

## СЕКЦІЯ 1

### ФІНАНСОВІ ІНСТРУМЕНТИ РОЗВИТКУ ЕКОНОМІКИ В ПЕРІОД ВОЄННОГО СТАНУ

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#### GLOBAL TRENDS IN ASSET MANAGEMENT WITH THE INVOLVEMENT OF RWA-TOKENIZATION INSTRUMENTS

Asset tokenization has gained significant momentum in recent years, with its market estimated at trillions of dollars. This surge in popularity can be attributed to the widespread adoption of DeFi protocols (DeFi - decentralized finance) and the growing interest of financial institutions and governments in integrating financial instruments into the network.

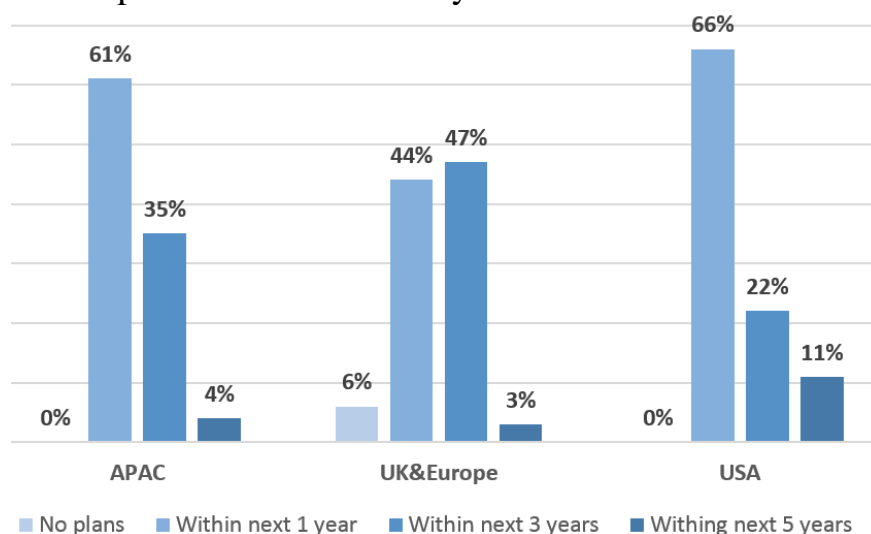
Through tokenization and blockchain technology, it is possible to create virtual copies of physical assets, such as property (including real estate), art, and even luxury items. This transformative process, known as asset tokenization or digitization, involves converting ownership rights of assets into digital tokens. These tokens can be securely and reliably bought and sold using blockchain technology, effectively increasing liquidity while reducing transaction costs and time across various market [1].

The mass adoption of tokenized assets is rapidly approaching, and asset management companies worldwide are showing growing optimism about the timeline for adoption and their internal capabilities to embrace new solutions. According to a survey conducted in November 2023 by Calastone, the largest global funds network, companies in the Asia-Pacific (APAC) region and the United States are leading the way in developing commercially viable tokenized offerings.

The survey results clearly show that adding tokenized funds to product lines is a priority for asset managers in all regions as competition intensifies. Most participants indicated that they expect this to become a commercial reality within three years or even less.

