



HOGSWOOD
RWA INSIGHTS

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RWA INSIGHTS · OCTOBER 2026

USA 2026

The Real-World Asset Opportunity

Building a regulated real-world asset business in one of the world's deepest capital markets – securities regulation, digital infrastructure, licensing and the practical route to market.

AN INSIGHT FOR INTERNATIONAL INVESTORS, ORIGINATORS,
PLATFORMS AND MARKET OPERATORS

REAL ASSETS. REGULATED MARKETS. REAL OUTCOMES.





A SECURITIES-MARKET-STRUCTURE JURISDICTION

1. Executive Summary

The United States presents one of the world's largest potential markets for real-world asset tokenisation – but it does not provide a standalone RWA regulatory regime.

Instead, tokenised real-world assets sit within an extensive existing framework governing securities issuance, broker-dealers, exchanges and alternative trading systems, investment companies, investment advisers, transfer agents, custody and other financial-market activities. Where a tokenised asset is not a security – a tokenised commodity, for example – a different framework, including the **Commodity Futures Trading Commission (CFTC)** and state law, may apply instead.

On 28 January 2026, the Securities and Exchange Commission's Divisions of Corporation Finance, Investment Management and Trading and Markets issued a joint staff statement specifically addressing **tokenized securities**.

The statement describes a tokenized security as a financial instrument enumerated in the definition of "security" under the federal securities laws that is formatted as, or represented by, a crypto asset, where the record of ownership is maintained in whole or in part on or through one or more crypto networks.

SEC STAFF STATEMENT

28 Jan 2026

A joint statement by three SEC Divisions setting out a taxonomy of tokenized securities.

THE REAL QUESTIONS

For an RWA business, the question is not simply "Can this asset be tokenised?" It is:

- 1 What legal instrument represents the asset?
- 2 How may it be offered – inside and outside the United States?
- 3 Who may distribute it?
- 4 Who records ownership?
- 5 Who may hold it?
- 6 Where may it trade?
- 7 Who may provide custody?

THE STARTING POINT

Tokenising a security does not stop it being a security.

THE STAFF DISTINGUISH PRINCIPALLY BETWEEN

01

Issuer-sponsored tokenized securities

The issuer or its agent incorporates distributed-ledger technology into its ownership records.

02

Third-party tokenized securities

Another party creates a tokenised product that either conveys an indirect interest in a security it holds (a custodial model) or provides synthetic exposure to it (a synthetic model).

NEW · THE SEC INNOVATION EXEMPTION, 17 SEPTEMBER 2026

A five-year order allowing qualifying venues to trade tokenized NMS stock on-chain through permissioned automated market makers. Not a general RWA exemption – see Section 9.



KEY FACTS FOR MARKET ENTRY

RWA Market Entry at a Glance

RWA MARKET ENTRY AT A GLANCE		UNITED STATES
REGULATORS AND LEGISLATION		
Principal securities regulator	Securities and Exchange Commission (SEC)	
Broker-dealer SRO	FINRA	
Non-security RWAs (e.g. commodities)	CFTC and state law may apply	
Principal federal securities laws	Securities Act 1933 / Exchange Act 1934 / Investment Company Act 1940	
Federal crypto market-structure legislation	Not yet enacted	PENDING
TOKENISATION		
Dedicated RWA licence	No	
Tokenized securities recognised	Yes – SEC staff statement, January 2026	
Issuer-sponsored tokenisation	Yes	
OFFERING ROUTES		
Private RWA issuance	Yes – subject to applicable exemption	
Public RWA issuance	Yes – subject to registration/exemption	
Regulation D	Available – subject to conditions	
Regulation S (offshore offerings)	Available – subject to conditions	
Regulation A	Up to \$75m – US and Canadian issuers only	
Regulation Crowdfunding	Up to \$5m – US issuers only	
TRADING, CUSTODY AND OUTLOOK		
Secondary market	Possible through appropriate regulated structure	
ATS route	Yes – broker-dealer + Regulation ATS framework	
Tokenized NMS-stock Innovation Exemption	September 2026 – five years; NMS stock only	NEW
Transfer agents	Modernised rules proposed – September 2026, incl. on-chain records PROPOSED	
Custody	Separate regulatory analysis – SEC proposal, October 2026	
Regulatory position	Established securities framework undergoing significant tokenisation modernisation	

Not a “crypto licence” jurisdiction for RWAs – principally a securities-market-structure jurisdiction.



THE DEEPEST MARKET, THE MOST DEVELOPED RULEBOOK

2. Why the United States?

The attraction of the United States for RWAs is fundamentally different from that of an emerging digital-asset jurisdiction.

NOT A NEW MARKET

The opportunity is not primarily the creation of a new market. It is the potential to bring one of the world's deepest pools of assets, issuers, investors and securities-market infrastructure on-chain.

The regulatory framework is demanding, but that framework also provides established concepts for issuance, disclosure, investor eligibility, ownership records, intermediaries, trading and custody.

