enforceable under Croatian law if they meet general contract law requirements, such as clear terms and a mutual agreement. However, enforceability may be somewhat challenging due to the differences between smart contracts and traditional contracts, in particular if the former are used in tokenized transactions. In such cases specific legal and technical risks would have to be assessed in detail.

Could a tokenized project be classified as an unlicensed collective investment scheme?

The need for regulatory approval depends on the nature of the given token. Securities tokens typically require a prospectus and regulatory approval, while tokens falling under MiCA may require the publication of a crypto-asset whitepaper. Some offerings may qualify for exemptions, depending on factors such as investor type and distribution method.

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Is the tokenization of real-world assets (RWA) legally recognized in your jurisdiction?

No dedicated legal framework for the tokenization of RWA currently exists in the Czech Republic. However, the EU-wide MiCA Regulation does apply in the Czech Republic, which recognizes the public offering and admission to trading of digital assets and the provision of crypto-asset services, such as providing custody and the administration of crypto-assets, the operation of a crypto-asset trading platform, and providing advice or portfolio management of crypto-assets.



Who is the relevant regulator of digital/crypto-assets services?

The national competent authority authorized to supervise the financial market in the Czech Republic, including the offering of crypto-assets and the provision of crypto-asset services, is the Czech National Bank.

Their official webpage is: <https://www.cnb.cz/en/>



How are tokens qualified under applicable laws in your jurisdiction?

The legal classification of a token determines the applicable regulatory requirements. If a token grants rights similar to securities, such as ownership, profit-sharing, or voting rights, it may be subject to securities regulations under Czech law. Other tokens may fall under the MiCA Regulation framework which applies to crypto-assets that do not qualify as traditional financial instruments.



Does a token confer direct ownership of the underlying real-world asset?

Under Czech law, ownership rights to an asset cannot be directly embedded into a token. However, legal structures can be designed to link tokenized assets to economic rights through contractual arrangements, special-purpose entities, or trust-like structures, depending on the business model and regulatory considerations.



Do tokens issuers require financial services licenses or other authorizations to publicly offer tokens?

The need for regulatory approval depends on the nature of the given token. Securities tokens typically require a prospectus and approval from the regulator, while tokens falling under MiCA may require the publication of a crypto-asset whitepaper. Some offerings may qualify for exemptions, depending on factors such as investor type and distribution methods.



Are retail investors allowed to participate in the token offerings?

Tokens may be offered to retail investors, but specific disclosure, suitability, and investor protection measures may apply. Public offerings of certain tokenized assets may require regulatory approval or be subject to marketing restrictions.



Do smart contracts have the same legal status as traditional contracts?

Smart contracts can be legally enforceable under Czech law if they meet general contract law requirements, such as clear terms and a mutual agreement. However, their use in tokenized transactions may raise specific legal and technical risks, particularly in cases of disputes, errors, or unintended outcomes.



Could a tokenized project be classified as an unlicensed collective investment scheme?

If a tokenized structure involves pooled investor funds managed for a shared return, it may fall under collective investment regulations, potentially requiring authorization from the regulator. The respective regulatory treatment depends on how the project is structured and whether investors' returns are tied to a centralized management function.

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Is the tokenization of real-world assets (RWA) legally recognized in your jurisdiction?

No specific legal framework exists in Hungary addressing the tokenization of Real World Assets (RWA). However, the EU-wide MiCA Regulation is applicable in Hungary, which governs the public offering and admission to trading of digital assets, as well as the provision of crypto-asset services such as custody and the administration of crypto-assets, the operation of a crypto-asset trading platform, and the offering of advice or portfolio management related to crypto-assets.



Who is the relevant regulator of digital/crypto-assets services?

In Hungary, the competent oversight authority for the supervision and regulation of the financial market, including the offering of crypto-assets and the provision of crypto-asset services, is the National Bank of Hungary (NBH).

Their official webpage is: <https://www.mnb.hu/en/>



How are tokens qualified under applicable laws in your jurisdiction?

The legal qualification of the given tokens is key to determine the applicable legal framework, as the basic principle of the MiCA Regulation is that any instruments which qualify as financial instruments (including transferable securities) are out of the scope of the MiCA Regulation.

Depending on the given characterization, certain crypto-assets may qualify as securities/derivatives. Although it is impossible to create an exhaustive list, derivatives relating to cryptocurrencies, and in particular cryptocurrencies with the characterization of leveraged tokens, could qualify as financial instruments, as defined under the MiFiD regime. Other tokens may fall under the MiCA Regulation framework which applies to crypto-assets that do not qualify as traditional financial instruments.



