The world's assets are moving onchain. But what does the tokenization process look like?

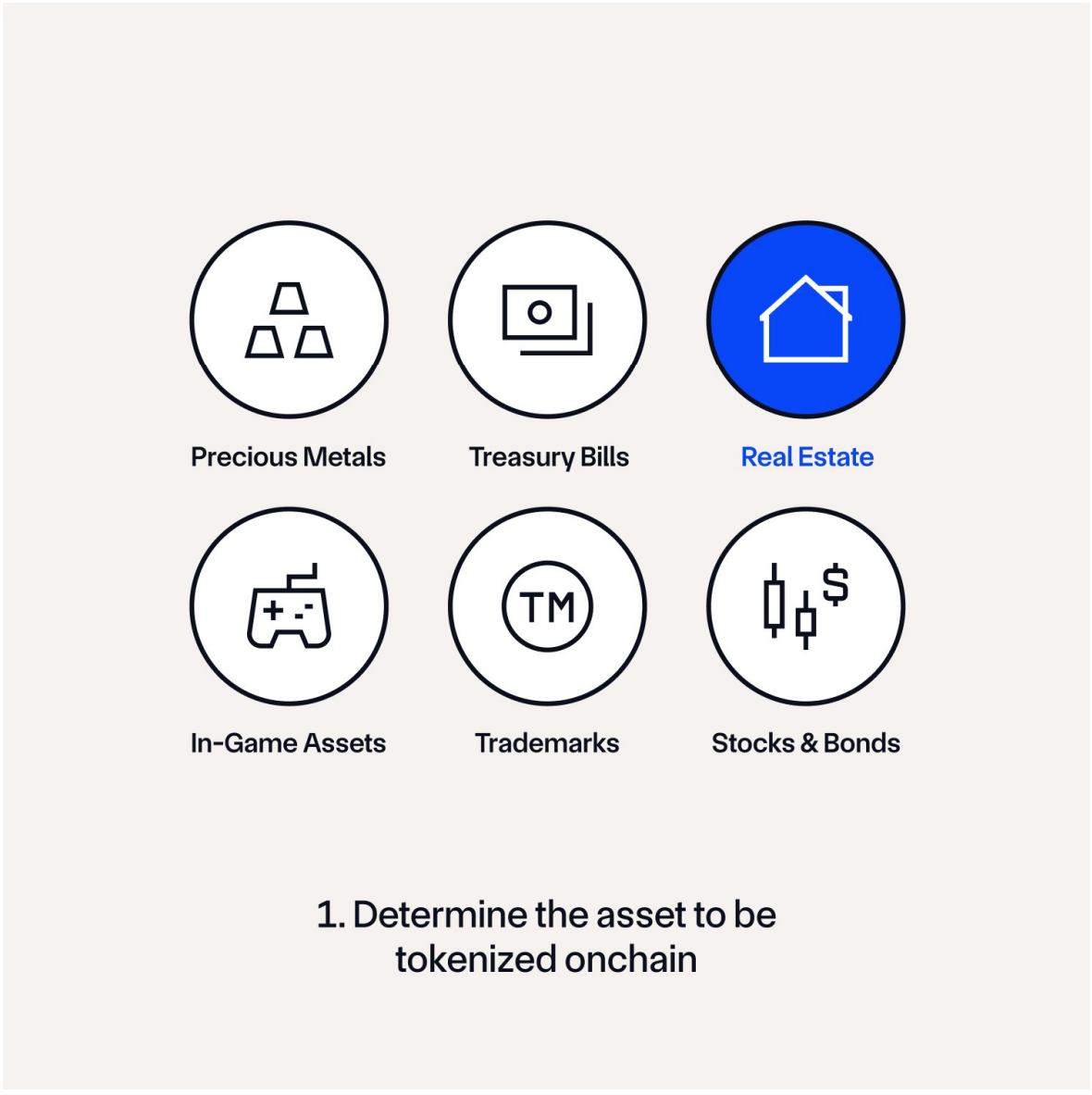
Here's a 7-step overview—and why Chainlink's infrastructure is essential for the full tokenized asset lifecycle ↓

Step 1: Choose the asset.

First, asset issuers decide what they want to tokenize.

It can be real estate, bonds, in-game items, gold, or even trademarks.

