

Tokenization of Commercial Real Estate: Offering and Trading Property Investments on the Blockchain

Webinar

11.29.2022

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A live 90-minute premium CLE video webinar with interactive Q&A

Tuesday, November 29, 2022

1:00pm-2:30pm EST, 10:00am-11:30am PST

Early Registration Discount Deadline, Friday, November 4, 2022

This CLE webinar will discuss creating a tokenized real estate offering and the risks and benefits for issuers and investors to consider in connection with a real estate token offering, its administration, and subsequent transfers.

Description

The adoption of cryptocurrencies and the emergence of blockchain platforms have made real estate tokenization a potential capital-raising option. With tokenization, ownership interests in real estate assets can be more immediately bought and sold. Tokenization **requires a thorough understanding of the technology**, the offering process, and the regulatory issues involved.

Investors typically invest in real estate through an LLC or limited partnership that owns an underlying property. With tokenization, LLC or LP interests are tokens that can be traded or used as collateral in smart contracts.

The issuer must determine the number and type of tokens and select an exchange platform for trading.

The issuer must also decide **whether a security is being offered and registration is required**. Offering documents may include operating agreements, subscription agreements, and a private placement memorandum. Offerings must also comply with KYC requirements and appropriately protect user data.

Tokens should have built-in compliance features such as transfer restrictions and secondary trading. Issuers must also determine how distributable cash will be paid (perhaps using stablecoins or other digital currency).

Listen as our authoritative panel discusses these and other matters associated with commercial real estate tokenization.

Outline

1. Emergence of blockchain technology and digital assets
2. Real estate tokens contrasted with traditional LLC and partnership interests
3. Issues in tokenization
 1. Compliance with securities laws and creation of a smart contract
 2. Determining the number and type of tokens and the exchange platform
 3. Offering process: confirmation of investor accreditation and listing of tokens
 4. Administration: distribution of profits or other payments to investors

Benefits

The panel will review these and other critical issues:

- What advantages do digital tokens have over traditional real estate investment vehicles?
- What are the securities law implications of tokenization? Is registration required?
- How should a token offering be documented?
- What are the transfer restrictions to build into a real estate token? What are the AML concerns?

Faculty

- **Mark Cianci**, *Counsel*, Ropes & Gray
- **Tyler Harttraft**, *Partner*, Bull Blockchain Law
- **Jared Wachtler**, *Attorney*, Sheppard Mullin

Attorneys

Jared A. Wachtler

Practice Areas

Real Estate, Energy, Land Use & Environmental