Does a token confer direct ownership of the underlying real-world asset?

Under the current legal framework in Hungary, ownership rights to an asset cannot be embedded into a token (i.e., the ownership of a token cannot be directly linked to the ownership of an asset such as real estate). Tokenization does not assign legal ownership of the respective real-world assets.



Do tokens issuers require financial services licenses or other authorizations to publicly offer tokens?

The need for regulatory approval depends on the nature of the given token. If the given token is categorised as a security, then the issuer publishes a prospectus before making an offer to the public, while tokens and crypto-assets subject to the MiCA Regulation require the issuer to publish a crypto-asset whitepaper as a general rule. Some offerings may qualify for exemptions, depending on factors such as investor type and the respective distribution method.



Are retail investors allowed to participate in the token offerings?

Yes, tokens may be offered also to retail (non-professional) investors. However, specific disclosure obligations, suitability assessments, and investor protection measures may apply. Public offerings of certain tokenized assets may require regulatory approval or be subject to marketing restrictions.



Do smart contracts have the same legal status as traditional contracts?

The Hungarian legal system does not yet have a dedicated framework specifically applicable to smart contracts. However, it is possible for smart contracts to be valid as long as they comply with existing legal requirements and adhere to the relevant regulations for contracts concluded by electronic means.

Smart contracts are still subject to the same principles of contract law, where the parties must be identifiable, and the contract's terms must reflect the mutual intention of the parties. However, their use may raise specific legal and technical risks, particularly in cases of disputes, errors, or unintended outcomes.

Could a tokenized project be classified as an unlicensed collective investment scheme?

If a tokenized structure involves pooled investor funds managed for a shared return, it may fall under collective investment regulations. As a general rule, the operation of a collective investment scheme is subject to licensing requirements under Hungarian law.

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KAZAKHSTAN

Introduction

Two legal frameworks for tokenization apply in the Republic of Kazakhstan:

(i) the legal framework under existing Kazakhstan laws, which do not cover the legal regime outlined in paragraph below; and

(ii) the legal framework within the Astana International Financial Centre ("AIFC").

Is the tokenization of real-world assets (RWA) legally recognized in your jurisdiction?

No explicit legal concept of "tokenization", as understood in some other jurisdictions, exists in Kazakhstan; however, the law does provide for the issuance and circulation of secured digital assets. These secured digital assets serve a similar function to tokens by digitally representing property rights, provided they meet established regulatory requirements. Essentially, the tokenization of real-world assets is recognized in practice through the framework governing secured digital assets.

Who is the relevant regulator of digital/crypto-assets services?

The relevant regulator for digital asset services is the Ministry of Digital Development, Innovations and Aerospace Industry of the Republic of Kazakhstan; and, in the case of tokens issued within the territory of the AIFC, the Astana Financial Services Authority ("AFSA").

How are tokens qualified under applicable laws in your jurisdiction

Kazakhstan legal framework

As noted, there is no explicit legal concept of a "token", as understood in some other jurisdictions, in Kazakhstan. Therefore, for the purposes of this publication, we will focus on secured digital assets, which are categorised as set out below.

Digital assets in the Republic of Kazakhstan are divided into two types: secured and unsecured. Unsecured digital assets, which are primarily understood as crypto-assets, are not recognised as financial instruments or financial assets except in those cases provided by law. On the territory of Kazakhstan, the issuance and circulation of unsecured digital assets, as well as the activities of digital asset exchanges dealing with such assets, are prohibited, except within the territory of the AIFC.

The applicable legal definitions are as follows:

"Digital asset" means property created in electronic-digital form with an assigned digital code (including the use of cryptography and computer calculations), which is not a unit of account or legal tender, registered and secured against alteration based on distributed ledger technology.

"Secured digital asset" means a digital asset registered through a digital platform for the storage and exchange of secured digital assets and meeting the requirements applicable to a secured digital asset.

"Unsecured digital asset" means a digital asset that does not meet the requirements applicable to a secured digital asset. A typical example of unsecured digital assets is crypto-assets.

AIFC Legal Framework

Under AIFC regulations, a security token is a digital representation of a security or unit, that is issued, transferred and stored using Distributed Ledger Technology (“DLT”) or other similar technology approved by AFSA.