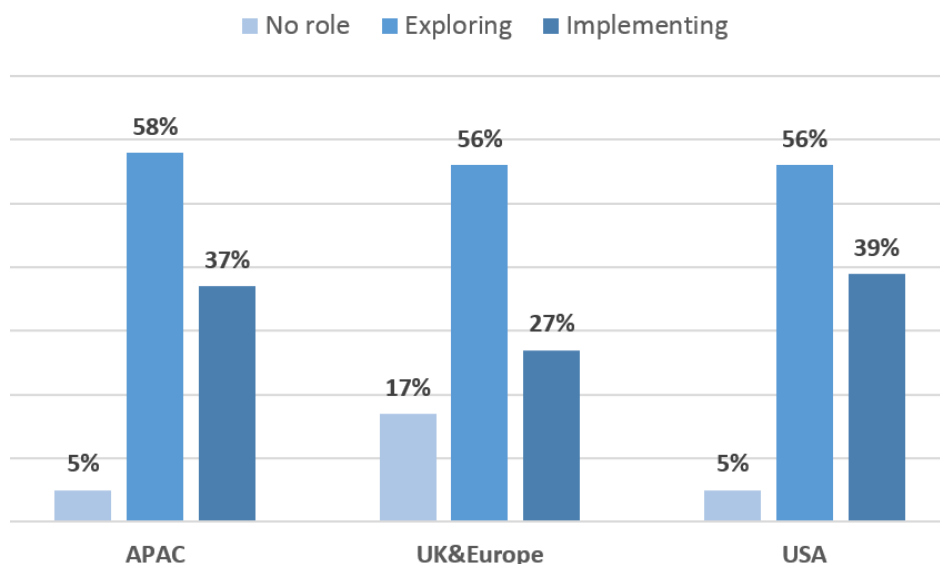
Companies from the U.S. and Asia are the most optimistic about bringing tokenized offerings to market for their clients: 67% and 61% of respondents believe

this can be achieved in less than a year (see Figure 1). Nearly 96% of Asian companies stated they could accomplish this within three years.



**Fig. 1. Intentions Regarding Asset Tokenization [2]**

When asked about their attitudes toward tokenization and the potential impact of this technology on their day-to-day operations, only a small minority of respondents (about 10%) stated that they currently do not see a role for this technology in their company. More impressively, over 50% of participants noted that they are exploring the possibilities of using tokenization in specific areas.



**Fig. 2. Current State of Tokenization [2]**

As for the actual implementation of tokenization projects, the U.S. and Asia once again emerged as regional leaders. Around 40% of companies in these regions reported actively implementing tokenization projects within their businesses.

Despite many participants offering products across multiple asset classes, the data shows that while tokenization projects are applied to various investment

opportunities, the most significant progress is observed in companies dealing with bonds and private assets.

According to analysts, tokenizing real-world assets (RWA-tokenization) is one of the fastest-growing segments of the tokenization market. Research indicates that the tokenized assets market could reach trillions of dollars in the coming years, with a significant portion of this market consisting of real-world assets such as real estate, bonds, art, and precious metals.

Discussions about the potential of real-world assets in the context of tokenization are gaining momentum, with influential companies like BlackRock signaling increased interest in such financial innovations. In early 2024, BlackRock launched the BlackRock USD Institutional Digital Liquidity Fund (BUIDL) [3] – a tokenized fund operating on the Ethereum blockchain, offering returns in U.S. dollars through the tokenization of U.S. government bonds.

The fact that RWA-tokenization is attracting the attention of major financial sector players like BlackRock is significant for several reasons. First, it indicates a serious market perception of this technology, as BlackRock is one of the world's largest and most influential investment companies. Their interest in RWA-tokenization confirms the potential of this segment to transform traditional financial models and create new opportunities for investors.

Secondly, BlackRock and similar institutional investors manage large portfolios of assets, including real estate, infrastructure, and other real-world assets that can be tokenized to increase liquidity and reduce transaction costs. Tokenization allows these players to divide large assets into smaller fractions, enabling a wider range of investors to participate in the market.

RWA-tokenization has two main directions: digitization and financialization. The first involves converting physical assets into digital format, while the second endows them with the characteristics of financial instruments. Blockchain-based tokenization accelerates these two processes, allowing for innovations such as programmable tokenization.

Significant interest in RWA-tokenization has been observed since 2019. However, there are key differences between the current situation and previous cycles. Today, institutional investors, hedge funds, and asset managers are increasingly involved, reflecting a shift from earlier cycles where retail investors predominated. Modern market participants leverage blockchain scalability, security, and interoperability advancements to launch new tokenization projects. They are introducing these products to their clients and shaping discussions around changes in the regulatory environment.