The SEC's direction during 2025 and 2026 also indicates a growing regulatory focus on how tokenisation can operate within and alongside existing US securities infrastructure – notably through **Project Crypto**, the Commission-wide initiative launched by Chairman Atkins in July 2025 to modernise the rules so that markets can move on-chain.

In December 2025, SEC staff issued a no-action letter supporting the **Depository Trust Company's (DTC) securities-tokenization pilot**. In March 2026, the SEC approved a **Nasdaq rule change** allowing eligible securities – Russell 1000 stocks and major-index ETFs – to trade in tokenized form on the same order book, with the same execution priority and the same rights, as their conventional equivalents. It becomes operative once DTC's supporting tokenization infrastructure is in place.

The SEC's September 2026 **Innovation Exemption** is a further significant example. It provides five years of conditional relief allowing qualifying Tokenized Securities Venues to trade certain tokenized NMS stocks through permissioned automated market makers and liquidity pools while the Commission considers longer-term regulatory treatment.

Tokenisation in the United States is therefore increasingly a question of **market infrastructure**, rather than whether blockchain can be used at all.

POTENTIAL RWA CLASSES

- ◆ Treasuries and other fixed income;
- ◆ private credit;
- ◆ real estate;
- ◆ fund interests;
- ◆ equities;
- ◆ structured products;
- ◆ asset-backed securities; and
- ◆ other contractual financial rights.



WHY THE UNITED STATES – CONTINUED

Key regulatory milestones, 2025–2026

JUL 2025	GENIUS Act signed, creating a federal framework for payment stablecoins.
11 DEC 2025	SEC staff no-action letter for DTC's securities-tokenization pilot .
28 JAN 2026	Joint SEC staff statement on tokenized securities and their taxonomy.
5 MAR 2026	Federal banking agencies: eligible tokenized securities generally receive the same capital treatment as the non-tokenized form.
17 MAR 2026	SEC interpretive release, joined by the CFTC, setting out a five-part crypto-asset taxonomy .
18 MAR 2026	SEC approves Nasdaq's tokenized-securities trading rule.
21 JUL 2026	Staff interpretation 260.40 on digital attestations in Rule 506(c) offerings.
18 AUG 2026	Regulation Crypto Assets proposed – not applicable to tokenised securities.
1 SEP 2026	SEC proposes modernised transfer-agent rules , including for tokenized securities.
15 SEP 2026	Senate cloture vote to proceed to the CLARITY Act fails, 49–50.
17 SEP 2026	SEC Innovation Exemption for trading tokenized NMS stock.
1 OCT 2026	SEC proposes a crypto-asset custody framework for advisers and funds, covering tokenized securities.

START WITH THE LEGAL RIGHT

3. The Regulatory Perimeter: What Is the RWA?

The analysis starts with the underlying legal right. A building cannot simply be placed on a blockchain. Instead, the investor may acquire something such as:

01 SPV equity Shares or membership interests in an entity that owns the property.	02 Debt A note or other debt instrument financing the asset or owner.	03 Fund interest An interest in a vehicle holding one or more assets.	04 Asset-backed security An instrument supported by defined underlying assets or cash flows.	05 Contractual economic interest A contractual right linked to income or economic performance.
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The token represents or records the relevant investment. The SEC staff's January 2026 statement reinforces this distinction: tokenisation changes the format or recordkeeping architecture, but does not by itself alter the legal nature of a security.



THE REGULATORY PERIMETER – CONTINUED

Not every RWA is a security

Most RWA structures offered to investors will involve a security. But not all tokenised assets do.

On 17 March 2026, the SEC issued an interpretive release, joined by the CFTC, setting out a five-part taxonomy of crypto assets. A token representing a physical commodity or another non-security asset may fall outside the securities framework and instead engage the **CFTC's commodities jurisdiction** or state money-transmission and consumer-protection laws.

The classification should therefore be confirmed at the outset rather than assumed.

SEC / CFTC TAXONOMY · MARCH 2026

- ◆ Digital commodities
- ◆ Digital collectibles
- ◆ Digital tools
- ◆ Stablecoins
- ◆ Digital securities

"A security is a security regardless of whether it is issued, or otherwise represented, offchain or onchain."

THE HOGSWOOD PRINCIPLE

Start with the legal right, not the token.

IN SEQUENCE

- 1 Determine what the investor owns.
- 2 Then determine how it may be issued.
- 3 Then determine how tokenisation can improve the lifecycle.

WHO KEEPS THE AUTHORITATIVE RECORD?

4. Issuer-Sponsored vs Third-Party Tokenisation

The SEC staff's 2026 taxonomy makes this distinction particularly important in the United States.

ISSUER-SPONSORED TOKENISATION

The issuer itself – or an agent acting for it – integrates DLT into the system used to maintain the authoritative ownership record. The staff describe two methods: integrating the crypto network into the master securityholder file itself, or maintaining a conventional record alongside a crypto asset that notifies the issuer or its agent of transfers.

A transfer of the relevant crypto asset can therefore correspond with a transfer on the issuer's master securityholder file. In economic terms, the underlying security remains the issuer's security. The innovation lies in how ownership and transfer are recorded.