AIFC rules have different types of tokens that define different types of property and rights; tokens in the AIFC include, for example:

- Token - A digital representation of value, rights or obligations, which may be issued, transferred and stored electronically, using DLT or other similar technology;
- Utility Token - (a) which can be used by the holder only to pay for, receive a discount on, or access a product or service (whether current or proposed); and (b) the product or service referenced in (a) is provided by the issuer of the Digital Asset or of another entity in the issuer’s Group;
- Derivative Token - A digital representation of a Derivative that is issued, transferred and stored using DLT or other similar technology approved by the AFSA;
- Environmental Instrument Token - A digital representation of an Environmental Instrument, that is issued, transferred and stored using DLT or other similar technology approved by the AFSA;
- Investment Token - A digital representation of an Investment (other than a Digital Asset and a right or interest in the Digital Asset) that is issued, transferred and stored using DLT or other similar technology approved by the AFSA;
- Non-Fungible Token - (a) is unique and not fungible with any other Non-Fungible Token; (b) related to an identified asset; and (c) is used to prove the ownership or provenance of the given asset;
- Security Token - A digital representation of a Security or Unit, that is issued, transferred and stored using DLT or other similar technology approved by the AFSA.



Does a token confer direct ownership of the underlying real-world asset?

A secured digital asset (token) does not directly confer direct ownership of the underlying real-world asset. Instead, it certifies the right to tangible, intellectual services and assets, other than money and securities.



Do tokens issuers require financial services licenses or other authorizations to publicly offer tokens?

Issuers of secured digital assets can only be individual entrepreneurs or legal entities operating a digital platform for the storage and exchange of such assets. Such issuers must obtain an authorisation for the issuance and circulation of secured digital assets, which is granted by the authorised body in the area of digital assets. Thus, the basis for the public offering of tokens is the obtaining of an authorisation.



Are retail investors allowed to participate in the token offerings?

There is no direct prohibition on: (i) retail investors participating in offerings of secured digital assets in Kazakhstan or (ii) participation in offerings by non-professional investors. In fact, the law requires that issuers disclose all the relevant risks associated with purchasing, holding, and trading secured digital assets to individuals and legal entities, which can be an indirect implication that retail investors are permitted to participate in token offerings.



Do smart contracts have the same legal status as traditional contracts?

The term “smart contract” is not explicitly defined under the laws of Kazakhstan, and no specific regulations exclusively govern this instrument. However, the absence of a special definition, or a direct prohibition does not mean that smart contracts cannot be entered into. In practice, they are already being used as a form of civil law contracts, executed electronically using digital signatures. In other words, as long as a smart contract meets the general requirements for a contract (e.g., offer, acceptance, and the mutual expression of intent by the parties), it can be deemed valid under the laws of Kazakhstan.

Under AIFC Regulations, a Smart Contract is a computer code that represents a contract, and that executes and enforces the terms of such a contract on an automated basis, without the need for intermediation by any person.

Could a tokenized project be classified as an unlicensed collective investment scheme?

Digital Asset Funds and Investment Token Funds within the AIFC already operate as licensed collective investment schemes: they are registered and comply with the requirements established by AFSA.

However, outside the AIFC in Kazakhstan there is currently no clear regulation of collective investment schemes. This means

that a tokenized project that attracts funds from multiple investors for collective investment may be deemed an unlicensed collective investment scheme.

Thus, within the AIFC, tokenized investment projects can function with the appropriate license, whereas in the rest of Kazakhstan their legal status remains unregulated and will likely require separate legislation on collective investments.

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ROMANIA

Is the tokenization of real-world assets (RWA) legally recognized in your jurisdiction?

There is no dedicated legal framework for the tokenization of RWA as such in Romania. However, the EU-wide Markets in Crypto-Assets Regulation does apply in Romania, which recognizes the public offering and admission to trading of digital assets and the provision of crypto-asset services such as providing custody and the administration of crypto-assets, the operation of a crypto-asset trading platform or providing advice or portfolio management on crypto-assets.

The legal classification of a token dictates the regulatory framework applying thereto. If a token provides rights similar to those of securities, such as ownership, profit-sharing, or voting rights, it may be subject to securities regulations under Romanian law. Other types of tokens might fall under the MiCA Regulation, which applies to crypto-assets that do not meet the criteria of traditional financial instruments.

Who is the relevant regulator of digital/crypto-assets services?

Oversight relating to the performance, functions and duties arising from the MiCA Regulation in Romania is divided between the Financial Supervisory Authority (the **FSA**) and the Romanian National Bank (the **NBR**). Depending on the nature of the specific crypto-assets and the provision of crypto-asset services, the FSA or the NBR are competent as the respective supervisory authorities.

