



abcripto*

Tokenization in Brazil

A qualitative study

March 2025



Introduction

ABcripto is committed to developing the crypto ecosystem in Brazil, supporting security for investors, ensuring transparency in operations, and promoting responsible market development. This report has been prepared to illustrate the evolution of tokenization in the country as part of our mission.

This analysis draws on **interviews** conducted with professionals in the Brazilian cryptoeconomy during the latter half of 2024, as well as on **publications** from specialized media sources.

We start by clarifying the **concept of tokenization** and its connection to the financial market. We subsequently explore the expansion of **fixed income tokens** as a viable investment option and the progress in regulatory frameworks in Brazil. We examine **actual cases**, exploring which assets have been tokenized and the implementation of these projects.

Through a **qualitative approach**, we aim to emphasize the innovative potential of national projects and the beneficial effects of tokenization on the financial sector. Our goal is to assist investors, entrepreneurs, financial institutions, regulators, and anyone interested in gaining a deeper understanding of this transformation and seizing the opportunities it presents for Brazil.

Isac Costa

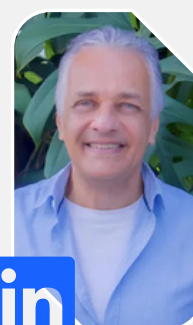
Author of the
Report



[in/isaacaccosta](https://www.linkedin.com/in/isaacaccosta)

Fabio Moraes

Head of Education and
Research



[in/fabiocmoraes](https://www.linkedin.com/in/fabiocmoraes)



SUMMARY

Executive Summary 04

Tokenized economy 06

Regulatory advances, growth and future prospects

1 Brazil: the tokenization nation 07

What does it mean to tokenize an asset? | Why tokenize an asset? | Tokens as alternative investments

2 Regulation 16

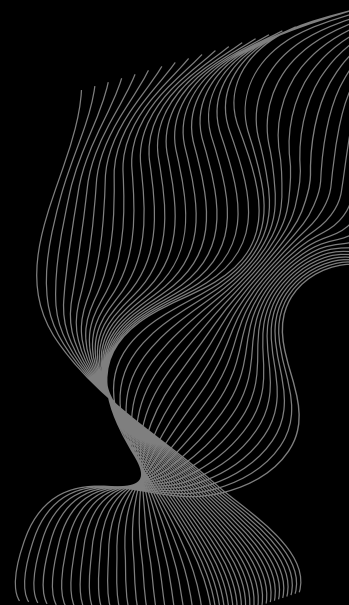
Private credit, securitization and tokenization | Digital fixed income | Virtual assets and the Central Bank

3 Case Studies 22

Selected Brazilian tokenization projects

4 A Look Ahead 32

Challenges and possibilities



Executive Summary

Why?

Efficiency

Tokenization simplifies the origination and transfer of assets, reducing the bureaucracy and high costs associated with traditional methods.

Transparency

Transparency and data sharing are facilitated by the use of blockchain, with immutable record of transactions and traceability.

Inclusion

Alternative investments, previously unavailable due to high barriers to entry, become accessible. This also benefits companies seeking capital, expanding their base of potential investors.

Liquidity

Tokenization offers solutions to specific market problems, such as the opacity and low liquidity of the credit markets. This makes it easier to identify and trade such assets with potential lower spreads.



Relevance of Brazilian Cryptoeconomy

Electronic Payments

Brazil's robust payments infrastructure, exemplified by the instant Pix system, forms a solid foundation for the adoption of tokenization.

Pro-innovation Rules

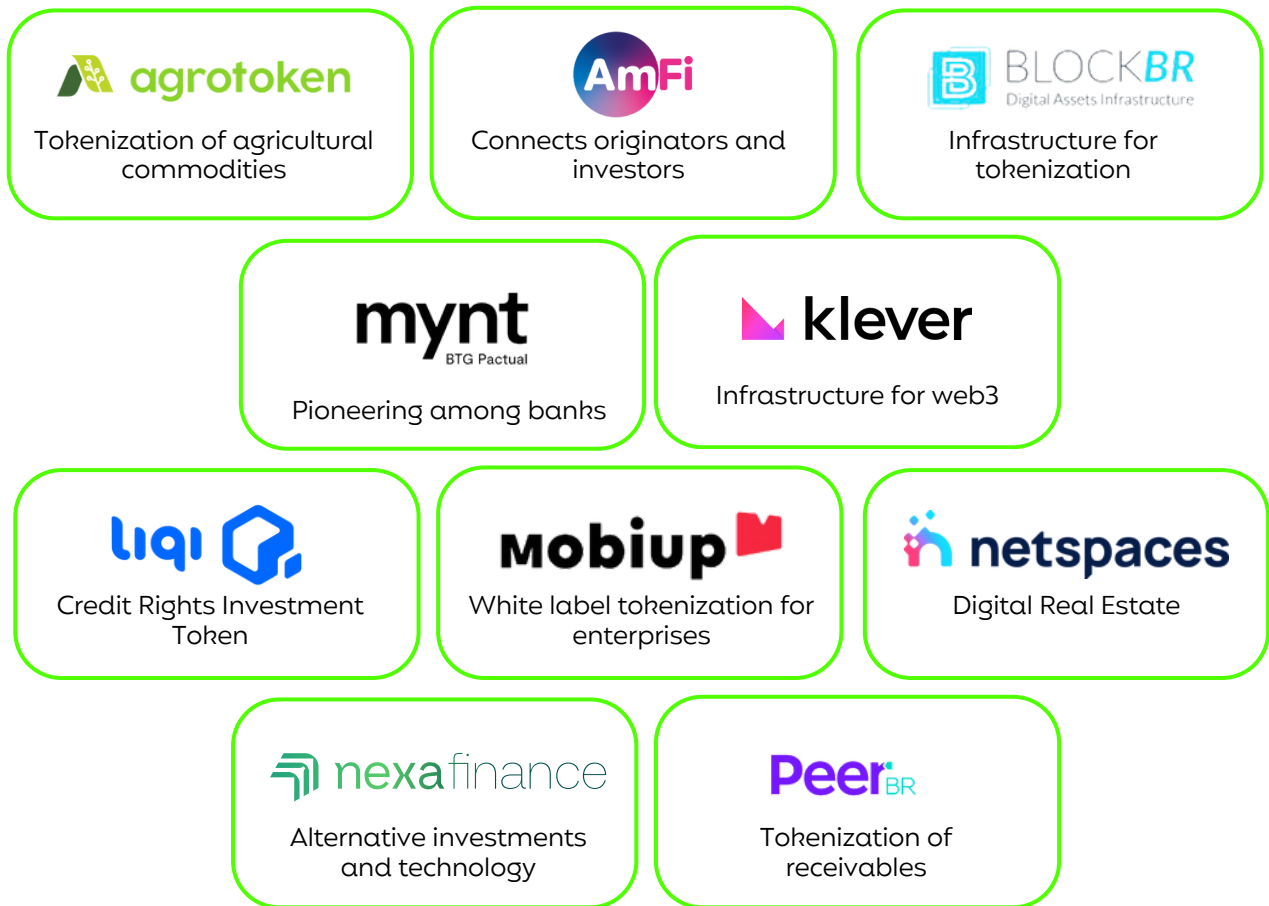
The Central Bank and CVM have taken a proactive approach to regulating the tokenization space, fostering innovation while mitigating risks.

Creativity

Local crypto companies, facing stiff competition from international exchanges, have turned to tokenization as an important alternative source of revenue.

Cases

Some cases were analyzed to illustrate possibilities and inspire new projects.



Regulation

Securities

The CVM indicates that several securities tokens may be subject to existing regulations, potentially requiring compliance with stringent and costly requirements.

Crowdfunding

The CVM currently allows the use of crowdfunding rules for token offerings, although limitations on the amount of capital raised and the timeframe of the offering pose challenges for wider adoption.

Virtual Assets

Law No. 14,478/22 establishes the legal framework for virtual asset service providers, mandating authorization for operation and subjecting them to oversight and compliance measures against money laundering.

Future

DREX

The future DREX (digital currency of the Central Bank of Brazil) should improve the efficiency and automation of tokenized transactions.

Security

A more defined regulatory framework and better investor education are essential to build trust and promote the adoption of tokenization.

Transformation

Tokenization will significantly reshape the financial landscape by reducing costs, expanding access to capital, and stimulating innovation.

Tokenized Economy

Regulatory advances, growth and future prospects

The year 2024 was a landmark year for the crypto market, driven by regulatory advances, greater institutional adoption, and innovations. In Brazil, the Central Bank took over supervision of the sector, together with the CVM in cases where the assets are considered securities, increasing security for investors and companies.

R\$ 440 billion

Financial volume reported in 2024

5.8 million

natural persons per month (average)

cf. Federal Revenue Data

There were significant regulatory advances, such as the approval of tax reform and Normative Instruction RFB 2,180, in addition to public consultations by the Central Bank (CP 97, 109, 110 and 111), the CVM (CP Fácil) and the Federal Revenue Service (CP Decripto).

These initiatives make the country even more attractive to investors and encourage companies to explore innovative solutions with crypto assets, placing Brazil in a privileged position on the global stage.



The tokenized economy holds the promise to significantly reshape the economic and financial landscape in Brazil and globally.



Tokenization is the process of structuring a traditional asset using blockchain technology, allowing for its fractionalization, automation, and greater mobility. This can make the financial and capital markets more inclusive, comprehensive, and therefore more democratic.

In 2024, there was significant growth in the volume of tokenized assets. By 2025, asset tokenization is expected to gain even more ground, impacting sectors such as real estate and finance. According to the Boston Consulting Group, this market could reach US\$16 trillion globally by 2030.