THIRD-PARTY TOKENISATION

A third party may instead create a token relating to securities issued by somebody else. The staff identify two models:

Custodial model. The third party holds the underlying security, and the token conveys an indirect interest in it.

Synthetic model. The third party issues its own "linked security", which provides economic exposure to the underlying security but not ownership of it.

In either case, the investor's rights may be against the third party rather than directly against the underlying issuer.



ISSUER-SPONSORED VS THIRD-PARTY TOKENISATION – CONTINUED

Transfer agents

Whoever maintains the master securityholder file on the issuer's behalf is performing transfer-agent functions. A transfer agent for securities registered under Section 12 of the Exchange Act – or that would be, but for certain exemptions, including that for registered investment companies – must itself be registered with the SEC; for other securities, registration may not be mandatory, but the role still needs to be clearly allocated and properly performed. On 1 September 2026, the SEC proposed modernised transfer-agent rules that expressly address tokenized securities and blockchain-based records.

Synthetic tokens and security-based swaps

The staff also noted that certain synthetic tokenized securities may be **security-based swaps**. A security-based swap may be sold to persons who are not eligible contract participants only if a registration statement is in effect and the transactions are effected on a national securities exchange – which in practice generally excludes retail investors. This is directly relevant to RWA "tracker" or exposure tokens.

THIRD-PARTY STRUCTURES RAISE

- ◆ custody;
- ◆ counterparty risk;
- ◆ bankruptcy treatment;
- ◆ ownership rights;
- ◆ redemption; and
- ◆ disclosure.

This distinction should be made explicit in every US RWA structure.

DESIGN PRINCIPLE

A token that references an asset is not necessarily legally equivalent to owning the asset itself.

REGISTER, OR QUALIFY FOR AN EXEMPTION

5. The Issuance Route

If the RWA is a security, its offer and sale must generally either be registered under the Securities Act or qualify for an exemption. Tokenisation does not remove that requirement.

Several established routes may therefore be relevant. Not all of them are available to every issuer, and international originators should confirm eligibility before choosing a route.



THE ISSUANCE ROUTE - CONTINUED

ROUTE	AMOUNT	INVESTORS	ISSUER ELIGIBILITY	STATE LAW
Rule 506(b)	No limit	Accredited, plus up to 35 sophisticated non-accredited; no general solicitation	US and non-US	Pre-empted; notice filings
Rule 506(c)	No limit	Accredited only, with reasonable steps to verify; general solicitation permitted	US and non-US	Pre-empted; notice filings
Regulation S	No limit	Offers and sales outside the United States	US and non-US	–
Regulation A Tier 1	\$20m / 12 months	Any investor	US and Canadian only	State registration required
Regulation A Tier 2	\$75m / 12 months	Any investor; limits for non-accredited unless exchange-listed	US and Canadian only	Pre-empted
Regulation Crowdfunding	\$5m / 12 months	Any investor; limits for non-accredited	US-organised only	Pre-empted

Regulation D

Private offerings can be structured under Regulation D, which is available to non-US as well as US issuers. Rule 506(b) and Rule 506(c) are important potential routes for private RWA capital raising. Rule 506(c), in particular, permits general solicitation provided that all purchasers are accredited investors and the issuer takes reasonable steps to verify their accredited status. Rule 506 is unavailable where the “bad actor” disqualification applies.

In July 2026, SEC staff added a Securities Act interpretation (**260.40**) confirming that, where an issuer verifies accredited status in a Rule 506(c) offering using the high-minimum-investment method, purchasers' written representations may be obtained through a tokenized security using a digital attestation – an example of existing securities concepts interacting directly with tokenisation technology. Issuers must still retain sufficient records of the verification process.

Securities sold under Regulation D are **restricted securities**. They cannot be freely resold, and resale generally depends on an exemption such as Rule 144, with its holding periods. This directly affects any secondary-market plan for a privately offered RWA. Rule 506 offerings are exempt from state securities registration, although a Form D must be filed with the SEC within 15 days of the first sale, and state notice filings and fees still apply.

REGULATION S

Regulation S provides the framework for offers and sales made outside the United States, which do not require Securities Act registration where its conditions are met. For an international RWA business, it is often central: many structures combine a Regulation S tranche for non-US investors with a Regulation D tranche for US investors. Regulation S includes distribution-compliance periods and restrictions on flowback into the United States, which token transfer controls need to enforce.



THE ISSUANCE ROUTE – CONTINUED

Regulation A and Regulation Crowdfunding

Regulation A permits qualifying issuers to undertake exempt public offerings. It is available only to issuers organised in, and with their principal place of business in, the United States or Canada, and not to investment companies; asset-backed securities are also excluded. Tier 1 permits offerings of up to \$20 million in a 12-month period but remains subject to state securities registration.

\$75 MILLION

Regulation A Tier 2, per 12 months. Audited financial statements, ongoing reporting and limits for non-accredited investors; exempt from state registration.

\$5 MILLION

Regulation Crowdfunding, per 12 months, for eligible US-organised companies through an SEC-registered broker-dealer or funding portal.

