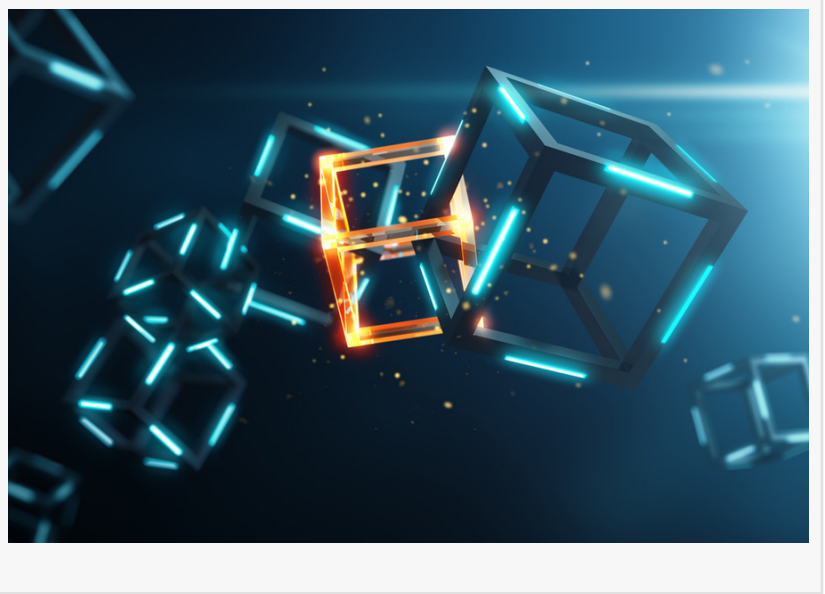


Cité Gestion Stock Tokenization; MetaTdex Token-Stock Linkage Becomes Consensus Among Financial Institutions

DUBAI, UNITED ARAB EMIRATES, January 27, 2023 /EINPresswire.com/ -- Swiss private bank Cité Gestion is using blockchain technology to tokenize its shares, according to Coindesk . The concept of token-stock linkage proposed by [MetaTdex](#) , and Cité have also started the practice in the banking field. According to the statement, Cité's tokenized shares will be issued in partnership with digital asset firm Taurus, marking the first time a private bank has issued shares in the form of ledger-based securities under Swiss law.



What is stock tokenization?

Stock tokenization refers to the mapping of stock assets into blockchain assets, which means that investors can buy company stocks as crypto tokens. The digital assets of publicly traded stock prices can be tracked by tokenized stocks, enabling Web3.0 users to gain access to the stock market without leaving the exchange ecosystem.

Tokenization expands the ways in which people can own equity assets. Taking MetaTdex and Cité stocks as examples, equity tokens replace real-world stock assets so that ownership can be transferred immediately without financial infrastructure support such as bank liquidation and stock exchanges. This is a simple peer-to-peer technology implementation, and global users can hold the stock across borders, which can be regarded as a new strategy for enhancing stock liquidity.

Stock tokenization has been practiced for many years. Cryptocurrency exchanges such as Binance, FTX, and Bittrex Globa have provided trading services for stock tokens (such as Tesla) of listed companies. The Swiss bank Cité Gestion and the decentralized exchange MetaTdex have

jointly pushed this practice to a new level through their own stock tokenization. The former is a banking financial institution that regards asset reputation as a lifeline, and the latter is a crucial executive organization for the realization of equity token trading technology and standard formulation. Equity token trading is shifting from a centralized encryption service provider (CEX) to a more reliable decentralized exchange (DEX).

Regarding the future of stock tokenization, in MetaTdex's view, "Investments can become more diversified than before, making it possible to form stronger portfolios, spreading risk across a mix of tokenized and traditional assets and being able to create more diverse trading and investment strategies".

Stock tokenization has shifted from third-party anchoring to the behavior of listed companies themselves

Stock tokenization has not been authorized directly by listed companies in the past few years. Whether Tesla (TSLA) or Apple (AAPL) stocks can be traded on behalf of others, it's all based on technical third-party anchoring behaviors (such as encrypted exchanges, wallets), not stock issuer-related. The listed companies also try to distance themselves from tokenized stocks listed on the exchange or refuse to comment.

