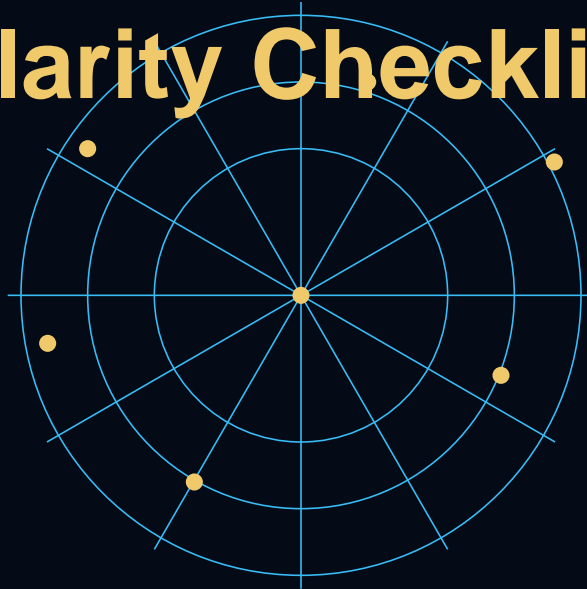


TOKENIZE THE WORLD

The Tokenization Clarity Checklist



A plain-English framework for evaluating what a token represents before you trust it, buy it, build it, or launch it.

EDUCATION FIRST. HYPE LAST.

Why this checklist exists

Tokenization should start with clarity, not hype. A token is only meaningful when the asset, rights, structure, technology, and lifecycle behind it are clear.

Simple rule: Before thinking about the token, ask what real asset, right, reward, record, access benefit, or claim the token is actually connected to.

How to use it

Work through the questions in order. If a tokenized asset cannot answer these questions clearly, that does not always mean the idea is bad - but it does mean the structure needs more work before people should rely on it.

The 12 clarity questions

Use these questions to evaluate whether a tokenized asset is clearly structured or still hiding behind buzzwords.

01 ASSET CLARITY

What is the asset?

Before thinking about the token, identify the real thing being represented. The asset may be physical, digital, financial, contractual, creative, or experiential.

Ask	Watch for
<ul style="list-style-type: none"> • What asset, right, reward, record, access benefit, or claim is connected to the token? • Can the asset be clearly described? • Who owns, controls, manages, or issues the asset? • Can the asset be documented or verified? 	<ul style="list-style-type: none"> • Vague asset descriptions • Missing documentation • Unclear issuer responsibility • Buzzwords instead of substance

Plain-English Test If you cannot clearly explain what the token is connected to, the token is not ready.

02 REPRESENTATION

What does the token represent?

A token is not automatically the same thing as the asset. It may represent ownership, access, proof, rewards, membership, licensing, redemption, or a record.

Ask	Watch for
<ul style="list-style-type: none"> • Does the token represent ownership? • Does it represent access? • Does it represent proof? • Does it represent a reward, claim, license, or membership? 	<ul style="list-style-type: none"> • Assuming every token equals ownership • Confusing access with ownership • Confusing proof with financial rights • Unclear holder benefits

Plain-English Test The most important question is: what does the token holder actually receive?

03 RIGHTS

What rights does the holder have?

The rights behind the token create the meaning. A serious tokenized asset should clearly explain what holders can and cannot do.

Ask	Watch for
<ul style="list-style-type: none"> • What can the holder do with the token? • What can the holder not do? • Can the token be transferred, redeemed, or retired? • Who enforces or honors those rights? 	<ul style="list-style-type: none"> • Undefined rights • Overpromising • No redemption rules • No explanation of limits

Plain-English Test A token with unclear rights is just a digital object.

04 **STRUCTURE**

What legal or operational structure supports it?

Tokenization does not remove real-world rules. The token should reflect the structure, not pretend the structure does not exist.

Ask	Watch for
<ul style="list-style-type: none"> • Are there terms of use? • Are there legal documents? • Are there transfer restrictions? • Are there compliance, tax, or redemption considerations? 	<ul style="list-style-type: none"> • No terms or disclosures • Ignoring securities or consumer rules • No operator responsibility • Technology used to hide missing structure

Plain-English Test Technology should reflect the structure. It should not replace the need for one.

05 VERIFICATION

How is the asset verified?

A tokenized asset needs trust. People need a way to know the asset exists, the rights are real, and the issuer has authority to connect a token to it.

Ask	Watch for
<ul style="list-style-type: none"> • How do we know the asset exists? • Who verifies the asset? • Where are records stored? • Are there documents, metadata, certificates, audits, or hashes? 	<ul style="list-style-type: none"> • No proof or documentation • No update process • Broken metadata • Unverified issuer claims

Plain-English Test Tokenization without verification can make confusion easier to spread.

06 INFRASTRUCTURE

Where does the token live?

The token needs infrastructure. It may live on a public blockchain, permissioned ledger, marketplace, custodial platform, private ledger, or hybrid system.