This potentially makes Regulation A particularly interesting for RWA propositions seeking access beyond institutional or accredited investors – where the issuer is, or establishes, a US or Canadian vehicle. Under Regulation Crowdfunding, non-accredited investors are subject to investment limits, securities are generally subject to a one-year transfer restriction, and investment companies and private funds are excluded.

01

Registered offering

Larger or more conventional public securities offerings may proceed through SEC registration.

02

Fund structures and the Investment Company Act

A tokenised vehicle pooling money in several assets or securities may be an investment company. Private vehicles typically rely on section 3(c)(1) (no more than 100 beneficial owners – 250 for qualifying venture capital funds) or 3(c)(7) (qualified purchasers only), with no public offering; some real-estate vehicles rely on 3(c)(5)(C). The exemption limits who may invest – and who may receive tokens on transfer.

03

Regulation Crypto Assets – not a route here

Proposed on 18 August 2026 (comments due 20 October 2026), with new offering exemptions and a safe harbour for crypto-asset investment contracts. It expressly does not extend to other types of securities, so it offers no new route for tokenised RWAs that are securities.

The appropriate route therefore depends upon the asset, the issuer and its jurisdiction, the target investors, the amount sought and the intended secondary-market structure.



FUNCTION, NOT LABEL

6. Four Different RWA Businesses

A US "RWA platform" can describe very different businesses.

01

Issuer / Originator

Creates the security and conducts the offering.

02

Tokenisation Infrastructure

Provides the technology and recordkeeping through which the security is represented or administered digitally. Whether registration is required – for example as a transfer agent or broker-dealer – depends upon what functions the provider actually performs.

03

Broker-Dealer / Distributor

Effects or facilitates securities transactions. Broker-dealer registration and FINRA membership may be relevant depending upon the activities performed.

04

Marketplace / ATS

Provides secondary-market infrastructure. An Alternative Trading System generally operates within the broker-dealer framework and Regulation ATS rather than simply obtaining a generic "digital asset exchange" licence.

Additional functions can involve transfer agents, custodians, clearing agencies, investment advisers and other regulated participants.

DESIGN PRINCIPLE

The regulatory architecture therefore follows function rather than the marketing label attached to the platform.

LIQUIDITY INSIDE THE BROKER-DEALER FRAMEWORK

7. Secondary Trading – The ATS Route

For RWAs intended to trade after issuance, secondary-market structure becomes one of the most important considerations. An Alternative Trading System provides a route through which securities can trade outside a national securities exchange while remaining within the regulated broker-dealer framework.



SECONDARY TRADING - CONTINUED

This is especially important for private securities. Restricted-securities rules, Regulation S distribution-compliance periods and Investment Company Act investor limits all constrain who may buy, and when.

The fact that a security can technically be transferred peer-to-peer on a blockchain does not mean that unrestricted legal transfer is permitted.

Transfer restrictions can therefore need to be incorporated into the technology itself.

OPERATING AN ATS TYPICALLY REQUIRES

- ◆ broker-dealer registration;
- ◆ FINRA membership;
- ◆ Regulation ATS;
- ◆ market surveillance;
- ◆ books and records;
- ◆ AML/KYC;
- ◆ custody arrangements;
- ◆ settlement; and
- ◆ the restrictions attached to the securities being traded.

CODE CAN HELP ENFORCE THE REGULATORY PERIMETER

Technology becomes part of the compliance architecture.

A permissioned token may, for example, restrict transfers to verified wallets representing investors who satisfy defined eligibility requirements.

Technology then becomes part of the compliance architecture rather than a means of avoiding it.

THE BROKER-DEALER AND ATS PARTNER MODEL

8. Working Through Regulated Partners

Most RWA businesses entering the United States do not need to become a broker-dealer, an ATS or a transfer agent on day one. A mature layer of SEC-registered broker-dealers, ATS operators and transfer agents already provides these regulated functions to third-party issuers and platforms.

An entrant can therefore own the asset, the structuring and much of the investor experience, while regulated partners perform the regulated functions. This is often the fastest credible route to US investors – but only if the division of roles is real, documented and reflected in how money flows.



WORKING THROUGH REGULATED PARTNERS – CONTINUED

THE PARTNER STACK

- 1 Your business** – origination, structuring, asset information, brand and investor experience
- 2 Broker-dealer of record** – investor onboarding, KYC/AML, accredited-investor verification, Regulation Best Interest, offering due diligence, FINRA filings and approval of communications
- 3 Transfer agent and tokenisation platform** – master securityholder file, token issuance, transfer restrictions, distributions and corporate actions
- 4 ATS** – secondary trading among eligible investors, operated by a registered broker-dealer
- 5 Custody and settlement** – custody of the tokenised securities and cash, and the settlement leg, in fiat or stablecoin

Four ways to reach US investors

01

Placement only

A broker-dealer acts as placement agent or broker-dealer of record for the primary offering – typically Rule 506(c), or Regulation S alongside Regulation D. Investors hold to maturity or redeem with the issuer, with no secondary market. The simplest model, and often the right one for a first issuance.