The official webpage is at: <https://www.asfromania.ro/> for FSA and <https://www.bnro.ro/Home.aspx> for NBR.

How are tokens qualified under applicable laws in your jurisdiction?

Does a token confer direct ownership of the underlying real-world asset?

Under Romanian law, ownership rights to an asset cannot be directly embedded within a token. Nevertheless, legal structures may be developed to connect tokenized assets to economic rights through contractual agreements contingent upon the given business model and applicable regulatory requirements.

Do tokens issuers require financial services licenses or other authorizations to publicly offer tokens?

The need for regulatory approval depends on the nature of the given token. Securities tokens typically require a prospectus and regulator approval, while tokens falling under MiCA may require the publication of a crypto-asset whitepaper. Some offerings may qualify for exemptions, depending on factors such as investor type and the given distribution method.

Are retail investors allowed to participate in the token offerings?

Tokens may be made available to retail investors; however, specific disclosure obligations, suitability assessments, and investor protection measures may apply. Public offerings of certain tokenized assets may necessitate regulatory approval or be subject to marketing restrictions.

Do smart contracts have the same legal status as traditional contracts?

Smart contracts can be legally enforceable under Romanian law if they meet general contract law requirements, such as clearly identified parties, clear terms and mutual agreement. However, this enforceability can be challenging due to the differences

between smart contracts and traditional contracts, especially if they are used in tokenized transactions. In such cases any specific legal and technical risks would have to be assessed in detail.

Could a tokenized project be classified as an unlicensed collective investment scheme?

If a tokenized structure involves pooled investor funds managed for a shared return, including with no active investor control, it may fall under collective investment regulations, potentially requiring regulator authorisation. The respective regulatory treatment depends on how the given project, investment returns policy and investor involvement is structured.

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Is the tokenization of real-world assets (RWA) legally recognized in your jurisdiction?

The Serbian Digital Assets Act does not explicitly recognize the tokenization of real-world assets. However, abroad definition of digital tokens indicates that real-world assets can be tokenized under Serbian law.

Who is the relevant regulator of digital/crypto-assets services?

The oversight of digital assets in Serbia is divided between the National Bank of Serbia (NBS) and the Serbian Securities Commission (SSC). The NBS is responsible for supervising the implementation of the Digital Assets Act in relation to virtual currencies, while digital tokens fall under the authority of the SSC.

The official website of the NBS is: <https://www.nbs.rs/en/indeks/>

The official website of the SEC is: <https://www.sec.gov.rs/index.php/en/>

How are tokens qualified under applicable laws in your jurisdiction

The legal nature of a digital token determines the applicable legal framework. For example, if a digital token has characteristics of a financial derivative, it may also fall under capital market regulations. Otherwise, digital tokens, ICOs, and trading on secondary markets are governed by the Digital Assets Act and accompanying secondary legislation.

Does a token confer direct ownership of the underlying real-world asset?

Under Serbian law, a digital token cannot directly grant ownership rights to a real-world asset (i.e., the ownership of a token cannot be directly tied to the ownership of an asset such as real estate). However, the tokenization of real-world assets can be structured in a way that grants the token holder economic or other rights in relation to the given asset.

Do tokens issuers require financial services licenses or other authorizations to publicly offer tokens?

The issuers of digital tokens are not required to obtain a license. However, an initial offering of digital tokens cannot be advertised and publicly offered unless a white paper (document that contains information on the issuer, the digital asset itself, and the associated risks, enabling investors to make an investment decision) has been approved, except in specific cases outlined by the applicable legal regulations.

Are retail investors allowed to participate in the token offerings?

Yes, tokens may also be offered to retail (non-professional) investors.

Do smart contracts have the same legal status as traditional contracts?

Under Serbian law, smart contracts may be legally recognized, if they comply with all applicable legal requirements and meet general contract law principles. However, enforcing smart contracts can be challenging due to their differences from traditional contracts. Additionally, in certain cases, the law imposes additional requirements for smart contracts. For instance, the Digital Assets Act explicitly requires that the providers of digital asset-related services obtain the user's consent before using smart contracts.

Could a tokenized project be classified as an unlicensed collective investment scheme?

If investor funds are pooled in a tokenized structure for the purposes of generating a shared return, this may be governed by regulations concerning collective investment, which could require regulatory authorization. The regulatory treatment depends on how the project and its investment return strategy are structured.



Is the tokenization of real-world assets (RWA) legally recognized in your jurisdiction?

