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IOSCO publishes Final Report on Financial Asset Tokenization

The International Organization of Securities Commissions (IOSCO) today published its [Final Report \(“Report”\) on the Tokenization of Financial Assets](#).

The financial sector has been actively exploring distributed ledger technology (DLT) to deliver services and tokenize financial assets. While tokenization may enhance efficiency and transparency, it also introduces new risks — or amplifies existing ones — that regulators must understand and address to protect investors.

The Report seeks to build a shared understanding among IOSCO members of how tokenization is being adopted across capital markets and how regulators are responding. It examines potential implications for market integrity and investor protection to guide members in shaping effective regulatory responses.

Developed by IOSCO’s **Fintech Task Force (FTF)**, the Report draws on IOSCO’s analyses of commercial use cases (such as tokenized money market funds and fixed income instruments), and extensive stakeholder engagement through industry and academic roundtables. These inputs provided a comprehensive view of market practices, regulatory approaches, and challenges in financial asset tokenization.

Key Findings

- **Tokenization is growing but remains nascent.** Commercial interest is rising, but adoption is still limited. Interoperability challenges and the lack of credible settlement assets hinder scalability.

- **Efficiency gains are uneven.** Tokenization can shorten settlement cycles and improve collateral mobility, but many market participants still rely on traditional infrastructure for trading and post-trade processes.
- **Risks are familiar but evolving.** Legal uncertainty, operational vulnerabilities, and cyber risks mirror existing risk categories but manifest differently under DLT, requiring tailored risk controls.
- **Regulatory approaches vary.** Some IOSCO members apply existing frameworks; others have issued new guidance, sandbox programs, or bespoke requirements.

Consistent with the principle of “*same activities, same risks, same regulatory outcomes*”, IOSCO encourages regulators to consider applying its [Policy Recommendations for Crypto and Digital Asset Markets](#) and [Policy Recommendations for Decentralized Finance](#) in the context of tokenized financial assets.

“This report reflects our commitment to understanding emerging technologies and their impact on global capital markets. As tokenization continues to evolve, this report provides timely insights into its adoption, associated risks, and the regulatory considerations related to market integrity and investor protection. It also contributes to IOSCO’s analysis of financial innovation by identifying shifts in market roles and infrastructure models that are emerging in tokenized financial assets.”

- ***Jean-Paul Servais***, *Chair of IOSCO’s Board*

“This report underscores IOSCO’s and the Fintech Task Force’s commitment to developing a deep understanding of real-world tokenization applications and challenges. Through its analysis of lifecycle activities and emerging risks, it equips IOSCO members with insights to navigate evolving market structures while safeguarding market integrity and investor protection. Although adoption remains limited, tokenization has the potential to reshape how financial assets are issued, traded, and serviced. Members developing regulatory approaches for tokenized financial assets would find it useful to refer to the Policy Recommendations for Crypto and Digital Asset Markets and the Policy Recommendations for Decentralized Finance.”

- ***Tuang Lee Lim***, *Chair of IOSCO’s Board-Level Fintech Task Force*

Notes to Editors

1. IOSCO is the leading international policy forum for securities regulators and the global standard setter for financial markets regulation. It develops, implements and promotes adherence to internationally recognized standards for financial markets regulation and works closely with other international organizations on the global regulatory reform agenda.

2. The Organization's membership regulates more than 95% of the world's securities markets in some 130 jurisdictions. By providing high quality technical assistance, education, and training, IOSCO supports its members to come together to achieve the following three objectives:

- Enhance investor protection;
- Ensure markets are fair and efficient; and
- Promote financial stability by reducing systemic risk.

3. The IOSCO Board is the governing and standard-setting body of IOSCO and is made up of 35 securities regulators. Mr. Jean-Paul Servais, the Chair of Belgium's Financial Services and Markets Authority (FSMA), is the Chair of the IOSCO Board. Shigeru Ariizumi, Special Advisor to the Minister of State for Financial Services, Financial Services Agency, Japan; and Dr Mohamed Farid Saleh, Executive Chairman of the Financial Regulatory Authority, Egypt; are the Vice-Chairs of IOSCO Board.

4. The Growth and Emerging Markets (GEM) Committee is the largest Committee within IOSCO, representing more than 75% of the IOSCO membership, including ten of the G20 members. Dr Mohamed Farid Saleh is Chair of the GEM Committee. The Committee unites members from growth and emerging markets and communicates their views at other global regulatory discussions.

5. IOSCO counts four regional committees: (1) Africa / Middle-East (AMERC), chaired by H.E. Waleed Saeed Al Awadhi, Chief Executive Officer, Securities and Commodities Authority, United Arab Emirates; (2) Asia & Pacific (APRC), chaired by Ms. Julia Leung Chief Executive Officer of the Hong-Kong Securities and Futures Commission; (3) European Regional Committee (ERC), chaired by Mr. Jean-Paul Servais; and (4) Inter-American Regional Committee (IARC), chaired by Ms. Lucia Buenrostro Vice President of Regulatory Policy at the Mexican Comisión Nacional Bancaria y de Valores.

6. IOSCO's General Secretariat is headquartered in Madrid, Spain. The Secretariat supports and coordinates the work of IOSCO and is comprised of permanent staff and member secondees. It is led by Rodrigo Buenaventura who was appointed IOSCO's Secretary General in January 2025.

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