02

The full partner stack

Placement, transfer agency, tokenisation and secondary trading are all provided by regulated partners – sometimes a single group. BlackRock's BUIDL fund (2024) used Securitize as transfer agent and tokenisation platform, with its broker-dealer Securitize Markets as placement agent. Apollo's ACRED feeder (2025) is available to qualifying investors exclusively via Securitize Markets.

03

Your front end, their regulated back end

The business provides the brand and user interface while a broker-dealer carries the regulated customer relationship. In May 2026, Securitize, Jump and Jupiter announced a model in which Jupiter is the user-facing access point for tokenized equities, with Securitize's broker-dealer, ATS, transfer agent and KYC-enabled whitelisted wallets underneath. Rialto Markets and Templum say they offer white-label versions of this model.

04

Own a US broker-dealer – build or buy

A new broker-dealer needs Form BD and a FINRA new-member application. FINRA must decide within 180 days of filing, but can reject an incomplete application, and novel digital-asset models usually take longer. Buying an existing firm needs a continuing-membership application filed at least 30 days before closing. Archax, the UK exchange, agreed in 2025 to buy a US broker-dealer, but the deal did not close; FINRA instead approved its new firm, Archax Markets, in September 2026, which uses tZERO for clearing, custody and ATS trading.



WORKING THROUGH REGULATED PARTNERS – CONTINUED

Who offers what – market examples

PROVIDER	REGULATED US ENTITIES	OFFERED TO THIRD PARTIES
Securitize	Securitize Markets, LLC (broker-dealer and ATS); SEC-registered transfer agent	Tokenisation, transfer agency, placement and ATS trading. Tokenisation partner to Computershare (April 2026) and Continental Stock Transfer (June 2026)
tZERO	tZERO Securities (broker-dealer and ATS); tZERO Digital Asset Securities (broker-dealer custodian)	"Infrastructure-as-a-service": correspondent clearing, custody, escrow and ATS access for introducing brokers such as Archax Markets
Ironlight	Ironlight Markets, LLC (broker-dealer; ATS approved by FINRA in October 2025)	Issuance, placement and ATS trading of traditional and tokenized securities, which it says settle atomically on-chain; structured notes tokenised with Halo Investing (April 2026)
North Capital	Broker-dealers; PPEX ATS; transfer agent; investment adviser	APIs, white-label investor portal, escrow and ATS access. MoonPay announced an agreement to acquire it on 23 September 2026, subject to regulatory approval
Rialto Markets	Broker-dealer and ATS	Broker-dealer of record and white-label secondary trading under the partner's brand; Rialto says it runs KYC/AML, reporting and surveillance
Templum	Templum Markets LLC (broker-dealer and ATS)	White-label, hybrid or API deployment – for example, private-market offerings to SoFi customers, offered by Templum Markets
Dalmore Group	Broker-dealer	Broker-dealer of record for Regulation D, Regulation A and Regulation Crowdfunding offerings

Examples are drawn from the firms' own public statements and are illustrative only – not an endorsement or a substitute for due diligence. Ownership is consolidating quickly: Ondo acquired Oasis Pro in October 2025 and Republic acquired INX in November 2025.

Where the regulatory line sits

01

Follow the money

Exchange Act section 15(a) requires anyone in the business of effecting securities transactions for others to register as a broker-dealer. Transaction-based pay – a fee per raise or per trade – is the strongest indicator. FINRA Rule 2040 bars a member from paying such compensation to an unregistered person who should be registered; its foreign-finder exception covers only non-US finders introducing non-US customers. Fixed technology or licence fees are safer – but not a safe harbour if the business also solicits, negotiates or handles investor money.

02

Their name, their approval

Communications about offerings on a partner's platform are in substance the broker-dealer's. Under FINRA Rule 2210, retail communications must carry its name and be approved by one of its principals before use, and all are subject to its supervision. Outsourcing does not shift responsibility – the broker-dealer remains accountable for onboarding, KYC/AML, Regulation Best Interest and supervision.

03

No finders exemption – yet

The SEC's 2020 proposed exemption for finders was never adopted. Its regulatory agenda lists "Regulatory Status of Finders" at the proposed-rule stage, targeted for October 2026; no proposal had been published at the date of this paper. Until a rule is adopted, an unregistered introducer paid on success remains exposed to enforcement – and investors may be able to rescind.

04

Non-US firms

Rule 15a-6 lets a foreign broker-dealer deal with US institutional investors in limited ways, including through a "chaperoning" US broker-dealer. It offers no route to solicit US retail investors. Nor does the SEC staff's April 2026 statement on crypto user interfaces help here: it covers self-custodial on-chain interfaces that do not take or route orders, and is non-binding staff guidance.



WORKING THROUGH REGULATED PARTNERS – CONTINUED

An ATS listing is not liquidity

Joining a partner ATS gives investors a regulated venue, not a market. Restricted securities from a Regulation D offering can trade only when a resale exemption applies – for example Rule 144 after its holding period (six months or one year, depending on the issuer; unavailable for shell companies), Rule 144A sales to qualified institutional buyers, or section 4(a)(7) resales to accredited investors.