There is no dedicated legal framework for the tokenization of RWA as such in the Slovak Republic. However, the EU-wide MiCA Regulation does apply in the Slovak Republic, which recognizes the public offering and admission to trading of digital assets and the provision of crypto-asset services such as providing custody and the administration of crypto-assets, the operation of a crypto-asset trading platform or providing advice or the portfolio management of crypto-assets.



Who is the relevant regulator of digital/crypto-assets services?

The national competent authority authorized to supervise financial markets in the Slovak Republic, including the offering of crypto-assets and provision of crypto-asset services, is the Slovak National Bank.

Their official webpage is at: <https://nbs.sk/en/>



How are tokens qualified under applicable laws in your jurisdiction?

The legal classification of a token determines the applicable regulatory requirements. If a token grants rights similar to securities, such as ownership, profit-sharing, or voting rights, it may be subject to securities regulations under Slovak law. Other tokens may fall under the MiCA Regulation framework which applies to crypto-assets that do not qualify as traditional financial instruments.



Does a token confer direct ownership of the underlying real-world asset?

Under Slovak law, ownership rights to an asset cannot be directly embedded into a token. However, legal structures can be designed to link tokenized assets to economic rights through contractual arrangements, special-purpose entities, or trust-like structures, depending on the respective business model and regulatory considerations.



Do tokens issuers require financial services licenses or other authorizations to publicly offer tokens?

The need for regulatory approval depends on the nature of the given token. Securities tokens typically require a prospectus and regulator approval, while tokens falling under the MiCA Regulation may require the publication of a crypto-asset whitepaper. Some offerings may qualify for exemptions, depending on factors such as investor type and distribution method.



Are retail investors allowed to participate in the token offerings?

Tokens may be offered to retail investors, but specific disclosure, suitability, and investor protection measures may apply. Public offerings of certain tokenized assets may require regulatory approval or be subject to marketing restrictions.



Do smart contracts have the same legal status as traditional contracts?

Smart contracts can be legally enforceable under Slovak law if they meet general contract law requirements, such as clear terms and mutual agreement. However, their use in tokenized transactions may raise specific legal and technical risks, particularly in cases of disputes, errors, or unintended outcomes.



Could a tokenized project be classified as an unlicensed collective investment scheme?

If a tokenized structure involves pooled investor funds managed for a shared return, it may fall under collective investment regulations, potentially requiring regulator authorisation. The respective regulatory treatment depends on how the project is structured and whether investor returns are tied to a centralized management function.

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Is the tokenization of real-world assets (RWA) legally recognized in your jurisdiction?

Under Turkish law, no specific regulations govern the tokenization of real-world assets (RWA). The legal recognition of RWA tokenization depends on its alignment with existing laws.

The type of tokenization should be taken into consideration when determining whether it is covered by existing laws. For example:

- Utility tokens: Sports clubs in Turkey have issued club-specific tokens to offer various services to supporters (e.g. access to exclusive club products, content, and VIP tickets.).
- Tokenized cash: According to the Regulation on the Non-Use of Crypto-Assets in Payments, the use of crypto-assets as a means of payment or electronic money is prohibited. Therefore, a token cannot be used as means of payment.



Who is the relevant regulator of digital/crypto-assets services?

The Turkish Capital Markets Board (“CMB”) has been designated as the main competent authority overseeing crypto-asset services.

The official webpage of the CMB is: <https://www.spk.gov.tr>



How are tokens qualified under applicable laws in your jurisdiction?

The concept of token is not defined under Turkish Law.

Article 3 of the Capital Markets Law defines crypto-assets as “intangible assets that can be electronically created and stored using distributed ledger technology or similar technology, distributed through digital networks, and representing value or rights.” If a token falls within the scope of this definition, it will be considered a crypto-asset and will be subject to the regulations of the Capital Markets Law.

In addition, the qualification of a token

depends on the rights embedded in the particular token. For example, a copyright-embedded NFT would also be subject to Turkish intellectual property law.



Does a token confer direct ownership of the underlying real-world asset?

Under Turkish law, a tokenized asset does not confer ownership rights over the RWA it represents within the current legal framework. For example:

- The transfer of a token does not constitute a legal transfer of ownership over the property, since real estate ownership transfers require registration with the land registry.
- Until the CMB introduces regulations on the issuance of capital market instruments as crypto-assets, no crypto-assets based on capital market instruments may be issued or listed on trading platforms. Therefore, a token cannot confer direct ownership of a share certificate of a company in the current legal framework.
- The transfer of an NFT embedded with copyright does not automatically transfer ownership of the underlying copyright. For the copyright to be legally transferred, the agreement between the parties must explicitly include copyright assignment provisions and comply with the written form requirement under Turkish intellectual property laws.