300%

Growth of crowdfunding offerings in 2024

R\$ 1.3 billion

Volume of tokenized asset offerings

cf. CVM Data

In this context, understanding digital assets is crucial. As the industry expands, it will be increasingly essential to educate professionals and clarify cryptocurrencies for the general public.

ABcripto, a leader in establishing **self-regulation** in the sector in 2020, will persist in serving as a link between companies, investors, and regulators, fostering initiatives that enhance the crypto economy in Brazil. The country possesses significant potential to distinguish itself in the global landscape of the sector, thanks to its regulated and innovative environment.

Bernardo Srur

CEO



in/bernardosrur



1

Brazil: the tokenization nation

> > > >

X-ray

The Brazilian financial market has undergone a remarkable transformation, particularly due to the digitalization of distribution channels, the widespread adoption of financial products, and the growing interest in alternative investments. Some sectors have garnered growing attention, particularly those offering tax incentives, like the real estate market and agribusiness.

In this context, **cryptoassets** present a potential for improving financial market infrastructure and democratizing access to capital for small and medium-sized enterprises, while also offering expanded investment diversification.

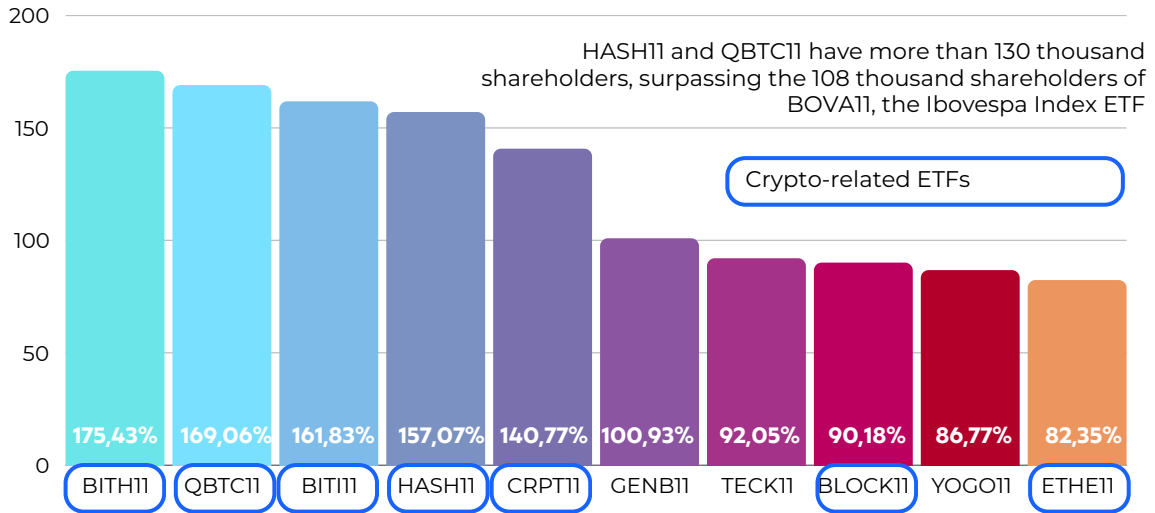
Cryptocurrency-backed **exchange traded funds** (ETFs) have gained significant popularity since their authorization in 2021, arriving approximately three years ahead of their US counterparts, which only began to experience substantial success in the first half of 2024.



Upon examining the leading tokens on major global exchanges, it becomes evident that Brazilian projects are absent from the ranks of those with the highest financial volume or market value. Nonetheless, this does not imply that Brazil is simply a secondary player in the crypto economy.

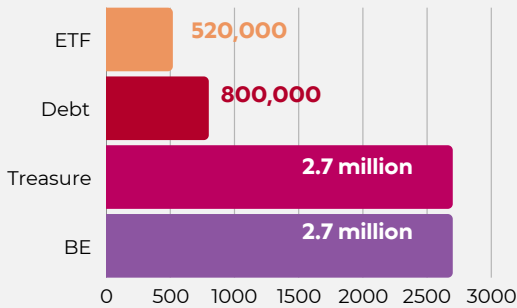
Conversely, as this report will illustrate, the country has provided a conducive business environment and regulatory framework for conducting experiments that can show that, beyond the usual speculation linked to cryptoassets, tokenization plays a significant role in shaping the **future of the financial market**.

ETFs with the highest appreciation on B3 in 2024



Source: Quantum Finance.

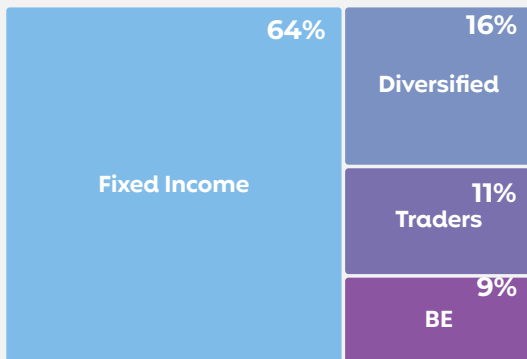
Individuals at B3



16,4 millions of investors in bank bonds

17,7 millions of fixed income investors

Profile



Source: B3. Brazil that invests (2024).

5.1

millions of individual investors on B3

R\$ 5.8

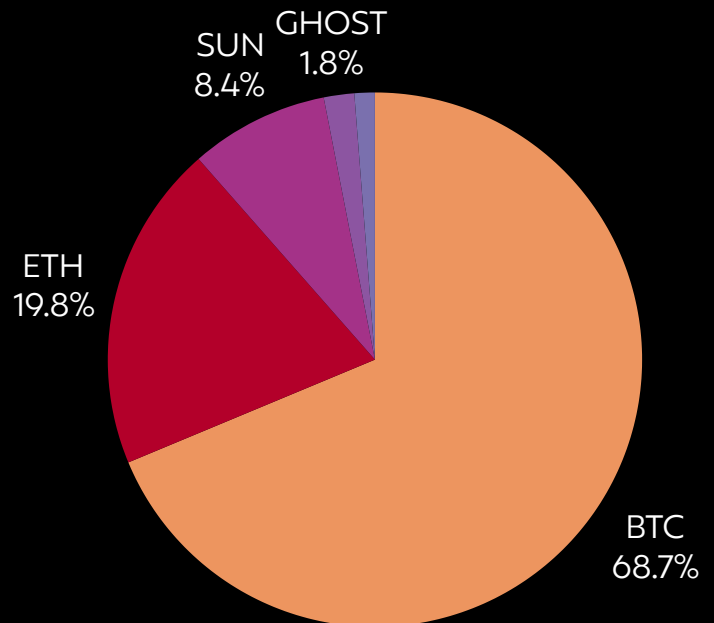
billions of average daily trading volumes (ADTV)

9.1

Millions of Individuals Reported Crypto Investments in 2023

R\$ 23

of daily average in 2024 of financial volume with crypto

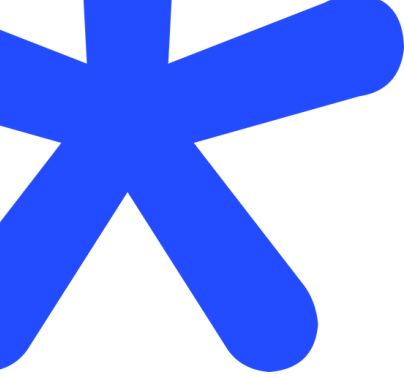


Most traded crypto assets, excluding stablecoins. Relative financial volume in Sep/24.

Source: RFB. Cryptoassets. Open Data (Oct/24).

25-39 years, predominant age group (40%) at B3 and in the crypto market.

Source: NAME. Crypto Landscape in LatAm: Report H1 2024.



Criptoeconomy

Alongside the most well-known cryptoassets, recognized for their significant volatility, Brazil has become a platform for unique projects aimed at tokenizing various asset types, leading to the emergence of what is referred to as **digital fixed income**.

In light of the **legal ambiguity** regarding public token offerings, particularly their potential classification as securities and the resulting regulatory obligations, a number of initiatives have achieved success.

Consequently, these tokens offered a compelling option for investors seeking more appealing rates amidst a backdrop of increasing interest rates and heightened demand for private credit assets.

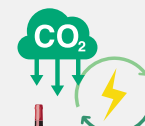
The emergence of this market was facilitated by the discussions held among market participants, particularly through **ABcripto**, and the Securities and Exchange Commission (**CVM**). This collaboration enabled the execution of fixed income token offerings in accordance with existing **crowdfunding** regulations, subject to specific limits.

Additionally, the CVM suggested that, in the near future, this regulation and its constraints could be modified to align with the unique characteristics of the criptoeconomy and the associated risks of the industry.

The **Central Bank** and **CVM** have focused on promoting an **innovative environment** rather than relying on sanctioning actions. Their efforts aim to leverage distributed registry technologies to enhance the evolution of financial market infrastructures, while also improving the **security, transparency, and efficiency** of securities **issuance** and **trading**.

Tokenized assets in Brazil

- Duplicatas
- Precatórios
- Bonds
- Securities
- Consortium Shares
- Real Estate
- Fan Tokens
- Royalties
- Event Tickets
- Carbon Credits Energy
- Wine
- Works of Art



This study aims to illustrate that Brazil stands out as the “**nation of tokenization**” especially in qualitative aspects, taking into account the variety of projects and the involvement of market participants and regulators.

In this scenario, rampant speculation stands in contrast to the emergence of a genuine criptoeconomy, highlighting a convergence – rather than a rupture – between native companies in the sector and established institutions aimed at enhancing the provision of financial products and services.