Ask	Watch for
<ul style="list-style-type: none"> • Is it on a public blockchain? • Is it on a permissioned ledger? • Is it inside a marketplace or custodial platform? • Does the user need a wallet? • Are gas fees required? 	<ul style="list-style-type: none"> • Technology chosen for hype • No wallet explanation • No fee explanation • No transfer or custody details

Plain-English Test The technology choice should match the asset, rights, users, and compliance needs.

07 CRYPTO ROLE

What role does crypto play?

Crypto may be useful infrastructure, but it is not always the source of asset value. Native crypto may be used for gas, settlement, or smart contract execution.

Ask	Watch for
<ul style="list-style-type: none"> • Is native crypto needed for gas fees? • Is crypto used for settlement? • Is a stablecoin used for payment? • Is the tokenized asset value separate from the network token? 	<ul style="list-style-type: none"> • Claims that tokenization automatically makes a crypto valuable • Confusing infrastructure fees with asset value • No explanation of transaction costs • No distinction between network token and tokenized asset

Plain-English Test Crypto can be valuable as infrastructure fuel, but the asset value comes from the asset, rights, demand, structure, and trust behind it.

08

WALLET & CUSTODY

How does the user hold or access the token?

User experience matters. A strong tokenized system should explain whether users need wallets, custodial accounts, recovery options, or platform access.

Ask	Watch for
<ul style="list-style-type: none"> • Does the holder use a wallet? • Is it self-custody or custodial? • What happens if access is lost? • Can the token be recovered? • Is the system easy for normal people? 	<ul style="list-style-type: none"> • No custody explanation • No recovery plan • Confusing user experience • Assuming all users understand wallets

<p>Plain-English Test</p>	<p>A tokenized system that normal users cannot understand or access will struggle.</p>
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09

TRANSFER & REDEMPTION

Can the token be transferred, sold, redeemed, or retired?

The token lifecycle must be clear. Transferability, redemption, liquidity, and retirement are different concepts and should not be treated as the same thing.

Ask	Watch for
<ul style="list-style-type: none"> • Can the token be transferred? • Can it be sold? • Can it be redeemed? • Can it be burned, retired, or replaced? • Are there restrictions on who can receive it? 	<ul style="list-style-type: none"> • Calling transferability liquidity • No buyer demand • No redemption process • No rules for retirement or replacement

Plain-English Test Transferability is not the same thing as liquidity.

10 RISK

What are the biggest risks?

Every tokenized asset has risks. A responsible project should explain the risks honestly instead of only promoting the opportunity.

Ask	Watch for
<ul style="list-style-type: none"> • Is there legal or regulatory risk? • Is there liquidity risk? • Is there custody or wallet risk? • Is there asset quality, issuer, valuation, or technology risk? 	<ul style="list-style-type: none"> • No risk disclosures • Guaranteed language • Profit-focused marketing • Ignoring legal, custody, or platform risk

Plain-English Test Tokenization does not automatically create value, liquidity, legality, or trust.

11

LIFECYCLE

Who manages the system over time?

Tokenization does not end at launch. The asset, records, rights, benefits, redemptions, users, and infrastructure still need to be managed.

Ask	Watch for
<ul style="list-style-type: none"> • Who updates records? • Who manages the asset? • Who delivers benefits? • Who supports users? • What happens if the platform changes or shuts down? 	<ul style="list-style-type: none"> • No long-term plan • No support process • Broken links or abandoned metadata • No explanation of updates or corrections

<p>Plain-English Test</p>	<p>A tokenized asset needs maintenance, not just a launch announcement.</p>
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12

CLARITY

Can the entire structure be explained in one paragraph?

If the asset, rights, verification, token system, user experience, risks, and lifecycle cannot be explained clearly, the structure may not be ready.

Ask	Watch for
<ul style="list-style-type: none"> • What is the asset? • What does the token represent? • What rights does the holder receive? • How can it be used? • Who manages the system over time? 	<ul style="list-style-type: none"> • Overly complicated explanations • Missing rights language • No lifecycle plan • Marketing copy instead of structure

Plain-English Test If the answer is unclear, the tokenization structure needs more work.

Quick scorecard

Use this scorecard to quickly evaluate whether a tokenized asset is clear, incomplete, or not ready.

Asset is clearly defined	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
Rights are clearly explained	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
Structure exists	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
Verification is available	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
Technology is explained	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
Custody model is clear	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
Use rules are clear	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
Risks are disclosed	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure
Lifecycle is explained	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Sure

The final clarity test

Before trusting or launching a tokenized asset, answer this in one paragraph:

What is the asset, what does the token represent, what rights does the holder receive, how are those rights verified, where does the token live, how can it be used, and who manages the system over time?

If that answer is unclear, the tokenization structure needs more work.

**Final
reminder:**

A token is only as meaningful as the rights, structure, asset, and trust behind it. Tokenize The World is an educational resource. Nothing in this checklist is legal, tax, financial, investment, or technical advice.