Strong regulatory frameworks are being established to facilitate institutional involvement. One example is the UK's Electronic Trade Documents Act, which aligns perfectly with using blockchain technology for real-world asset tokenization. The synergy of progressive regulation, technological advancements, and improved transfer mechanisms, such as central bank digital currencies (CBDCs) and stablecoins, opens a promising era for real-world asset tokenization.

*Key global trends in RWA-tokenization today include:*

1. Experiments in tokenizing government assets: Governments like the UAE, Switzerland, and Estonia are actively testing tokenization for managing state assets and infrastructure projects.
2. Growing interest in real estate tokenization: Large international companies and investors are increasingly using tokenization to fractionalize real estate ownership and lower barriers to investment.
3. Blockchain technology for tokenizing utilities and infrastructure: Government and private projects aim to improve infrastructure management through tokenized assets. These projects are being actively implemented in the UK, Singapore, and Australia.
4. Development of legal regulation: Countries are gradually creating legislative frameworks for tokenized assets. For instance, the EU has adopted the Markets in Crypto-Assets (MiCA) regulatory framework, which supports the stable development of the tokenized assets market.
5. Universalization of asset tokenization via decentralized financial platforms (DeFi): Integrating RWA tokens on DeFi platforms enables using real-world assets as collateral for loans or investments, promoting global accessibility to financial products.
6. Integration with traditional financial markets: Leading financial institutions in Europe and the U.S. view tokenization as a way to improve the efficiency of stock markets, offering digital versions of stocks, bonds, and other assets.

Thus, it can be reasonably argued that RWA tokenization is crucial for transforming the global economy and opening new prospects for financial markets and investment opportunities. This innovative technology allows traditionally illiquid assets to be converted into digital tokens, significantly increasing their accessibility and liquidity on an international scale. The active adoption of RWA tokenization by leading financial institutions and governments across various countries underscores its potential to shift the paradigm of global economic development. This technology optimizes asset management processes, reduces transaction costs, and promotes a more efficient allocation of capital worldwide, stimulating economic growth and innovation. In the near future, RWA tokenization will contribute to creating a more inclusive and interconnected global financial system, unlocking new opportunities for investment and fostering economic cooperation between nations.

### **References**

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## **RISKS OF INNOVATIVE ACTIVITY IN ENSURING SUSTAINABLE DEVELOPMENT OF THE REGION**

All transactions in the securities market involve risk. Participants in this market take on a wide variety of risks, including a decrease in profitability, direct financial losses, and lost profits. *However, different types of financial risk have to be taken into account in each case:*

**Systematic risk** – the risk of a fall in securities in general. It is not related to a specific security, is undiversified and unmitigated (in the Ukrainian market). It is a general risk for all investments in securities, the risk that the investor will not be able to release them as a whole, return them without incurring losses. The analysis of systematic risk is reduced to assessing whether it is worth dealing with a portfolio of securities at all, or whether it is better to invest in other forms of assets (direct cash investments, real estate, currency).

**Unsystematic (individual) risk** is an aggregate concept that combines all types of risks associated with a particular security. Non-systematic risk is diversified, reduced, in particular, a security may be selected (by type, by issuer, by issue terms, etc.) that provides acceptable values of non-systematic risk. [1, p. 32].

**Selective risk** is the risk of incorrect selection of securities for investment compared to other types of securities when forming a portfolio. This risk is associated with an incorrect assessment of the investment qualities of securities.

**Timing risk** is the risk of issuing, buying or selling securities at the wrong time, which inevitably leads to losses. There are also more general patterns in developed and emerging stock markets, such as seasonal fluctuations (securities of trading, agricultural and other seasonal companies), cyclical fluctuations (movement of securities in different phases of macroeconomic reproduction cycles).

**The risk of legislative changes** is a risk that may result, for example, in the need to re-register issues and cause significant costs and losses for the issuer and investor.