What does it mean to tokenize an asset?

Consider on the ways in which information systems manage **data** regarding **assets** and their **ownership**.

These systems are essential for ensuring **legal certainty** in market transactions, including fundraising through securities **issuance**, risk exchange via **secondary market trades**, **credit** assignments, **collateral** provisions, and debt **execution**.

The challenges at hand involve demonstrating the existence of an asset, establishing its ownership, and assessing its **enforceability**. This includes determining whether the owner has the ability to transfer or encumber the asset, or if it is subject to any form of burden or encumbrance.

Inefficiencies exist in the routine discounting of invoices, the negotiation of court orders and other credit instruments, the buying and selling of real estate, the establishment of **collateral** for receivables certificates, and the daily operations of investment funds in credit rights, among other examples.

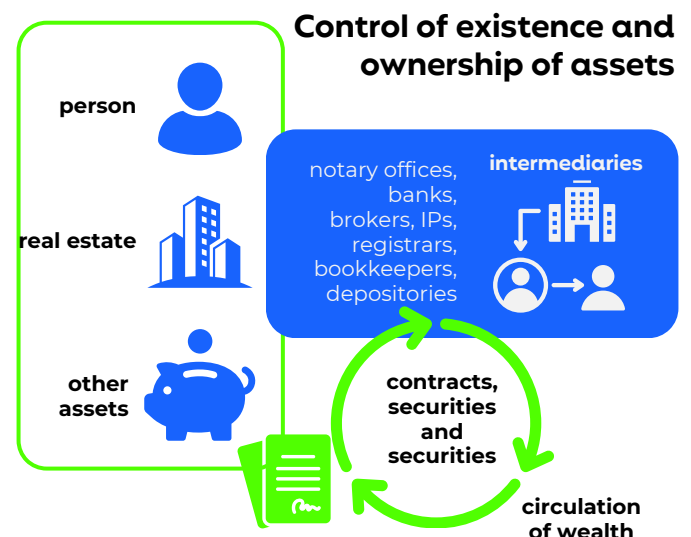
The lack of **standardized** titles and contracts further obstructs the movement of **alternative investments**.

Local and global financial Babel

The core issue at hand is the resolution of a transaction (**delivery versus payment**) within a landscape of fragmented data across systems that lack communication with one another. Is the asset present? Is the owner truly who they claim to be? Are there any barriers to the transaction being completed?

The accurate response to these seemingly straightforward questions is a crucial requirement for the operation of the financial market, ensuring its stability and credibility.

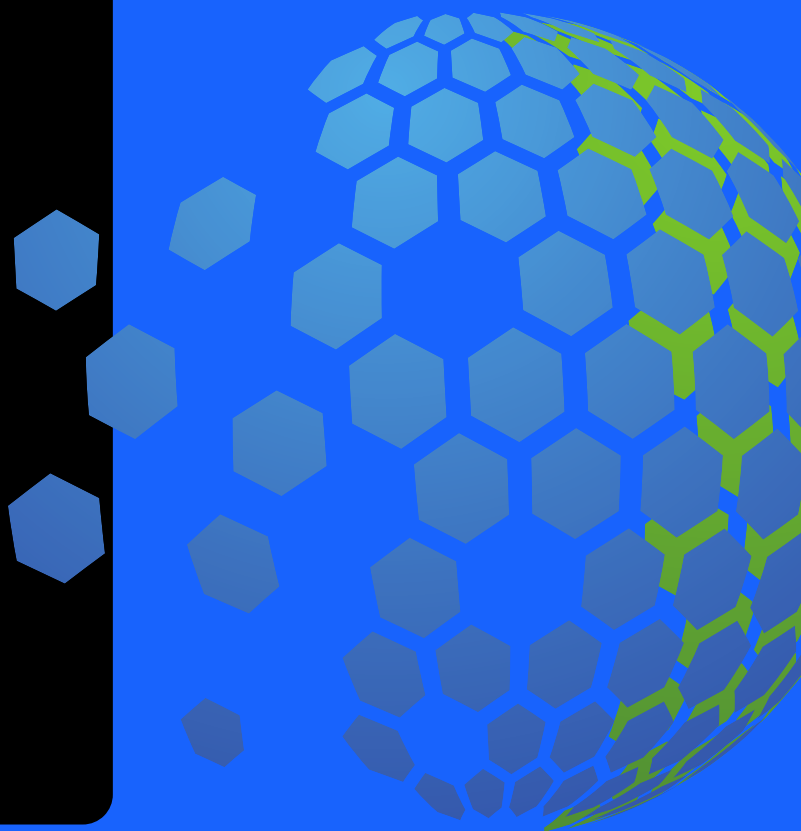
The vast array of actors and their intricate relationships lead to considerable expenses, particularly the fees levied by intermediaries. Additionally, there is a pressing requirement to link the different data silos to facilitate the transfer of asset ownership upon delivery in exchange for the corresponding payment.



Global economy... not really

Regrettably, even though we operate within a global market, such issues become increasingly challenging when considering cross-border transactions. The lack of effective communication among systems within a single country highlights the challenges of global communication, which are further complicated by the diversity of legal systems. This situation appears particularly perplexing given the significant technological advancements achieved in various other fields.

The time and expense involved in **international transfers**, along with the challenges in acquiring information about assets in foreign countries and their utilization as collateral for transactions or simple purchases and sales, illustrate genuine **inefficiencies** that remain insufficiently addressed.



How can a token help?

A “token” is nothing more than a **digital container** inside which any previously mentioned asset can be placed.

Tokenizing an asset involves placing it into a framework designed to transport it to an **infrastructure** that exists alongside a reality characterized by fragmented systems with restricted interoperability, whether on a local or global scale. A token can be viewed as a contract, wherein the issuer assures the holder of the rights associated with the tokenized asset.

When there is assurance that an asset will be tokenized solely **once**, its digital representation can circulate within a virtual, possibly supranational context. In this setting, the asset's existence, ownership, and usability can be swiftly verified, thereby streamlining transaction settlements.

In such an environment, certain participants may have access to a complete copy of the ownership record and transaction history, ensuring transparency and traceability for all involved parties. This can only be achieved by utilizing cryptography and the technologies that facilitated the development of Bitcoin and Ethereum.

These systems have enabled us to address the previously mentioned questions – Does the asset exist? Is the owner truly who they say they are? Are there any challenges to executing the transaction? for a digital asset that had no value at the outset. As time has progressed, the concept of tokenization has broadened this potential to encompass any asset.

Reasons to tokenize

In the Brazilian financial market, despite its regional significance, there are many inefficiencies and challenges that can be tackled through the use of information technology. The decrease in time spent in bank queues, the convenience of payment experiences, some improvements in accessing credit (or at least in the process of obtaining it), and the rise of digital wallets offering cashback, among other examples, indicate that our relationship with banks has evolved significantly.

Nevertheless, numerous challenges remain to be addressed.

Cost of capital	In the banking and capital markets, market concentration leads to competitive distortions and undermines capital formation.
Inclusion	In Brazil, the capacity to save, the extent of family debt, and the state of financial education remain in a highly unstable condition.
Access	The complexity of issuing securities and regulatory burdens are still barriers to entry for smaller companies.
Trust	Our market has suffered episodes of credibility shock in the recent past, in terms of market manipulation and creative accounting.
Boundaries	The inefficiency of international transfers remains an inexplicable barrier within the framework of a global economy, and companies' ability to raise resources is constrained by geographical limitations.

Tokenizing is expanding the notion of Pix to any assets

Tokenization allows for the expansion of the concept of a **digital wallet**, which has traditionally been confined to fiat currency balances. It can now encompass fractions of government bonds, private debt securities, receivables from private contracts, fund shares, stocks, real estate, and various other asset classes, **irrespective of their country of origin**. This is contingent upon the trust in the tokenization process, which establishes a **connection between the asset in the physical realm and its virtual counterpart**. This is the rationale behind the term "**tokenization of real world assets (RWA)**."

Therefore, transactions involving alternative assets can be **as straightforward as executing a Pix instant payment**.

The promise of tokenization lies in **simplifying processes** and **reducing costs** in asset origination while simultaneously facilitating easier circulation for the general public. This approach allows us to create a truly global market that offers democratized access to a growing and diverse range of investment options.

Advantages

Operational efficiency and interoperability

The clarity and automation of payment processes can lower transaction expenses and enhance value exchanges among individuals and organizations via smart contracts.



Inclusion

Tokenization enables a greater number of companies to secure financing while also allowing for the division of higher-value assets. This process lowers the minimum investment requirement, thereby making market access more inclusive.



Diversification

The costs associated with issuance and circulation could decrease, making it easier to trade non-standardized assets, while providing investors with additional options to diversify their asset portfolios.



24x7 Global Market

The visibility and automation of payment flows can significantly lower transaction costs and enhance value exchanges between individuals and organizations via smart contracts.



The situation in Brazil is unique.

The Central Bank has announced that the digital real project (**DREX**) will not only enhance the existing advanced payment system but also serve as a platform for automating transaction execution, featuring intriguing use cases linked to decentralized systems.

Brazil features a **diverse range of tokenization cases**. The operations encompass bonds and various credit rights. Examples include the Vasco Token, which involves the tokenization of rights from FIFA's solidarity mechanism, the Vila Token from Santos FC, and a token aimed at financing the driver Emmo Fittipaldi, all provided by MB Tokens.

Two primary factors contribute to the notable success of tokenization in our country.

The first aspect is the presence of a **state of art payments system**, featuring multiple participants that provide credit solutions and receivables operations via digital channels.

