

# Innovation & Business Exercise, IB6, SOLUTIONS

## RWA Tokenization, What Should We Tokenize First?

Digital Finance, BSc Course

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Facilitator key | indicative scores; defend the reasoning, not the exact number

**How to use this key.** Accept score variation of  $\pm 1$  if the ranking logic holds. The non-obvious result, Treasuries beat fine art, is the whole lesson: legal enforceability and real demand gate the decision, not how illiquid (and therefore how “improvable”) the asset looks.

Asset class	LG	LE	D	S	Tot	Rank
US Treasuries	1	2	2	2	<b>7</b>	1st
Private credit	2	1	2	1	<b>6</b>	2nd
Prime real estate	2	1	1	1	<b>5</b>	3rd
Carbon credits	1	1	1	1	<b>4</b>	4th
Fine art	2	0	0	1	<b>3</b>	5th

**Why Treasuries win.** Already trusted and standardised (LE 2), clear crypto-native cash-management demand (D 2), and a real settlement gain (T+1 to near-instant, usable as on-chain collateral, S 2). The liquidity *gain* is modest (they were already liquid) but everything else is clean.

**The trap. Fine art and real estate** score top marks on *liquidity gain* precisely because they are so illiquid, which tempts you to tokenize them first. But fine art’s **legal enforceability is near zero** (provenance, contested ownership, fraud) and its demand is thin, so it ranks *last*. Tokenizing a worthless legal claim just puts a fraud on-chain faster.

**The point.** The business of tokenization is not “digitise the most exotic asset”. It is “find the asset where a clean, enforceable claim meets real demand”, which is why tokenized Treasuries and money-market funds, not tokenized art, are the segment that actually scaled.