State securities law adds a further layer. Federal pre-emption for resales is limited – it covers section 4(a)(7) resales and certain resales of reporting issuers' securities, but generally not resales of a non-reporting issuer's Regulation D securities or of Regulation A Tier 2 securities – so ATSs rely on state exemptions that vary from state to state.

Secondary liquidity should therefore be designed into the offering from the start: who may buy, when, in which states, and on which venue.

QUESTIONS TO ASK A PARTNER

- ◆ Is it a FINRA member, and what does BrokerCheck show?
- ◆ Is its ATS on the SEC's ATS list, and does it support this type of security?
- ◆ In which states, and for which investors, can it sell and support resales?
- ◆ Who is the transfer agent, and is it SEC-registered?
- ◆ How are tokens and cash held and settled?
- ◆ Which blockchains and token standards does it support?
- ◆ Does the fee model comply with FINRA Rule 2040?
- ◆ Who owns the investor relationship and data – and can you move?
- ◆ Can it onboard non-US investors under Regulation S?

DESIGN PRINCIPLE

Own the asset and the investor proposition. Rent the regulated functions – until volume justifies owning them.

THE INNOVATION EXEMPTION

9. A Changing Secondary-Market Framework

The US position is evolving rapidly. On 17 September 2026, the SEC issued an exemptive order – the **Innovation Exemption** – to facilitate on-chain trading of tokenized NMS stock while it considers whether permanent regulatory action is appropriate. Its main features are:



A CHANGING SECONDARY-MARKET FRAMEWORK – CONTINUED

01

Venues

Qualifying Tokenized Securities Venues (TSVs) may operate permissioned automated-market-maker liquidity pools without registering as a national securities exchange or an ATS.

02

Liquidity providers

Qualifying firms trading solely for their own account, and not holding customer assets, may supply liquidity without registering as dealers, after notifying the SEC.

03

Scope

Secondary trading only – no primary issuance – through automated market makers only, with caps on the number of eligible stocks and on trading volume.

04

Participants

Permissioned (allow-listed) access with sanctions screening; a venue must be a US person.

05

Third-party tokens

Covered where tokenized by an unaffiliated third party, but the issuer must receive at least 30 days' written notice and may object – in which case the token cannot be traded.

06

Duration

Five years, to 17 September 2031.

Key terms to check

01

Tiered caps

Caps follow the Limit Up-Limit Down tiers. Tier 1 (S&P 500, Russell 1000 and certain ETPs): up to 75 symbols, with each token's volume capped at 0.25% of the underlying stock's prior-month average daily volume. Tier 2: 250 symbols and 2.5%. Repeated breaches require a three-month pause in that stock.

02

Equivalent rights

The venue must verify that the tokenized stock gives holders the same rights and privileges as the traditional stock – linked securities and tokenized security-based swaps are excluded.

03

Limits of the relief

Relief covers only permissioned AMM pools run by an identifiable US-person venue – not order books or protocols without an identifiable operator – and does not address the registration status of venue participants.

04

Open to comment

The order is time-limited and the SEC has invited comment while it considers permanent rulemaking, so the terms may be refined.

WHAT IT MEANS FOR RWA BUSINESSES

If your asset is exchange-listed equity, the exemption may open a new on-chain secondary route. If it is anything else, plan around Regulation D, the transfer agent and the ATS route.



A CHANGING SECONDARY-MARKET FRAMEWORK – CONTINUED

This does not create a general exemption for all tokenised RWAs. Its scope is tokenized NMS stock – broadly, exchange-listed equities – and most RWAs are not NMS stock. For other tokenised securities, the ATS route described above remains the principal secondary-market path.

But strategically it is important. It demonstrates regulatory willingness to explore market structures that would previously have sat awkwardly within traditional exchange architecture – and, notably, outside the conventional exchange and ATS registration categories.

Alongside DTC's tokenization pilot and Nasdaq's tokenized-securities rule, the direction of travel is increasingly clear.

LEGISLATION

The legislative picture is less settled. The **GENIUS Act**, signed in July 2025, created a federal framework for payment stablecoins – relevant to the cash leg of on-chain settlement.

The **CLARITY Act**, which would establish a broader federal market structure for digital assets, has not been enacted: it passed the House in July 2025, but on 15 September 2026 a Senate cloture vote on the motion to proceed to the bill failed by 49 votes to 50.

For tokenised securities, the existing securities laws continue to apply in full.

DIRECTION OF TRAVEL

US tokenisation is moving into mainstream securities-market infrastructure.

FOUR LAYERS THAT SHOULD NOT BE CONFLATED

10. Custody, Ownership and Settlement

Custody is another area where an RWA proposition can become significantly more complicated than the token itself. There may be several distinct layers:

- 1 Custody of the underlying real-world asset
- 2 Legal ownership or custody of the security
- 3 Custody of the crypto asset representing that security
- 4 Control of private keys or wallets

These functions should not be conflated.