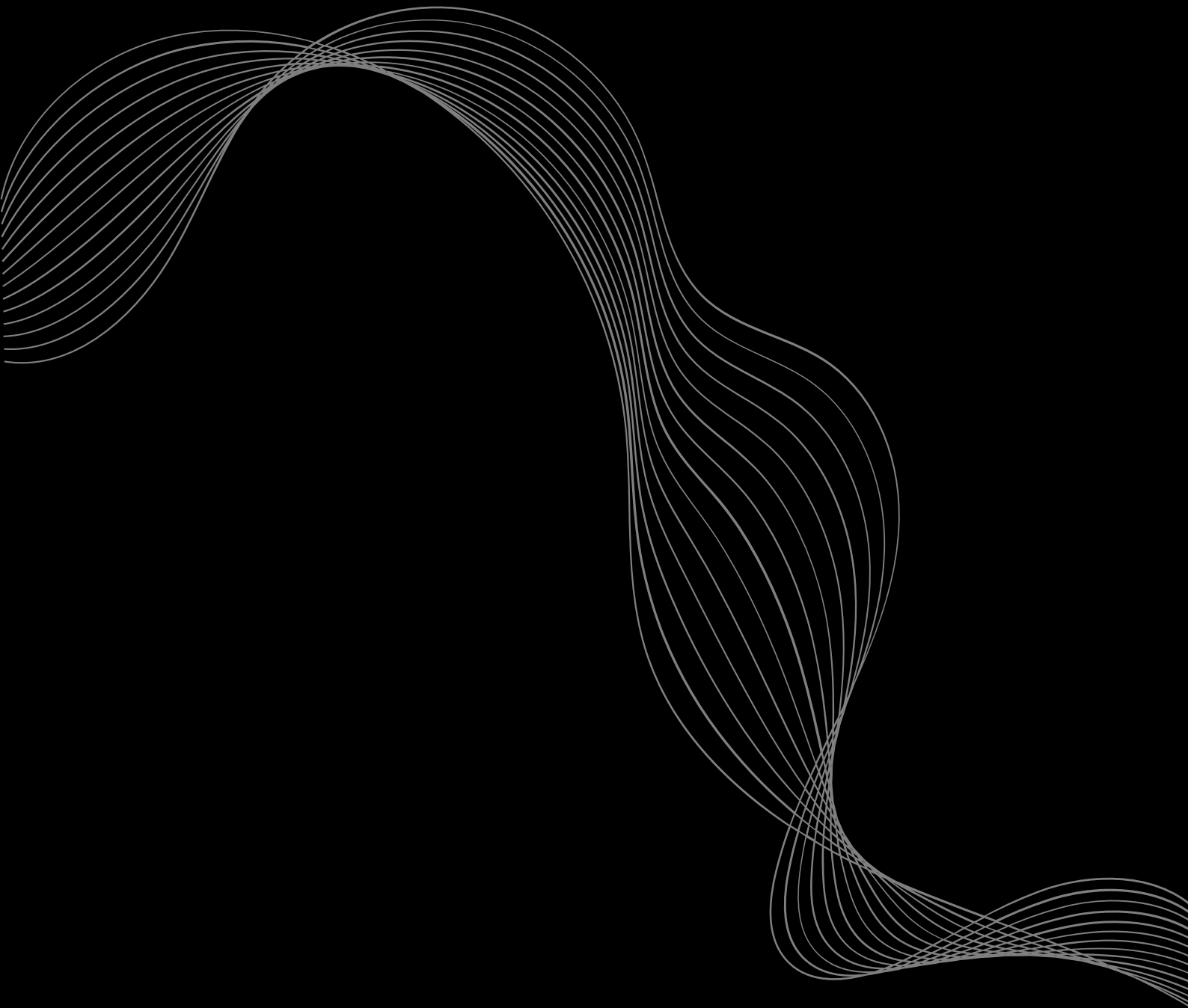
Brazilian cryptoeconomy companies face challenges in competing with foreign exchanges for cryptoasset trading, prompting them to explore additional revenue sources beyond merely facilitating transactions.

In Brazil, the dynamics of the receivables market are intricately connected to asset tokenization.

Today, invoices and receivables from payment arrangements are registered in systems that ensure the security and clarity of information regarding the existence and enforceability of the titles.

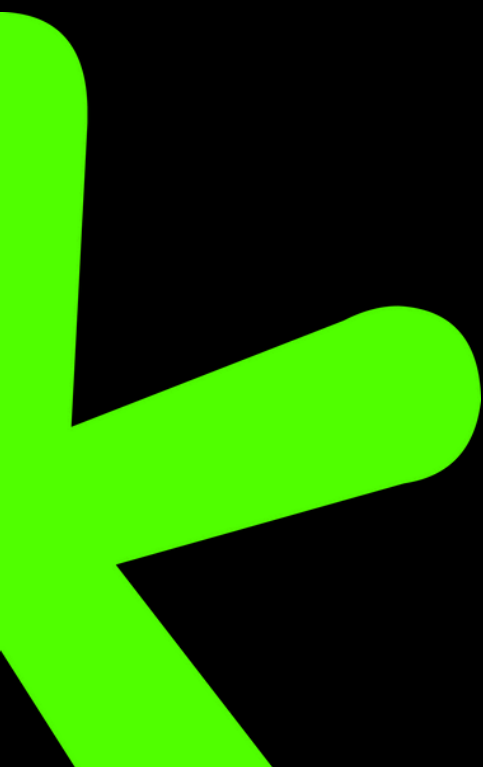
Among the registrars authorized by the Central Bank are B3, Nuclea (formerly CIP), CERC, CRDC, CSD, CRT4, TAG, and SPC Grafeno, which serve as financial market infrastructure.

Registrars offer a service akin to that of notary offices, centralizing the information flow involved in the circulation of receivables.



2

Regulation



Private Credit

Understanding the relationship between tokenization and securitization

The private credit market has become more significant as interest rates continue to rise, whereas the share prices on the Bovespa index are not showing a short-term upward trend. This section outlines recent innovations and trends related to the origination and trading of credit rights.

The role of fintechs

Credit fintechs – Direct Credit Companies (**SCD**) and Peer-to-Peer Lending Companies (**SEP**), governed by CMN Resolution No. 5,050/2022, have expanded the roster of institutions authorized to provide credit. This includes Credit Cooperatives, Credit, Loan and Financing Companies (the “financial companies”), Credit Companies for Microentrepreneurs and Small Businesses, Simple Credit Companies, and factoring companies, which are not regulated by the Central Bank.

Credit rights

In the capital market, the purchase of diverse receivables by credit rights investment funds (**FIDC**) has emerged as an appealing option for both investors and companies seeking financing through a means other than traditional banks.

Prior to the introduction of CVM Resolution No. 175/2022, FIDCs were exclusively available to qualified investors, specifically those possessing investment assets exceeding R\$1 million. Under the new regulation, and in accordance with specific criteria, FIDCs can now be made available to retail investors.

R\$ 120.8

billion in net inflows from FIDCs in 2024

R\$ 588.8

billion net worth in 2024

Source: Anbima.

Securitization and tokenization

Securitization transactions serve as an alternative method for companies to raise funds by acquiring credit rights. Agribusiness receivables certificates (**CRA**) and real estate receivables certificates (**CRI**) are familiar to many investors, primarily because of their income tax exemption. The introduction of Law No. 14,430/2022 and CVM Resolution No. 60/2022 has strengthened the regulatory framework for structuring this type of transaction.

In securitization, rather than establishing a condominium with publicly offered shares (as seen with FIDCs), the process is facilitated by a securitization company authorized by the CVM, which provides receivables certificates secured by credit rights.

R\$ 41.3

billions issued of CRA in 2024

R\$ 59.8

billions issued of CRA in 2024

Source: Anbima.

At present, several companies are providing products that closely resemble securitization by issuing virtual assets recorded in decentralized networks. These products are known as receivable tokens or “digital fixed income.”

Due to the ambiguity surrounding the classification of these tokens as securities, they have been made available either by securitization firms or via electronic participatory investment platforms (**crowdfunding** platforms), which are governed by CVM Resolution No. 88/2022.

From ICOs to digital fixed income

If an asset is offered to the public and creates an expectation of economic benefit for its buyers, such that the outcome relies on the efforts of individuals other than the purchasers, we are addressing a security, as defined by art. 2, IX of Law 6,385/1976.

The nature of the transaction remains irrelevant, whether it involves the sale of a farmland with a shared obligation for cultivation and profit distribution, as exemplified by the North American case SEC vs. Howey & Co., which led to the establishment of the **Howey test**, or a token recorded on a blockchain.

In this situation, it is necessary for both the issuer and the public offering to secure registration with the CVM. Additionally, there is an obligation to engage in organized markets and adhere to the standards of market infrastructure, which include bookkeeping, custody, centralized deposit, registration, clearing, and settlement.

Following the surge of initial coin offerings (ICOs) in 2017, the CVM has released multiple alerts (**stop orders**) indicating that specific companies and individuals have offered tokens that essentially qualify as securities. Consequently, it is necessary to register the issuer and the public offering or, at the very least, seek an exemption from registration.

Receiving a stop order from the CVM brings significant repercussions, as it leads to reputational harm among investors and partners, resulting in challenges when attempting to finalize transactions in the capital market.

In its efforts to engage with the market, CVM has undertaken initiatives like the Financial Innovation Laboratory (**LAB**) and, more recently, the Center for Regulation and Applied Innovation (**CRIA**) to gain insights into the business models, risks, and controls established by participants.

Follow regulatory developments



Receivables tokens

When publishing **CVM/SSE Circular Letter No. 04/2023**, the CVM clarified that several receivables or “digital fixed income” tokens have characteristics that bring them closer to securities, or, at least, their structuring resembles securitization operations.

