ChatGPT

16) Jurisdictional Implementation Examples (Qatar and UK)

Different jurisdictions have begun to incorporate elements of this framework into their laws and infrastructure. By identifying the available "Official Gate" and legal controls in a given jurisdiction, we can map any tokenization proposal to the correct method and determine if it yields a Tokenized Asset or merely a Tokenized Claim. Below, we illustrate how the methodology applies in two examples – Qatar and the United Kingdom – based on their current regulations and reforms. These examples demonstrate how the decision tree routes to specific methods and outcomes in each jurisdiction, and how the scope of tokenizable assets can expand when supportive legal structures are in place.

Qatar — tokenizing physical assets under QFC Digital Asset Regulations: Qatar's Qatar Financial Centre (QFC) has introduced the Digital Asset Regulations 2024, which establish a clear legal basis for tokenizing real-world assets. Under this regime, a "permitted token" is defined as a cryptographically secure digital unit that represents a **"right in real or personal property"** and is issued/transferred on DLT [1]. Crucially, if a token is validated and generated per the QFC rules, **"ownership of a permitted token confers ownership in the underlying [asset] represented by the token"**, and transferring the token **automatically transfers the underlying to the transferee** [2] [3]. In other words, the token becomes the operative record of title – the **required key and command** at the Official Gate (here, the legally recognized token register). This satisfies the Section 2D tokenization test: the token is both the necessary credential and a self-executing instruction for ownership change. **Match:** *Statutory Official Gate* (QFC's legal tokenization framework). **Outcome: Tokenized Asset.** The token holder's rights are enforceable as actual rights in the asset, not merely contractual claims, so long as the QFC requirements (e.g. validation of the underlying and use of approved token infrastructure) are met [4]. Notably, QFC explicitly excludes purely payment tokens or unbacked crypto from "permitted tokens" [5], aligning with the IFRS concept that an asset must embody an economic resource (a right to something). Any token representing a verified underlying (such as a share, commodity, or tangible property) can be **"generated" with a validator's certificate and thereafter serves as the sole vehicle for transferring that underlying** [4] [3]. This law-anchored approach provides a high Score v2, as the legal levers for control, transfer, and ownership (including presumptive control = ownership rules) are clearly defined. (For instance, a person who controls the power to transfer the token is presumed to be its owner [2], which simplifies issues of possession/control.) If the token is unlawfully transferred (e.g. stolen), the QFC court can remedy it, indicating a developing **take-free/negotiability** framework [6] [7]. Overall, Qatar's QFC regime demonstrates a full **Register-of-Record** method via statute, meaning a compliant tokenization of a physical asset in QFC is recognized as an **Asset tokenization** rather than a mere claim.

Extended scope – Movable Collateral Registry integration: Qatar also provides an example of how using a **movable collateral registry** can broaden the scope of tokenizable rights. Qatar's Movable Collateral Registry (MCR), launched in 2022, is an electronic public database of security interests in movables (covering **a wide range of assets such as equipment, inventory, receivables, and other personal property** under Qatar's Law No.16 of 2021) [8]. If a token system were integrated with this registry – for instance, a DLT platform that could programmatically file, amend, or discharge a security interest upon token holder instruction – it would align with **Method 7 (Movable-Collateral Registry)** of the framework. In such a design, the token would effectively control the creation and release of a lien at the official registry (the **Official Gate for secured interests**). This means the token could represent a **secured creditor's right** (a

lien or charge on the movable asset) and act as the required key to enforce or terminate that right on the registry. **Outcome:** Tokenized Asset *for the security interest*, provided the registry's rulebook or API binding makes the token's control legally operative. By tokenizing collateral in this way, Qatar could enable use cases like on-chain secured lending, where the token itself perfects and tracks the priority of a lien. Absent such integration, any token purporting to represent a security interest would not be self-executing at the registry and thus would be merely a **Tokenized Claim** (reliant on an off-chain manual update). In summary, Qatar's legal infrastructure (QFC's asset tokenization framework and the MCR for secured transactions) shows how a jurisdiction can cover both direct asset tokenization and the tokenization of collateral interests, each routed to the appropriate method in the decision tree (Register-of-Record vs. Collateral Registry method). This ensures that tokens either **truly embody the right in rem** or are clearly treated as contractual claims, with no ambiguity in between.