CUSTODY, OWNERSHIP AND SETTLEMENT – CONTINUED

The SEC has continued to develop its approach. On 1 October 2026, the Commission proposed a framework for the custody of crypto assets by registered investment advisers and regulated funds under the Investment Advisers Act and the Investment Company Act. It expressly extends to digital – that is, tokenized – securities. Comments are due by 7 December 2026.

In his accompanying statement, Chairman Atkins placed the proposal alongside the December 2025 no-action letter for DTC's tokenization pilot, the January 2026 tokenized-securities statement and September's Innovation Exemption. For broker-dealers, SEC staff set out in December 2025 how crypto asset securities can be held in compliance with the customer-protection rule (Rule 15c3-3).

The proposal is not yet final, and its terms may change before adoption. The US market therefore remains dynamic.

CUSTODY PROPOSAL

1 Oct 2026

Advisers Act and Investment Company Act framework for crypto-asset custody, including tokenized securities. Comments due 7 December 2026.

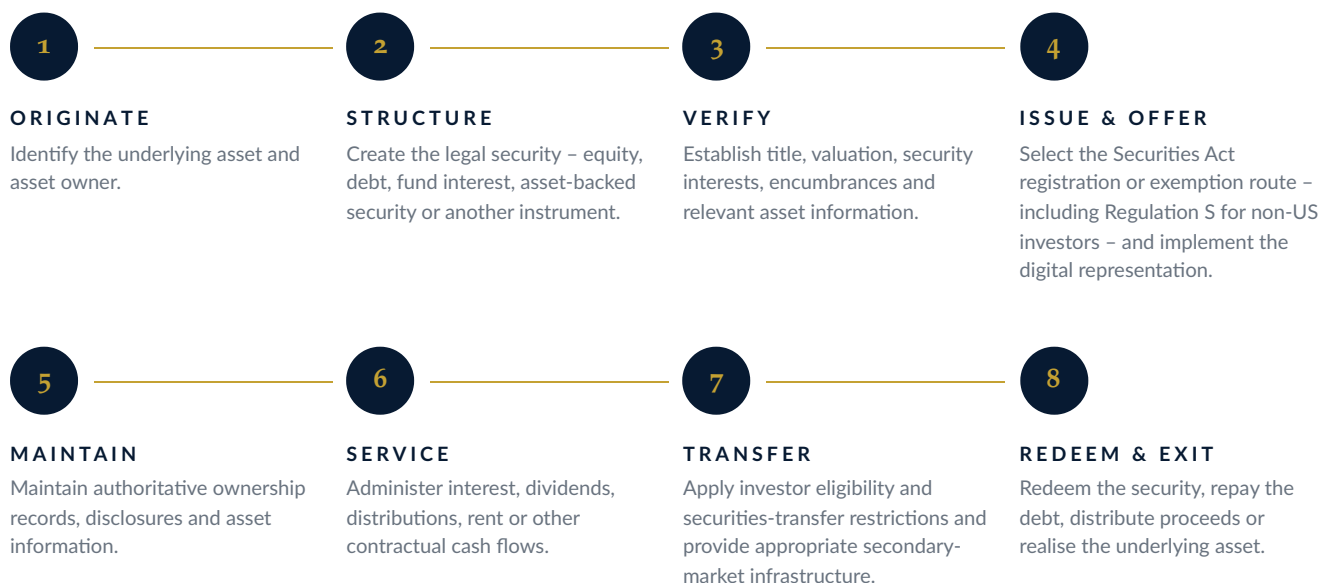
DESIGN PRINCIPLE

An RWA business should determine custody architecture before issuance rather than treating it as an operational question to be solved afterwards.

THE HOGSWOOD LIFECYCLE

11. From Real Asset to Digital Investment

The Hogswood RWA lifecycle applies particularly well in the United States.





FROM REAL ASSET TO DIGITAL INVESTMENT - CONTINUED

REAL ASSET → LEGAL SECURITY → DIGITAL REPRESENTATION → INVESTOR → MARKET → EXIT

The blockchain sits inside this lifecycle. It is not the lifecycle itself.

SIX AREAS WITH CLEAR UNDERLYING ECONOMICS

12. Where the Opportunity May Be

01

Private Credit

Private credit is particularly suited to RWA tokenisation because the underlying investment can have identifiable borrowers, principal amounts, yields, security packages and maturity dates. Tokenisation can potentially improve issuance, administration, ownership records, servicing and transfer.

02

Real Estate

Property can be accessed through equity, debt, fund and other structures. The regulatory analysis depends on the instrument offered to investors rather than simply the fact that the investment is backed by property.

03

Treasuries and Fixed Income

Fixed-income instruments provide standardised financial rights and established market infrastructure, making them natural candidates for digital representation and settlement. DTC's tokenization pilot extends to Treasury securities.

04

Funds

Fund interests can potentially be represented and administered on-chain, while remaining subject to the applicable investment-company, adviser, distribution and transfer requirements – including the investor limits attached to any Investment Company Act exemption.

05

Asset-Backed Finance

Receivables, loans and other contractual cash flows can support structured investment products with identifiable underlying collateral.