According to the CVM, fixed income tokens have the following usual characteristics:

- They are made available to the public via “exchanges,” “tokenizers,” or alternative methods; They offer fixed, variable, or mixed returns to the investor;
- They could be representative, associated, or supported by credit rights or debt securities;
- Interest and amortization payments to the investor stem from the cash flow generated by one or more credit rights or debt securities.
- The credit rights or debt securities represented by the tokens are assigned or issued in favor of the final investors or third parties acting as “custodian” of the collateral on behalf of the investors.
- The compensation is determined by a third party, which may include the token issuer, the transferor, the structurer, or any agent involved in the operation.



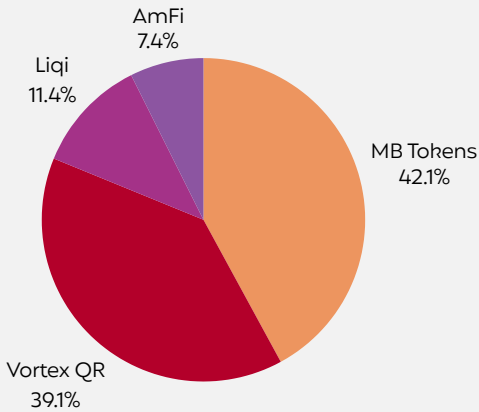
Crowdfunding

Rather than banning the issuance of these tokens or mandating the registration of the issuer and offering (which would incur excessive costs and render their issuance impractical), the CVM suggested the option of utilizing crowdfunding offers, presently regulated by CVM Resolution No. 88/2022, for companies outside the autarchy's regulatory sandbox.

Within this framework, the fundraising **cap** is set at **R\$15 million**, with a maximum duration for offerings of **180 days**. The success of the offering hinges on raising two-thirds or more of the target amount. Investors who qualify (those with over R\$1 million to invest) or individuals with an annual gross income or financial investments exceeding R\$200,000 are permitted a greater investment limit per offering. Retail investors are permitted to invest up to R\$20,000.

Although the regulatory update is still pending, CVM/SSE Circular Letter No. 06/2023 has provided some relief by permitting the establishment of segregated assets and enabling tokenizers to bypass certain quantitative limits of the crowdfunding standard.

Offers in 2023



R\$ 542

million in assets were tokenized in Brazil in 2023, according to CoinTelegraph.

Regulatory Sandbox

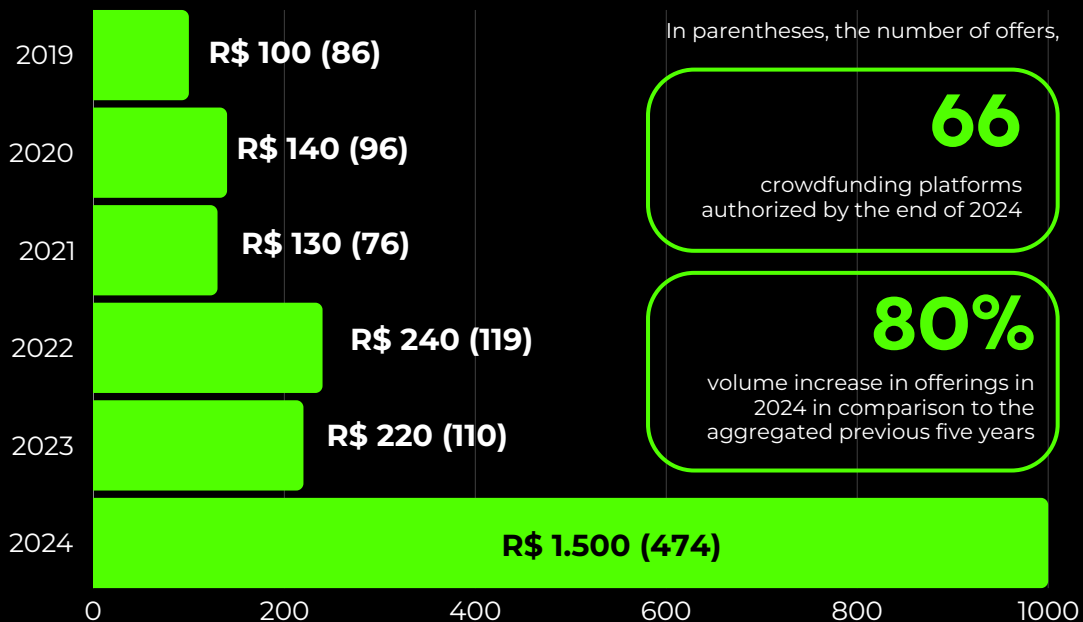
Emissions via CVM sandbox. (InfoMoney).

	Projects	Captured volume
BEE4	4	26 million
VORTX QR	5	212 million
estar	84	21 million

R\$ 1 billion

was the volume of tokens offered to the public between 2019 and the end of 2023, according to InfoMoney.

Raising R\$ million via crowdfunding



Source: CVM. Economic Bulletin 104 (Dec/24).

Virtual Assets and the Central Bank

While cryptoassets were designed to eliminate intermediaries in transactions and provide resistance to third-party interference, particularly from the State, the challenges in managing ownership of these assets and the intricacies of various business models have resulted in the rise of numerous service providers. These include trading platforms known as exchanges, stablecoin issuers, tokenizers, custody providers, wallet applications, manufacturers of wallet devices, and decentralized finance (DeFi) service platforms, among others.

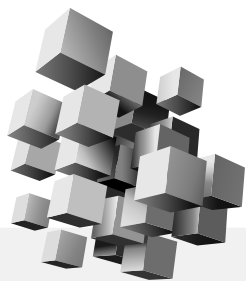
The debate surrounding the regulation of this market entails establishing guidelines for the behavior of service providers and the essential criteria they must meet to engage in their activities. This aims to reduce risks to financial stability and protect investor-consumers from potential harm caused by operational failures, market manipulation, breaches of fiduciary duties, and other related issues.

Legal Framework

Law 14,478/2022 establishes the Legal Framework for Virtual Assets in Brazil. The standard applies to virtual asset service providers, which are defined through an exemplary list that includes activities such as the purchase and sale of virtual assets, as well as exchanges between these assets and fiat currency, along with other services specified in the standard.

Consequences

The primary practical outcome is the necessity of obtaining prior authorization to perform the activity. Upon authorization, these service providers will undergo inspection and may face penalties, and they will be classified as financial institutions for criminal purposes. It is essential for them to report any suspicious money laundering activities to COAF.



Public Consultation

At the end of 2024, the Central Bank released three public consultations with draft rules on the duties of virtual asset service providers, authorization and stablecoins.

Exclusion criteria

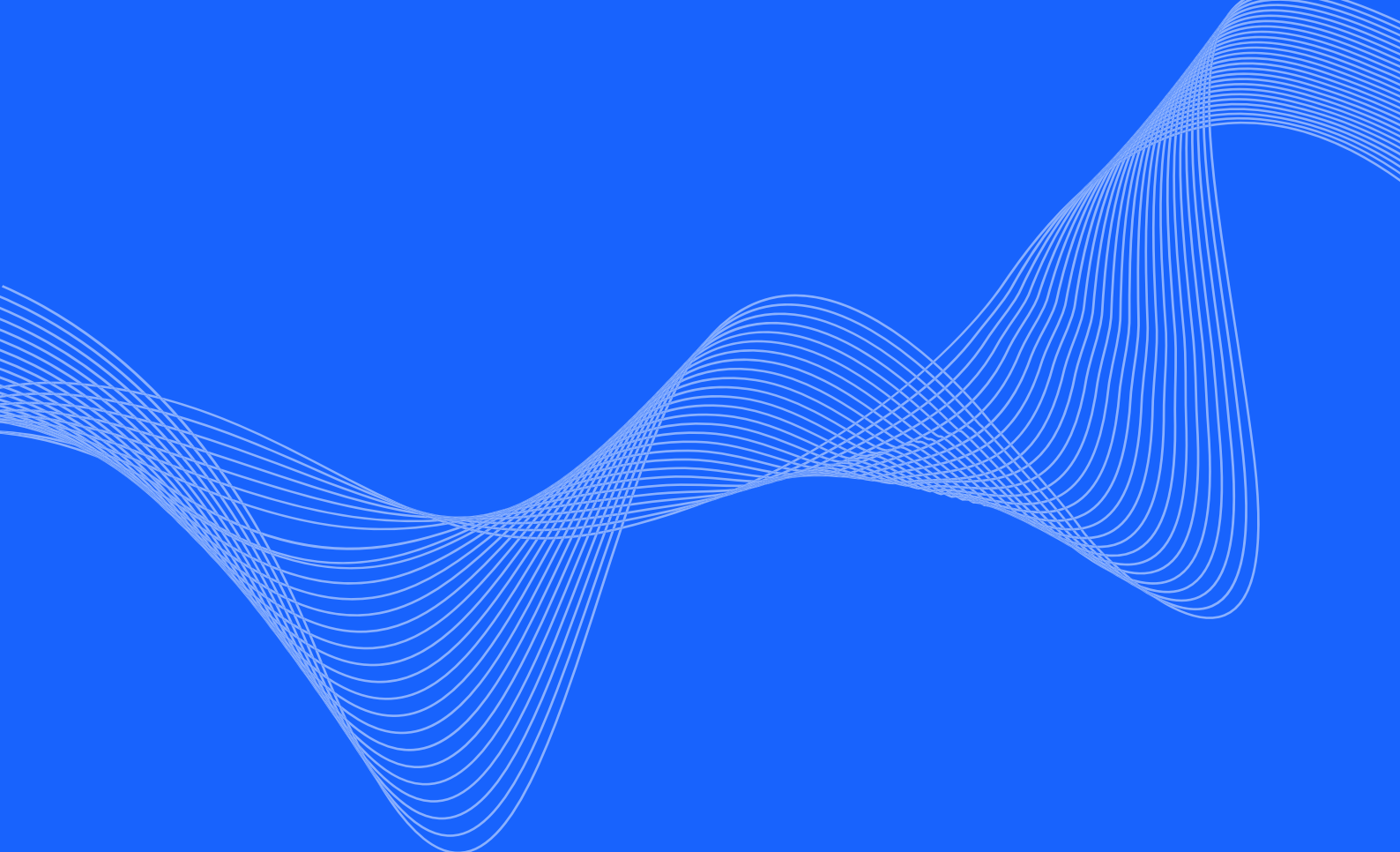
Non-fungible tokens (NFTs), tokenized financial instruments (e.g. credit rights, bank bonds and securities) and tokenized movable and immovable property, “even if designed for investment purposes”, will not be considered virtual assets.