Do tokens issuers require financial services licenses or other authorizations to publicly offer tokens?

Platforms, crypto-asset custodians and other entities designated to provide services in relation to crypto-assets, including the initial sale or distribution of crypto-assets are defined as crypto service providers. According to the Capital Markets Law, crypto service providers must obtain permission from the CMB to operate in Turkey.

As such, the issuance of a token qualified as a crypto-asset by a crypto service provider is subject to authorisation from the CMB.

In addition, according to Article 35/2 of the Capital Markets Law, crypto service providers are required to establish a written listing procedure for determining which crypto-assets will be traded on their platforms, as well as for managing the initial sale or distribution of these assets. NFTs and crypto-assets used solely for creating or acquiring elements in virtual games are exempt from listing requirements.

Are retail investors allowed to participate in the token offerings?

No specific regulation applies to token offerings and retail investor participation. Retail investors may participate in token issuances as long as the issuance and trading of the given tokens are conducted in line with the rules of the Capital Markets Law regarding crypto-assets and other requirements applicable to crypto service providers, in particular with regard to AML and KYC requirements.

Do smart contracts have the same legal status as traditional contracts?

Under Turkish law, no specific regulation governs the legal status of smart contracts. Their applicability as legally enforceable contracts must be assessed on a case-by-

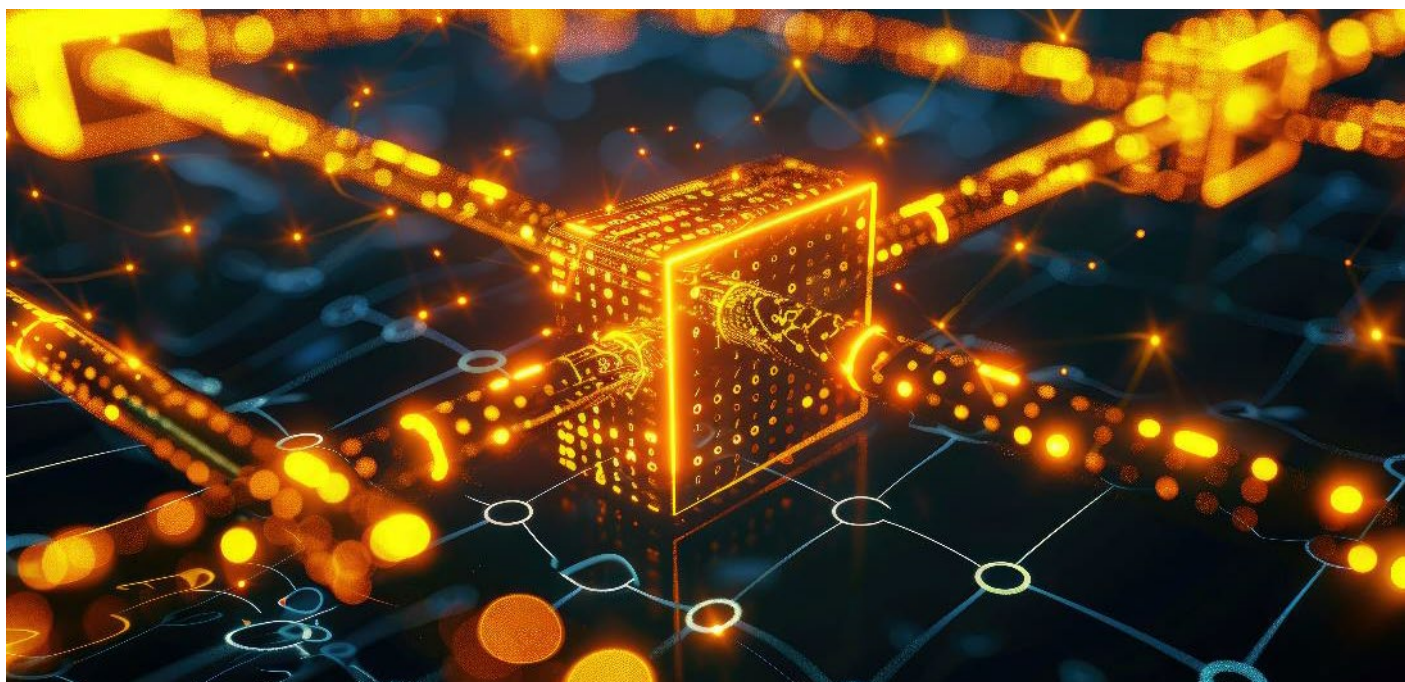
case basis. If a smart contract meets the general requirements of Turkish contract law, it may be considered enforceable. Moreover, if a smart contract includes elements subject to special legal provisions—such as copyright, real estate transactions, or other regulated areas—its validity must also be assessed in light of the relevant specific regulations.