06

Equity

Issuer-sponsored tokenised shares represent perhaps the clearest illustration of tokenisation becoming part of conventional capital markets rather than a separate crypto market.

A WIDER LESSON

In the United States, tokenisation is becoming part of conventional capital markets rather than a separate crypto market.



START NARROW; DESIGN FOR REPEATABILITY

13. A Practical Route to Market

For a new US RWA entrant, a practical sequence may be:

01 Select the asset

Choose an asset with clear ownership and economics.

02 Define the investor's legal instrument

Equity, debt, fund interest, ABS or another security – and confirm that it is a security.

03 Select the offering route

Registered offering, Regulation D, Regulation S, Regulation A, Regulation Crowdfunding or another available exemption – checking that the issuer is eligible.

04 Determine the target investor

Institutional, accredited, retail, US or non-US, or a combination.

05 Map every regulated activity

Issuance, placement, brokerage, tokenisation, transfer agency, custody, trading and settlement.

06 Decide what to own

Do not automatically build every regulated function.

07 Integrate regulated partners

Broker-dealers, ATSs, custodians, transfer agents and other infrastructure can potentially shorten the route to market – see Section 8.

08 Design transfer controls

Ensure that technology respects investor eligibility, resale restrictions and Regulation S requirements.

09 Establish secondary-market strategy

Hold-to-maturity, controlled transfer, partner ATS or proprietary market infrastructure.

10 Build the first issuance for repeatability

The first asset should create the legal, regulatory and operational template for subsequent transactions.

ISSUE ONE ASSET

BUILD THE
INFRASTRUCTURE

REPEAT THE PROCESS

SCALE THE MARKET



A SHARE REMAINS A SHARE

14. Hogswood Perspective

The United States demonstrates perhaps more clearly than any other jurisdiction that RWA tokenisation should not be confused with creating a new category of financial instrument.

A SHARE REMAINS A SHARE

A BOND REMAINS A BOND

A FUND INTEREST REMAINS A
FUND INTEREST

The question is how distributed-ledger technology can improve the issuance, ownership, servicing, transfer and settlement of those instruments.

The SEC staff's January 2026 tokenized-securities statement provides an increasingly clear conceptual foundation: tokenized securities remain subject to the federal securities laws, while issuer-sponsored and third-party tokenisation models can create materially different investor rights and risks.

At the same time, the regulatory environment is changing. DTC is piloting tokenisation infrastructure. Nasdaq has approval to trade securities in tokenized form. SEC staff have addressed programmatic accredited-investor verification. September's Innovation Exemption begins testing new forms of on-chain secondary trading. And the SEC has proposed a custody framework for crypto assets held by advisers and funds.

For RWA businesses, this creates both opportunity and complexity. The United States does not provide the simplicity of obtaining a single RWA licence. Instead, it provides something potentially more valuable: **an established securities ecosystem into which tokenisation can increasingly be integrated.**

THE PRACTICAL QUESTION IS NOT

How do we launch a token in America?

IT IS

How do we build a compliant securities business in which tokenisation improves the investment lifecycle?

For many entrants – particularly those based outside the United States – the most efficient answer may not involve becoming an exchange, broker-dealer, ATS, custodian and transfer agent simultaneously. It may instead involve owning the RWA origination and structuring proposition while connecting it to existing regulated US infrastructure.

THE DECISIVE ISSUE

For businesses that do want to own the marketplace, the United States provides established broker-dealer and ATS architecture – but with correspondingly substantial regulatory, capital, compliance and operational requirements. That distinction should be made at the beginning of the business plan.



FROM INSIGHT TO EXECUTION

How Hogswood Supports the RWA Lifecycle

1

ASSESS

Jurisdiction, regulatory perimeter and feasibility

2

STRUCTURE

Asset, issuer, investor rights and operating model

3

LICENSE

Regulatory strategy, applications and engagement

4

ESTABLISH

Governance, policies, systems and regulated infrastructure

5

ISSUE & LIST

Offering structure and market admission

6

OPERATE

Lifecycle, servicing and regulatory obligations

7

TRADE / TRANSFER

Secondary-market and transfer architecture

8

GOVERN & REPORT

Ongoing governance, disclosure and regulatory reporting

About Hogswood

Hogswood is an independent advisory practice led by Adrian Hogg FCA, drawing on more than 25 years in financial services and investment business, including a decade in blockchain, digital assets and real-world asset cycles – with exchange, licensing and regulatory experience in the United States, Singapore, Gibraltar, El Salvador, Labuan (Malaysia), Estonia and Cagayan (Philippines).

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Important notice: This Insight is provided for general information only and does not constitute legal, tax, investment or regulatory advice. Published 6 October 2026, it reflects the regulatory position as at 5 October 2026. Several of the developments described – including the SEC's custody proposal and Regulation Crypto Assets – are proposals that may change before adoption. Specific advice should be taken before acting.

REAL ASSETS. REGULATED MARKETS. REAL OUTCOMES.

Start a conversation

Assess · Structure · License · Establish · Issue & List · Operate · Trade / Transfer · Govern & Report

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