Intermediation

A category of virtual asset service that encompasses distribution, purchasing and selling on its own account or on behalf of others, margin account activities, liquidity provision, and subscription to virtual asset offerings.

Custody and Brokerage

Custody refers to the secure management and oversight of the virtual asset on behalf of the client, along with the tools that influence the exercise of ownership of the asset. Brokerage includes the comprehensive delivery of intermediation and custody services.



3

Case Studies





Tokenization of agricultural commodities

In July 2024, there was a repositioning of the brand, with the creation of the Justoken group, in which the area focused on agriculture will continue to be called Agrotoken, and will be a business sector alongside the blockchain registration operations of land (Landtoken), livestock (Pectoken), energy (Enertoken) and sustainability (Sayky).

The company operates as a payment service provider that leverages blockchain technology to enhance a practice already in use: farmers, for instance, utilize grain as currency to purchase cars or other goods, settling transactions with bags of soybeans. Essentially, it entails the issuance of stablecoins backed by agricultural commodities.

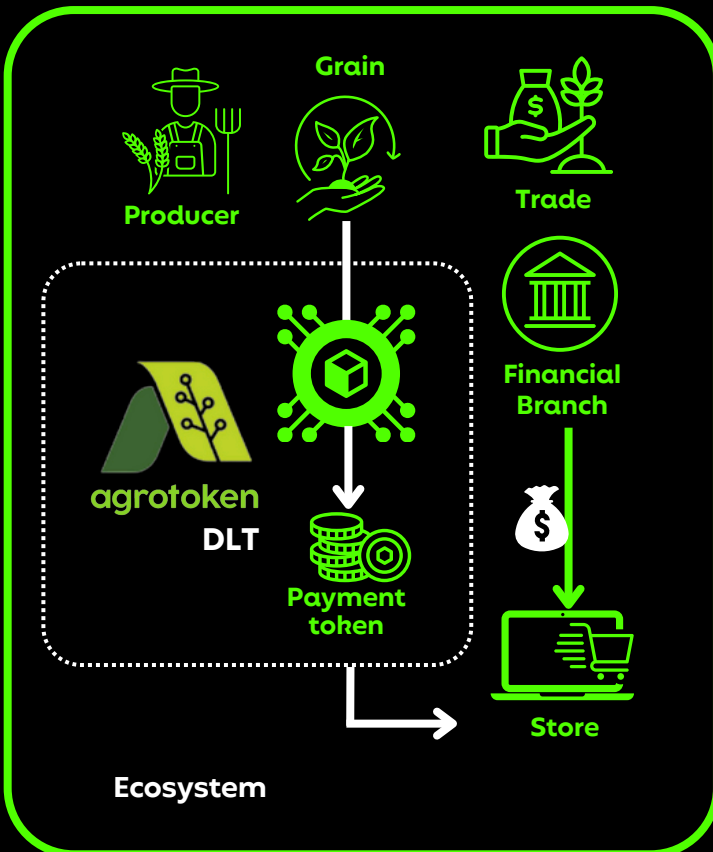
Agrotoken was established in Argentina in 2020 and expanded to Brazil in 2022, providing technological solutions for financing agribusiness.

Its whitepaper describes itself as “the first grain tokenization platform and the gateway for agribusiness to the world of cryptoeconomics.”

The company has collaborated with Visa to provide a prepaid card, with its balance derived from the digital representation of the produced commodity. The supplier receives payment in fiat currency. Agrotoken has formed a partnership with Broto, the digital agribusiness platform of Banco do Brasil.

Grain that has been delivered and grain that is yet to be delivered can both be tokenized. The Agrotoken ecosystem includes the producer, who benefits from the issued tokens, grain buyers (cooperatives or traders), institutions that offer financial support (financial institutions, credit fintechs, securitization companies), and resellers, such as the fertilizer industry, silos, and machinery that accept grains as payment.

The company engages in discussions with rural producers to determine the potential applications of tokens as a payment method. This marks an important advancement for individuals seeking to digitize barter transactions or for those who faced challenges in doing so because of technical issues. The procedure includes the digitization of documents and the division of Rural Product Notes (CPR).





Connects originators and investors

The company caters to both originators—fintechs, asset holders, and companies that provide credit and advance receivables—and investors, including institutional investors through private offerings. These offerings can be executed without the need for a settling bank, which represents a significant advantage and cost-saving measure.

For investment funds to obtain a tokenized security, they are required to deposit it in a central depository that is authorized by the CVM. Laqus is presently the partner of Amfi for the deposit of securities.



Blockchain technology enhances access to investments with greater potential for profitability by lowering transaction costs and removing intermediaries. Specifically, asset tokenization lowers operational and structuring expenses for credit originators. Investors can benefit from these savings through more appealing returns.

Paulo David, CEO of Amfi - Exame



Amfi serves as a platform that links originators with investors utilizing blockchain technology. The company offers solutions for structuring and issuing financial products and services utilizing DLT, emphasizing receivables and credit instruments, including trade notes, payment arrangement receivables, court orders, CPR, CCB, and commercial notes.

In October 2023, Amfi executed a real estate financing operation in collaboration with Netspaces, as reported by Blocknews, where investors obtained tokens of a Bank Credit Note (CCB). The tokens that signify the property provided as collateral were secured in the buyer's wallet. As payments are made, the collateral is released, and the income is distributed to investors. The operation's primary benefit is its swift completion time, requiring only a few minutes.

Following the approval for operation as a crowdfunding platform in September 2023, it formed a partnership with fintech Stockash, known for its expertise in offering liquidity for shares in technology firms. The initial offering occurred in January 2024, generating R\$215,000 in tokenized commercial notes with an annual rate of 26.68% and a duration of 23 months, issued by a holding company that owns shares in the startup EducBank.

A remarkable operation involved the tokenization of straightforward agribusiness debentures in collaboration with the E-ctare platform, successfully raising R\$10 million at a CDI rate plus 5.5% annually, with a duration of 36 months.

Amfi handles the distribution of tokenized invoices originating from Nuclea Chain. Broadcast reports that this is the inaugural web3-focused product from Nuclea, a privately held company that collaborates with 48 banks and is accountable for all bill registrations and the majority of debit and credit card transaction settlements in Brazil.

Paulo David, CEO of Amfi, informed Valor that the cost of capital decreased by 17% for the product, while structuring expenses saw a reduction of 35%.

BlockBR provides solutions that enable transaction structurers, independent agents, funds, investors, and other participants in the regulated market to engage in tokenization. The infrastructure is regarded as a “flooring,” while the token serves as a “vehicle for liquidity.”

With the Whitelabel platform, clients can create their own tokenized asset offering environment. This solution includes the provision of client-branded technology, back-office system and management of structured assets via tokenization, as well as:

- Integrated KYC/AML for investor user compliance,
- system open to integrations and ready for banking;
- 2FA security and anti-phishing protection;
- use of crowdfunding platform license to offer tokenized securities;
- other modules such as exchange and secondary market, legal and suitability.

The Station AI product is a Debt Capital Markets (DCM) as a Service solution for offices, managers and large originators, allowing the structuring of assets without the need to become a broker.

The Management platform offers a dashboard for investment advisors and offices to connect to digital asset offerings, with guarantees processed by a fiduciary agent and asset segregation solutions.

The company collaborates with Okcygenio, a specialist in carbon credits. BlockBR has developed a module to buffer issued carbon credits and perform tokenization, ensuring transparency and legal security, currently with 616 thousand hectares in operation.

Other initiatives include a tokenized platform for consortium token sales and management solutions for real estate developers.

BlockBR also launched the T-Propt fund, in which fractions of luxury real estate timeshares are sold as NFTs.



Infrastructure for tokenization

R\$ 630 million

in tokenized assets by
October 2024

up to 70%

reduction in structuring
costs

The company uses technology to reduce the operational costs of issuing and distributing financial products, creating a language to enable dialogue between these market participants.

BlockBR has released a Guide on Tokenization for Beginners, according to which tokenization is a process that can be divided into four steps:



Structuring

Due diligence on suitability and regularity of the asset to be tokenized, risk analysis, preparation of a contract providing for the rights of token holders.

Emission

Creation of smart contracts on a blockchain network for the digital representation of the asset.

Listing / Distribution

Offering on a platform, under current regulations, with the acquisition of tokens by investors.

Governance

Management of the life cycle of the relationship between investors and the company issuing the tokens, with the exercise of the rights provided for in the contract.