Could a tokenized project be classified as an unlicensed collective investment scheme?

If the nature and characteristics of a tokenized project fall within the scope of regulated crowdfunding activities, it may be subject to licensing requirements applicable to such activities. For example, equity-based and debt-based crowdfunding can only be conducted through crowdfunding platforms licensed by the CMB.

Although there is currently no specific regulation on crowdfunding using crypto-assets or tokens, future regulatory developments may introduce additional obligations. That being said, in an announcement dated 27 September 2018, the CMB warned investors not to rely on crypto-asset sales that are likely to be realised in the name of crowdfunding.

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Is the tokenization of real-world assets (RWA) legally recognized in your jurisdiction?

Currently, there is no specific legal framework in Ukraine that explicitly recognizes and regulates the tokenization of real-world assets (RWA). While the Law of Ukraine "On Virtual Assets" (the "**Virtual Assets Law**") was adopted in 2022 to regulate digital assets, it has not yet come into effect due to the need for additional legislative changes, including amendments to the Tax Code.

Worth noting that even the Virtual Assets Law does not provide for a legal concept of 'tokenization'. At the same time, Ukraine is actively working to align its digital asset regulations with the EU Markets in Crypto-Assets Regulation (MiCA). Although there is no clear legal recognition of RWA tokenization at present, future regulatory updates are expected to bring more clarity to this matter.



Who is the relevant regulator of digital/crypto-assets services?

The National Securities and Stock Market Commission (NSSMC) and the National Bank of Ukraine (NBU) will oversee the digital asset markets in Ukraine once the Virtual Assets Law comes into force.

The official webpages are at: <https://www.nssmc.gov.ua/> and <https://bank.gov.ua/>



How are tokens qualified under applicable laws in your jurisdiction?

Until the Virtual Assets Law comes into effect, virtual assets, including tokens, are not subject to any specific regulatory regime in Ukraine. This means they are not legally recognized as securities or financial instruments.

The Law classifies virtual assets into two

categories: unsecured virtual assets and secured virtual assets. Unsecured virtual assets do not certify property rights (for example, cryptocurrencies). Secured virtual assets certify property rights, including rights of claim to other objects of civil law. This category includes financial virtual assets issued by Ukrainian residents, which are secured by currency values, securities, or derivative financial instruments.



Does a token confer direct ownership of the underlying real-world asset?

Under Ukrainian law, direct ownership of an asset cannot be embedded into a token. This means that owning a token does not automatically grant legal ownership of a physical asset such as real estate or commodities.



Do tokens issuers require financial services licenses or other authorizations to publicly offer tokens?

The Virtual Assets Law contains a requirement on obtaining a regulator's permit for providers of services related to the circulation of virtual assets. Although the public offering of tokens is not explicitly subject to obtaining of such permit, it still may be required if the scope of issuer's activities qualify as provision of services related to circulation of virtual assets as defined by the law.

However, since the Virtual Assets Law has not yet come into force, therefore there is no regulated framework for the circulation of virtual assets in Ukraine.



Are retail investors allowed to participate in the token offerings?

Ukrainian law neither prohibits, nor provides legislative governance for participation of retail investors in token offerings.

Do smart contracts have the same legal status as traditional contracts?

Smart contracts may be legally valid if they meet the general requirements for civil law contracts specified in the Civil Code of Ukraine. However, Ukrainian laws do not yet contain specific provisions recognising and regulating such type of contracts.

Could a tokenized project be classified as an unlicensed collective investment scheme?

The primary legislation regulating CIS in Ukraine is the Law of Ukraine "On Collective Investment Institutions". This law establishes the legal and organizational principles for the creation, operation, and termination of

collective investment institutions (CIIs). According to this law, collective investment activities are carried out in the interests of the participants (or participant) of a collective investment institution and at the expense of the collective investment institution by investing collective investment funds into the assets of the collective investment institution.

The Law of Ukraine "On Collective Investment Institutions" does not explicitly recognize tokens as assets of a collective investment institution.

This means that while certain tokenized projects might resemble collective investment structures, in absence of specialised legislation, their regulatory classification remains unclear under current Ukrainian law.