United Kingdom — applying MLETR (ETDA 2023) and existing FCA frameworks: The UK has recently taken legislative steps to recognize certain tokenized records as legal assets, while other asset classes still rely on traditional frameworks. A major development is the adoption of the **Electronic Trade Documents Act 2023 (ETDA)**, which implemented the principles of UNCITRAL's MLETR. As of 20 September 2023, the ETDA gives electronic trade documents (for example, bills of lading, bills of exchange, promissory notes, warehouse receipts, etc.) the **"same legal treatment, effects and functionality"** as their paper equivalents [9] [10]. Before this Act, English law did **not** recognize possession of electronic documents, meaning one could not have the concept of a singular "original" electronic bill that carries rights [11]. The ETDA remedies this by defining criteria for a reliable electronic document system and by **explicitly allowing certain electronic documents to be "possessed"** (exclusive control by one party at a time) just like a physical document [12] [13]. **Match:** *Electronic Transferable Record (MLETR) – Method 3.* **Outcome: Tokenized Asset**. For instance, a tokenized bill of lading on a compliant platform would be an **electronic trade document** whose control confers all the rights of the bill to the token holder, as if they held a paper bill [14] [9]. The token here operates as the **required key** to claim goods and as an **auto-executing command** for transfer of that claim, because English law now acknowledges that the **holder of the electronic document (token) is the lawful holder of the title** to the goods or rights embedded in it [10] [13]. In practical terms, this means a UK-regulated platform can tokenize a bill of lading or promissory note, and the token can be treated as an **asset** (a negotiable instrument in digital form) rather than a mere contractual promise. This greatly enhances enforceability – e.g. a bank can safely take a tokenized bill of exchange as collateral, knowing it has the same legal force as paper. The ETDA example thus shows one category (negotiable documents) where the UK framework fully supports tokenization as per our Score v2 levers: there is statutory recognition of control, an Official Gate (the electronic document system and legal rule) identified, and even **take-free rules** (the concept of a "good faith purchaser" of a bill of exchange) carry over to the electronic format, avoiding any gap in negotiability.

Beyond trade documents, the UK's approach to other tokenized assets leverages existing laws and regulatory guidance, since the UK (as of 2025) does not yet have a blanket statutory regime like Germany's eWpG for native digital securities or a UCC Article 12 equivalent for general intangible assets. Instead, tokenization of securities or other assets in the UK typically falls under **Method 5 (Intermediated / TA-of-Record)** or, if no integration with the official record is achieved, defaults to **Method 9 (SPV/Trust)**. In practice, this means a token representing a share or bond under UK law will only be an operative asset token if an authorized entity (such as a company's registrar, transfer agent, or a custodian) treats the token's ledger as **the source of truth for ownership changes**. The UK Financial Conduct Authority (FCA) has indicated that this is feasible under current rules for certain cases – for example, an investment fund could replace its traditional register of unit-holders with a **tokenized ledger** on a private blockchain, with the

fund manager maintaining overall control [15] [16]. In this **"baseline" tokenization model for funds**, the blockchain serves as the official register of units, and the token becomes the **necessary credential** to effect transfers on that register, while all regulatory responsibilities (compliance, record-keeping, investor protections) remain intact [17] [16]. The FCA found no regulatory barriers to this approach, meaning a tokenized unit in such a fund would qualify as a **Tokenized Asset** (the token is effectively the share/unit itself, not just evidence of it) [15]. The key is that the **rulebook (fund prospectus/trust deed and FCA's COLL rules)** acknowledges the token ledger as authoritative, thus satisfying our framework's requirements of required key and auto-execution at the Official Gate (here, the fund's register). On the other hand, if one simply issues tokens mirroring corporate shares without amending the share register or company law requirements, those tokens remain **Tokenized Claims** – the official Companies House register (or the company's statutory register of members) is the real Gate, and the blockchain record is unofficial. Until UK company law permits DLT as an official share register, such tokens would need a trust/SPV structure to confer beneficial interests (Method 9) or remain as uncertificated securities via the CREST system, with the token as a mere overlay. In short, the UK can achieve true asset tokenization for **interests in funds or securities** on a case-by-case basis by **binding the DLT ledger via contract and regulation**, but without a general law like eWpG, each project must ensure the token is unequivocally the operative record (often through bespoke legal arrangements). Compliance teams should look for explicit clauses or regulatory letters confirming that token control is requisite for title transfer in these setups.