BTG Pactual, one of the largest investment banks in Latin America, has been leading initiatives in the Brazilian cryptoeconomy with a strategic and innovative approach.

BTG launched an innovative initiative with the ReitBZ token, which is supported by real estate receivables from properties based in Brazil, exclusively available to institutional investors outside the country. In May 2019, the token was introduced, successfully raising R\$23 million and achieving an average yield of 137.5% of the CDI until the operation concluded in February 2023. About R\$4 million was distributed to investors across three cycles of dividend payments.

In 2023, BTG introduced the Mynt platform, enabling the general public to engage in crypto asset trading services.

In 2024, the bank also introduced BTGDOL in collaboration with Circle, a token designed to simplify the dollarization of investments and assets, providing easy access to currency exposure. This approach caters to investors looking to diversify their portfolios as well as companies aiming to shield themselves from currency fluctuations.

Exame, a company controlled by BTG, has played a significant role in sharing content related to projects and the evolution of the crypto market in Brazil and globally through its Future of Money editorial section.

The bank's growth in the cryptocurrency sector in Brazil has been aligned with the development of regulations in the nation. The products developed are linked to those available at the bank's desk, enhancing the alternative investment portfolio.

As technology advances, new experiments are underway focusing on continuous quality monitoring and risk segregation, particularly regarding the on-chain/off-chain connection. As new use cases emerge, market participants are anticipated to gain a clearer understanding of the scenarios where blockchain technology can be applied, enabling them to create innovative products.

mynt
BTG Pactual

Pioneering among banks

The design and structuring of products involves an exploration of blockchain technology, which offers enhanced efficiency, liquidity, control, and transparency in bookkeeping, custody, and securitization activities. This approach provides notable advantages in governance and due diligence when compared to traditional operations.

The democratization of access to the capital market via digital asset offerings is anticipated to decrease the cost of capital for companies in need of resources and to lower operational costs for intermediaries, addressing longstanding technological and regulatory constraints within financial market infrastructures.



It is essential for banks and financial institutions to incorporate blockchain technology into their existing systems. Regulatory action is necessary beforehand to ensure clarity. It is recognized that [tokenization] represents a novel infrastructure, technology, and domain of operation. It is essential for these institutions to interact with crypto in order to facilitate widespread adoption.

André Portilho, head of Digital Assets and partner at BTG Pactual - Exame





Infrastructure for web3

Its main product is a software wallet but the company also offers a hardware wallet and a trading platform.

4 million

of Klever software wallet users

190

countries with users of the product

Klever is a technology company focused on providing infrastructure and support for projects in the context of web3.

Klever employs blockchain technology to guarantee the integrity of data and transactions, extending its applications beyond the financial market to include sectors such as energy, healthcare, logistics, music, identity verification, gaming, and agribusiness. The company's technology component is more pronounced, positioning itself as a techfin rather than a fintech.

The company has created the Klever Chain layer-one platform, allowing for the development of decentralized applications (dApps) with minimized programming time. The Klever Virtual Machine enhances the execution of smart contracts by offering faster processing speeds and lower transaction costs.



Alternative investments and technology

Nexa Finance functions in three key areas: the origination and selection of assets, which sets it apart due to its market experience; resource management; and the structuring of operations along with subsequent distribution. It also provides a portfolio management system, Nexa Copilot, for monitoring hybrid investments.

Brazil
Tokenization
Report 2024

THE FUTURE IS NOW



Recently, Nexa Finance released the Brazil Tokenization Report 2024, together with FIntreender.

Nexa Finance serves as an alternative investment platform, leveraging its expertise as a resource manager alongside innovative technology solutions. The company leverages blockchain technology to lower expenses and enhance the investor experience, making financial products more accessible to everyone.

The assets that have been tokenized include private credit and fixed income instruments, which were previously chosen and obtained by the manager. The technology has been developed internally. Currently, the company has exclusively conducted private offerings aimed at managers, family offices, and investment advisors.

The team comprises professionals from various disciplines, equipped with expertise in financial markets and technology. They are certified individuals with considerable experience in the market, having previously served in family offices and asset management firms catering to sophisticated investors.

Brazil stands out as an excellent country for the company to engage in the digital assets sector. The forthcoming regulation is set to enhance legal security and legitimacy within the cryptoeconomy, fostering greater maturity among platforms and promoting the selection of higher quality assets.



Credit Rights Investment Token

R\$ 250 million

issued in receivables tokens, duplicates, commercial notes and bank credit notes (CCB) since 2021.

Despite the progress made, the model encounters considerable obstacles in reaching a larger scale, particularly in retail offerings. This is largely due to a lack of legal clarity, cultural challenges, including the narrow understanding among institutional and retail investors regarding the advantages of tokenization, and insufficient liquidity in the secondary market.

Actors in a FIDC transaction

- Credit owner
- Investor
- Structurer
- Distributor
- Trustee
- Asset manager
- Custodian
- Collection agent
- Independent auditor
- Rating agency



The TIDC project – Credit Rights Investment Token, created by Liqi, aims to streamline and lower the expenses linked to conventional credit rights operations, like Credit Rights Investment Funds (FIDCs), providing a groundbreaking alternative grounded in blockchain technology.

FIDCs are commonly utilized in Brazil, yet they possess a complicated and expensive framework. These operations necessitate multiple specialized service providers.

The presence of numerous actors leads to elevated expenses and complex bureaucratic procedures. The tokenization of credit rights streamlines this process, minimizing intermediaries, automating procedures via smart contracts, and lowering transaction expenses.

The TIDC was organized by Itaú BBA and included the tokenization of credit rights derived from corporate receivables advance operations, assigned by SB Crédito. In this model, businesses transfer their receivables to gain immediate liquidity, while investors obtain tokens that signify portions of these credit rights.

During the operation, Oliveira Trust handled the validation, management, and custody of the credit rights, ensuring the correct establishment and registration of the collateral for the issued tokens, thereby offering transparency and legal security to investors. The organization also managed the bank accounts associated with the payments of the credit rights.

The tokens were issued on the blockchain, directly representing the credit rights, and were obtained by Itaú as the exclusive investor. Payments were executed using stablecoins backed by reais, facilitating both the acquisition of the tokens and the payments to the companies that originated the credit rights, thereby completing the operation cycle with enhanced efficiency and speed compared to traditional structures.

MobiUp is a software house specializing in web3 solutions, with experience in projects within the electricity sector (including project financing and surplus registration), the real estate sector, as well as in the anticipation of receivables and the tokenization of Rural Product Notes (CPR).

Established in 2008, the company has focused on digital transformation, incorporating emerging technologies like blockchain and artificial intelligence to develop secure and effective products.

The potential of blockchain technology for the company extends well beyond the realm of cryptocurrency. The distributed registry guarantees process efficiency and trust, enabling the development of digital products. Possible solutions to consider include, for instance, utilizing blockchain technology for the registration of intellectual property and tracking vehicle maintenance history.

In this regard, it is essential to inform the market about how blockchain can serve as a foundational infrastructure to enhance efficiency, collaborating to recognize that these are not just speculative assets.

MobiUp introduced a "white-label" tokenization tool in July 2024, enabling other companies to provide tokenized assets in compliance with CVM regulations.

Mobiup not only engages in projects and partnerships but also invests in the training of professionals through specialized courses, including Blockchain for Devs, which targets developers seeking to specialize in blockchain technology. Through a practical approach led by industry professionals, students can engage in real projects and investigate the possibilities of emerging technologies.

The logo for Mobiup, featuring the word "mobiup" in a bold, lowercase sans-serif font, followed by a red square icon containing a white stylized 'M' shape.

White label tokenization for enterprises

MobiUp has been acknowledged as the sole company in the web3 sector to earn the Innovative Workplaces 2024 award from MIT Technology Review Brazil, distinguished for its creative approach to product management and development.

The company distinguished itself by securing victory in the "Web3 Hackathon: Tokenization of the Union's Assets," organized by the Secretariat for Coordination and Governance of the Union's Assets (SPU) within the Ministry of Economy. Mobiup introduced a platform that enables the trading of crypto assets through a "tokenized Pix," enhancing transaction efficiency and promoting transparency in purchasing processes.

Since 2021, netspaces has been dedicated to recreating the essential components for all types of real estate transactions in a digital environment, encompassing credit and administration.

Regarding Netspaces, the documentation available on its website indicates that one company is tasked with managing the platform for the buying and selling of virtual assets, while a second company owns the properties whose fractions are issued as tokens.

Investor protection is established through the company's unique governance structure and the segregation of assets from the platform. This ensures that the purchase, sale, and encumbrance of its owned properties cannot occur without the consent of the token holders. In theory, these assets remain insulated from the platform's social obligations.

The registration of the tokenized property reflects the presence of tokens representing fractions of the property, establishing a legal relationship between the token holders and the issuing company, which is the owner and subject to the Digital Property Regulation.

After the digital property is established, negotiations will occur on the Netspaces platform, and the distribution of usage rights and income will align with the ownership proportions of each party.

The tokens reside within the holder's digital wallet. Additionally, the tokens could potentially be utilized as collateral for credit operations, which would not be a straightforward process when using the property for this purpose.

Token holders bear the responsibility of settling taxes, fees, and other obligations linked to the property, in line with the share of digital property they possess. The responsibility to enforce these obligations lies with the owner company. If a holder's debt surpasses 5% of the property's value, a special liquidation procedure may be initiated, which involves an auction of the debtor's tokens.



Digital Real Estate

Real estate tokenization aims to simplify the process of acquiring real estate or portions of it, enabling investments in the sector and facilitating the collection of funds for real estate initiatives.