But with the prosperity of blockchain finance and the influx of institutional investors, all this is quietly changing.

On December 20, 2022, decentralized exchange MetaTdex announced at the "Web3.0 Brokerage DAO Conference" in Dubai that it would be listed in Hong Kong and open token-stock linkage through MetaTdex's own stock; on January 24, 2023, Swiss private bank Cité Gestion announced the tokenization of its shares.

There is no doubt that stock tokenization is gaining acceptance among some listed companies. They are also trying to clear open obstacles for equity tokenization in a compliant way, and have planned a sufficient risk management framework to ensure the safety of users' investment in token-stock linkage.

The tokenization of Cité Gestion shares was carried out according to the standards set by the Capital Markets and Technology Association (CMTA), a Geneva-based non-profit organization. When MetaTdex was preparing for listing in Hong Kong, it simultaneously completed compliance management in Dubai and became the first decentralized exchange to obtain a trading license from Dubai DMCC.

Banks are financial institutions that attach great importance to safety and reputation. The Swiss bank Cité dares to carry out stock tokenization practice. Monetization deepens confidence and attracts more linkages between listed companies and crypto assets.

Research on the Liquidity Empowerment of Stock Tokens

At present, the smart contract technology for stock tokenization is quite mature, and developers can quickly complete it on public chain infrastructures such as Ethereum, Polygon, Solana, BSC, and HECO. Improving the liquidity of equity tokens is the real challenge for exchanges and listed companies.

There are many topics related to liquidity, and any link will have an impact on the liquidity ecology. How do equity tokens and shares themselves coexist? How can on-chain and off-chain markets interoperate efficiently? Do stock token trading rules and timing refer to the stock market or the crypto market? How to promote the benign interaction between securities issuers, regulators, and equity tokens? Do equity tokens open boundaries for regions?

It can be seen that the financial model of equity tokens is closely related and deeply bound between the securities market and the crypto market. Standardized templates need to be explored in many fields to seamlessly integrate various communication channels and resources appropriately.

In the process of ecological construction of equity tokenization, MetaTdex has proposed various concept innovations such as meta-asset cross-chain bridge, currency-stock linkage, and Web3.0 broker DAO. Among them, Web3.0 brokerage DAO is a community force that improves the liquidity of equity tokens, and fully supports the spread of equity tokenization concepts, business expansion, and ecological construction.

Web3.0 brokerage DAO incorporates stock form assets into DAO member incentives, pioneering the dual incentives of tokens and stocks, which can realize large-scale division of labor and collaboration among members in different regions of the world. Decentralized resource allocation is realized through smart contracts, and users with various investment preferences (such as stocks and cryptocurrencies) can be linked so that the number of users of MetaTdex stock tokens can increase with benchmark guarantees and expansion momentum.

For Web3.0 users, equity tokens provide a reliable path for small stock markets, break through restrictions such as nationality and foreign exchange, save the asset scheduling cycle, and realize the income acquisition from "single-form asset investment" to "multi-dimensional asset investment" Psychological expectations of investment" deployment. The listing of the decentralized exchange MetaTdex in Hong Kong is creating a benchmark for token-stock linkage. MetaTdex tokenized its own stocks and realized on-chain transactions with crypto assets, successfully opened up the token-stock link, and innovated around the empowerment of stock liquidity, providing a reference for the stock tokenization of more high-quality listed companies.

The concept of MetaTdex token-stock linkage is becoming the consensus of various financial institutions because it allows traditional financial (TradFi) institutions to use blockchain technology to attract more investors. In the post-epidemic era, the global economy and financial markets are in a period of downturn or adjustment. Web3.0 brokerage DAO can empower the

liquidity of the stock itself, which is urgently needed by listed companies and the global stock market. Following Cité and MetaTdex, there may be more explorers in the tokenization of equity of listed companies in the future.

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