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UZBEKISTAN

Is the tokenization of real-world assets (RWA) legally recognized in your jurisdiction?

Yes, Uzbekistan has a legal framework recognizing the tokenization of RWA. Under Uzbek laws, RWA tokens are categorized as follows:

- i. secured token - a token backed by tangible or other assets;
- ii. investment token - a type of secured token that certifies property rights or loan relationships between the issuer and token holders. It grants the holder rights to receive principal repayment, periodic interest, and/or a share of the issuer's income;
- iii. asset-backed token - a subtype of investment token that provides its holder with rights to a specific physical asset;
- iv. commodity token - a secured token that serves as a digital equivalent of a commodity. It can be used for supply chain tracking, monitoring, or as a means of value exchange for goods or services.

Who is the relevant regulator of digital/crypto-assets services?

The National Agency of Perspective Projects of Uzbekistan (NAPP) is the authorized regulatory body overseeing the crypto industry, including digital and crypto-asset services. Its authority is established under the relevant Presidential Resolution of Uzbekistan.

How are tokens qualified under applicable laws in your jurisdiction?

Under Uzbek laws, tokens are classified as a type of **crypto-asset**, being defined as a unit of account recorded on a distributed ledger, used to certify obligations or ownership rights over a specific asset, with management governed by a smart contract.

Does a token confer direct ownership of the underlying real-world asset?

Under Uzbek laws, a token can define ownership rights to RWA by linking the asset to token ownership. However, this depends on the type of token.

The following token types allow for ownership of RWA through token possession:

- secured tokens;
- investment tokens;
- asset-backed tokens;
- commodity tokens.

These tokens establish a legal connection between the holder and the underlying asset, ensuring ownership or rights over the RWA.

Do tokens issuers require financial services licenses or other authorizations to publicly offer tokens?

Under Uzbek law, both legal entities and individual entrepreneurs, that are residents of Uzbekistan, can issue RWA tokens via licensed crypto-depositories, provided they meet the minimum regulatory requirements (no financial services license is required).

Issuance must take place through a licensed crypto-depository and any purchase or sale of tokens must take place through a licensed crypto-exchange.

Are retail investors allowed to participate in the token offerings?

Yes, retail investors are allowed to participate in token offerings after entering into an agreement with a licensed crypto exchange in Uzbekistan.

Before participation, investors must (a) register on a licensed crypto exchange operating in Uzbekistan and (b) comply with the platform's terms and conditions, which may include identity verification (KYC) and AML/CFT regulations.

Do smart contracts have the same legal status as traditional contracts?

Yes, under Uzbek law, **smart contracts** are recognized as **electronic contracts**, where the execution of rights and obligations is carried out automatically through digital transactions.

Since agreements in electronic form are legally equivalent to those in physical form, smart contracts have the same legal status as traditional contracts, provided they comply with applicable contract law requirements.

Could a tokenized project be classified as an unlicensed collective investment scheme?

Under Uzbek law, tokenized projects operating without a license can be classified as a breach of crypto regulations and as unlicensed crypto-activity schemes. Specific sanctions are in place to address such unlawful activities, ensuring compliance with the legal framework governing crypto-assets

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For more information, please contact our experts in the relevant Kinstellar jurisdictions listed here.

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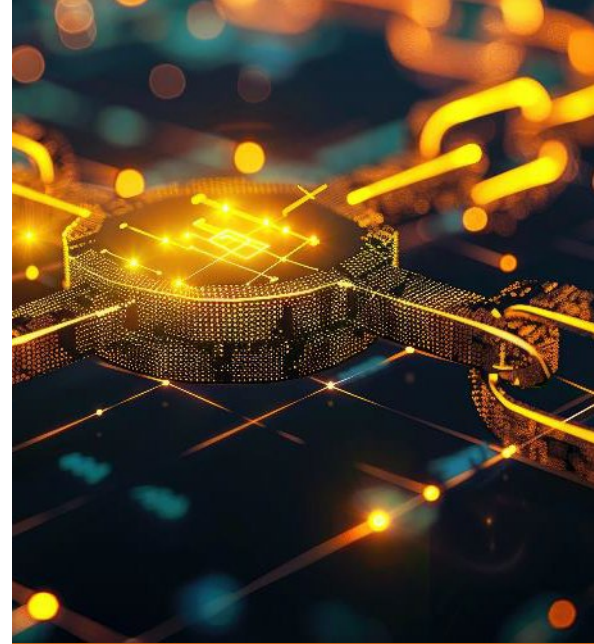
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