Digital property establishes a framework that lowers costs, enhances transparency, and simplifies operations for real estate transactions, allowing them to occur instantly and be facilitated by platforms. A digital real estate transaction arises, existing alongside the notary offices while being bolstered by them.



Tokenization of receivables

R\$ 1 billion

is the target of your asset portfolio for 2025

25 thousand

users registered on the platform

The company highlights the transformative potential of crowdfunding platforms in the Brazilian capital market, especially after the regulatory interpretations brought by CVM Circular Letters SSE No. 04 and No. 06, published in 2023.



Tokenizing credit assets in a compliant way draws in a greater number of investors. I am confident that this will enhance the reputation of small and medium-sized companies. Our platform is designed to forecast receivables for small businesses that would otherwise be unable to tap into the capital markets directly.

Gustavo Blasco, CEO of GCB Group - Valor



PeerBR is the tokenization and alternative investment arm of the GCB group and is authorized by the CVM to operate as a crowdfunding platform. The tokens offered represent credits originated in GCB group operations, especially duplicates.

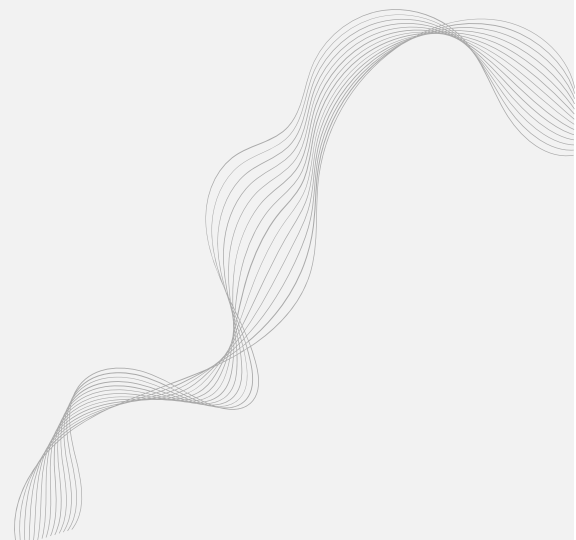
PeerBR was the first receivables tokenizer to be regulated by the CVM, and in less than a year since its regulation, it reached more than R\$410 million in private credit assets issued via crowdfunding in 2024 alone.

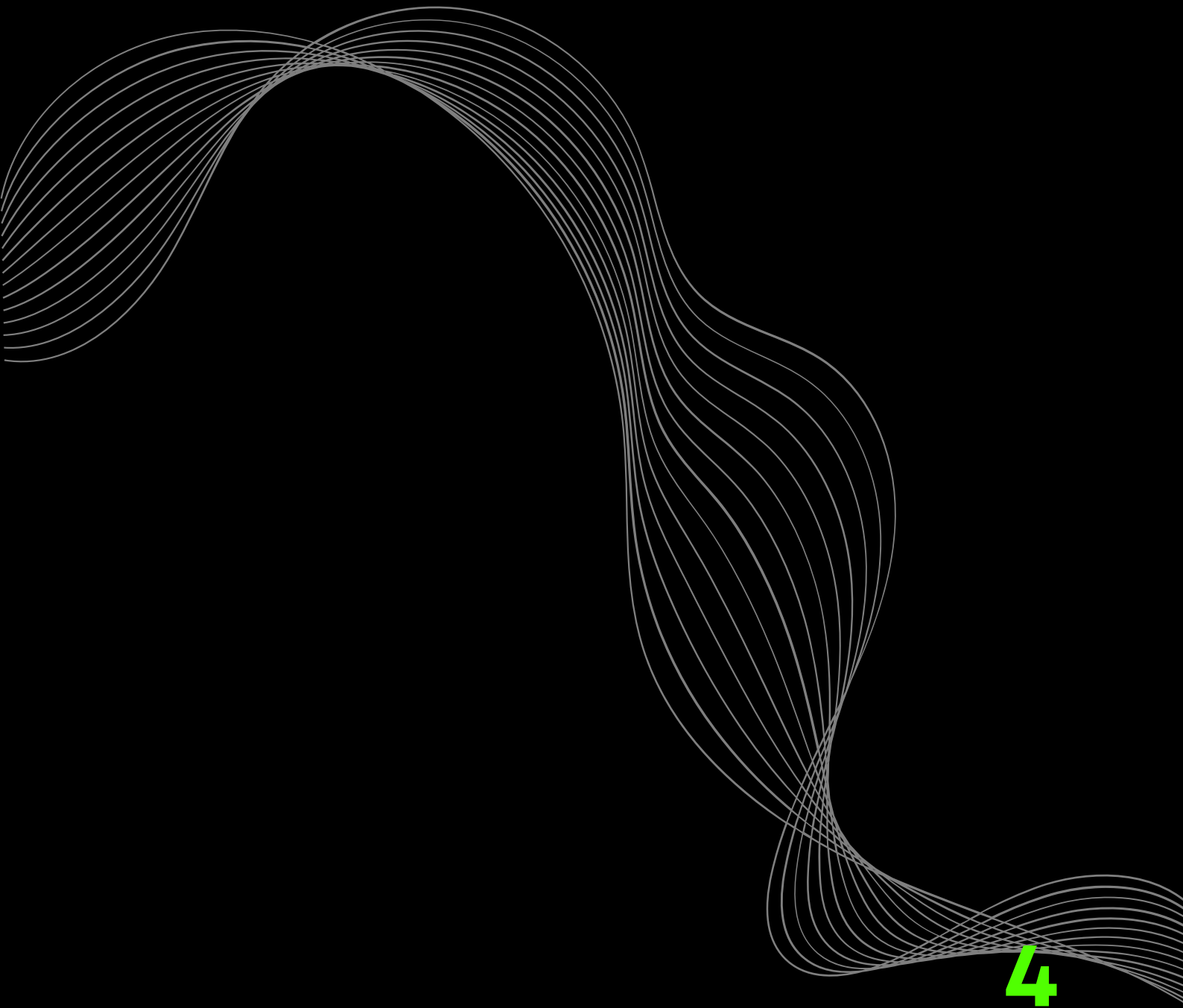
PeerBR highlights that its differentials are, in addition to more attractive returns than traditional fixed income investments, it carefully curates projects to guarantee the return promised to investors.

Tokenization, in this case, is not as widely publicized in the company's promotional material, being used especially to reduce issuance costs and, therefore, improve the efficiency and profitability of the distribution process, as well as increase returns to investors.

In the process of tokenizing electronic invoices generated by fintech *Adiante Recebíveis*, also part of the GCB group, the invoice and the assignment contract are digitally signed in a process that is available to users 24 hours a day, 7 days a week.

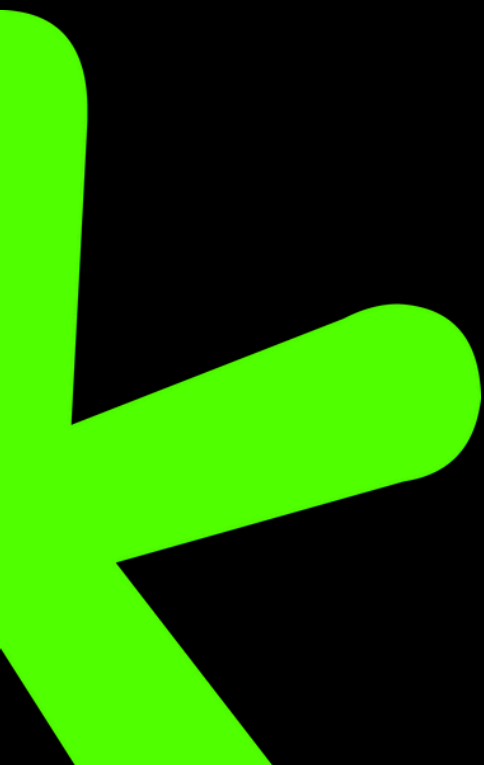
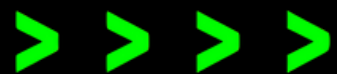
The PeerBR platform also offers the negotiation of other products, such as court orders, judicial receivables, consortiums and cryptocurrencies.





4

A look ahead





Decentralized technologies can transform the financial market.

The sharing of data among banking systems has the potential to enhance **competition** within the **credit** and **payments** sector. Additionally, improved **interoperability** in market infrastructure services could fundamentally transform the securities distribution system in our country, potentially **reducing or even eliminating certain intermediaries**.

Innovation has the potential to **lower the operational costs** associated with structuring securities issues and the workings of financial institutions. This can lead to **higher returns** and **broaden market access** for a larger number of **investors** and **companies** seeking financing.

Additionally, fostering competition in the capital market could be achievable, as the infrastructure would be shared (including user registration and ownership control of securities), complemented by **programmable clearing and settlement**, along with **delivery versus payment** in accordance with the **digital real project (DREX)**.

The presence of various exchanges within the country, along with the trading of identical assets across multiple global exchanges (as seen with cryptocurrency exchanges), could become a **standard** practice, likely enhancing **liquidity** and broadening the **investor base** beyond national boundaries.

Technology and **regulation** serve as tools for **innovation**, fostering the creativity of market participants. **Regulation** is not about **denying** possibilities; it is about creating **secure pathways** that lead us to affirmative outcomes.



The growth of the cryptoeconomy can aid in the flow of credit, provided that suitable measures are taken to maintain financial stability and protect investors.

abcripto*

Whatsapp

55 11 94483-1008

Email

contato@abcripto.com.br

Site

www.abcripto.com.br

Site

1641 Rua Cardeal Arcoverde - Block 103/104,
Pinheiros - Sao Paulo - SP - Zip Code 05407-
002

Follow our news on social media!