The UK is actively developing its legal framework to broaden direct tokenization possibilities. The Law Commission's work on digital assets (e.g. the *Law Com No. 401* report) has recommended creating a third category of personal property for **"data objects"**, which would explicitly recognize the concept of **control** of intangibles akin to possession [12] [13]. A *Property (Digital Assets) Bill* is in progress (as of mid-2025) to implement these recommendations, which would enable crypto-tokens and similar digital assets to be treated as property that can be controlled and transferred without needing an intermediary. Once in force, this would align the UK with the **Method 6 (CER-Native Property)** approach: certain crypto tokens could be **Tokenized Assets in their own right**, under a statutory control regime comparable to UCC Article 12's "controllable electronic records". Until then, U.K. courts have recognized crypto-assets as property through case law, but in the absence of a statutory control framework, the **full benefit of "required key = legal right" is limited**. For example, a Bitcoin holding is deemed property, but if lost or stolen, the legal mechanisms to recover or protect bona fide purchasers are still evolving. The upcoming reforms should introduce clearer take-free and custody rules for digital assets, improving scores on negotiability and insolvency protection in the future UK landscape.

Finally, regarding **cash leg tokenization in the UK**, there is movement but nothing equivalent to a CBDC in production yet. The UK has brought certain stablecoins (termed "Digital Settlement Assets") into the regulatory perimeter via the Financial Services and Markets Act 2023, treating them similarly to e-money. This means that currently a "tokenized GBP" is typically a claim on an issuer or custodian, not a central bank liability on a unified ledger. As such, most GBP-denominated tokens today are **Tokenized Claims** (regulated claims if under the forthcoming regime) rather than Tokenized Assets – the **Official Gate for money remains the bank ledger**, not the token itself. In our framework's terms, until a true GBP CBDC or a tokenized deposit system is live (which would make the token the required key to a Bank of England ledger entry), the cash side of UK tokenization cannot reach the highest atomic settlement score. However, efforts like the Bank of England's RTGS renewal and exploration of a digital pound suggest future integration where digital cash might be **co-located on a unified ledger** with assets [9] [10]. When that happens, tokenized asset platforms in the UK will be able to achieve **DvP/PvP atomic settlement** with finality, eliminating settlement risk and significantly boosting the Score v2 (as emphasized by BIS's analysis of unified ledgers).

In the meantime, UK tokenization projects must design around this gap – e.g. using synchronization agreements or private e-money tokens – and recognize that these are interim solutions (hence likely capped as claims with Score ≤79 due to lack of true take-free or central bank money settlement).

Summary: The Qatar and UK examples show how the methodology's decision tree is applied in context. In Qatar's QFC, a purpose-built legal framework allows tokens to **step into the shoes of traditional documents of title and registries**, covering a broad array of assets (from real estate to commodities) as Tokenized Assets, and even enabling secured transactions on-chain with registry integration. In the UK, recent legal reforms (ETDA 2023) and regulatory guidance offer **pockets of tokenization-friendly law** – negotiable trade documents can be fully tokenized, and regulated financial instruments can potentially use DLT as official records – while other areas await legislative catch-up. Compliance and legal teams in each jurisdiction should map any tokenization proposal to the available method (e.g., statutory regime vs. contractual workaround) and apply the scoring rubric to gauge enforceability. By doing so, one can confidently determine whether a given token in that jurisdiction **"counts" as an asset** (with a present, controllable right recognized by law) or remains a **claim** on an off-chain asset, and then implement the appropriate controls and disclosures accordingly. Each jurisdiction's progress (statutes, regulations, and infrastructure readiness) will dictate this outcome – but the Official-Gate Tokenization Methodology ensures a consistent, law-anchored evaluation across all of them.

Sources: Primary legal sources and regulatory guidance underpinning the above analysis include Qatar's QFC **Digital Asset Regulations 2024** (Articles 8–17) [1] [2], the **Qatar Movable Collateral Registry** framework [8], the UK **Electronic Trade Documents Act 2023** [14] [9], FCA communications on **tokenized fund units** [15], and ongoing UK law reform initiatives on digital assets [13] [12]. These illustrate how local law can satisfy (or limit) the ten criteria in Score v2 – from **control and transfer finality** to **perfection, priority, and insolvency protections** – thereby guiding the classification of a token as an **Asset or Claim** in each jurisdiction.

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[1] [2] [3] [4] [5] [6] [7] Digital Asset Regulations 2024
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