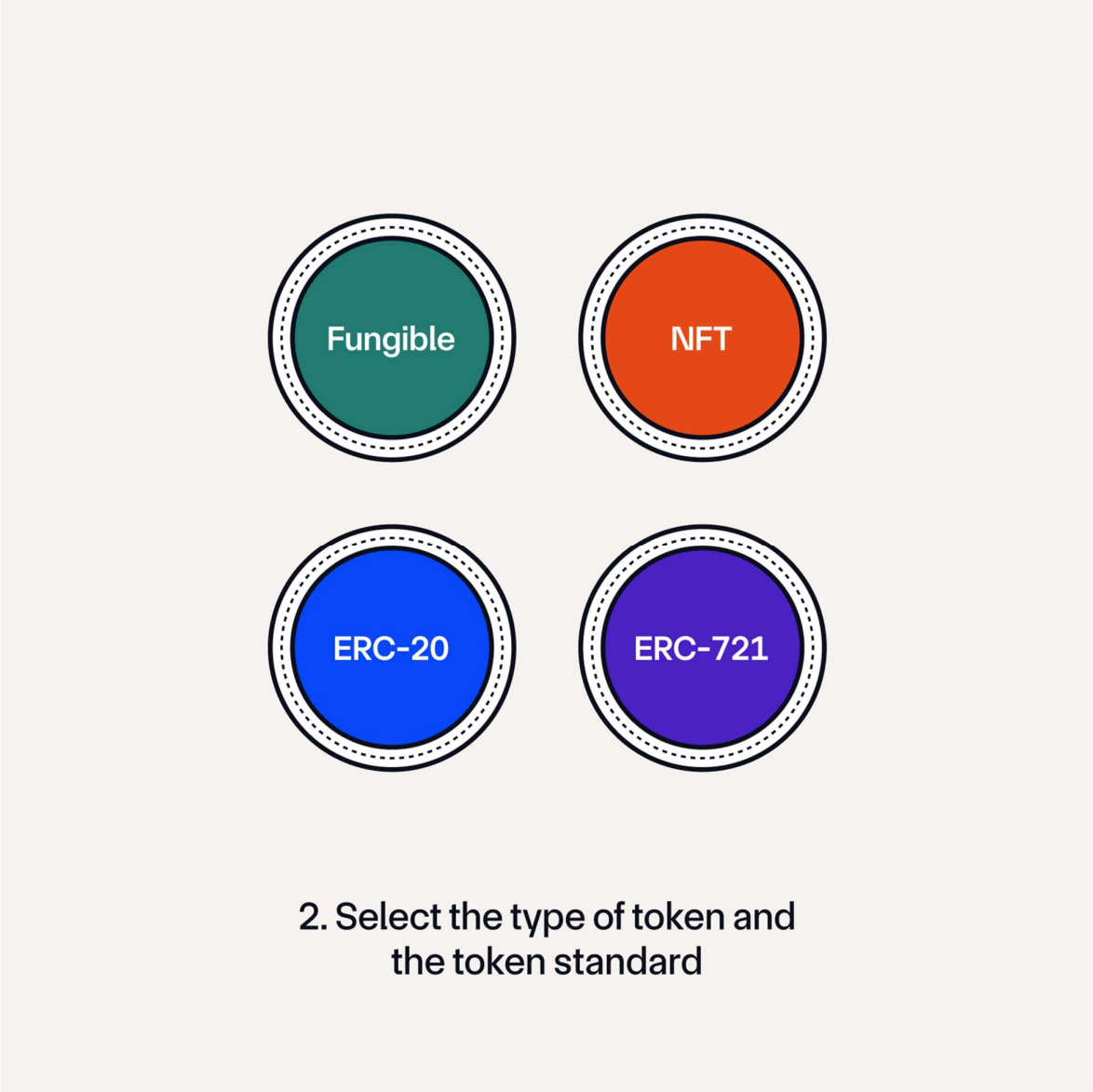
If it has value, it can be tokenized.



Step 2: Define the token type.

Next, issuers decide how the asset will be represented—as a fungible token (e.g., ERC-20), a non-fungible token (e.g., ERC-721), or another format.

Token standards provide flexibility to meet the asset's requirements.

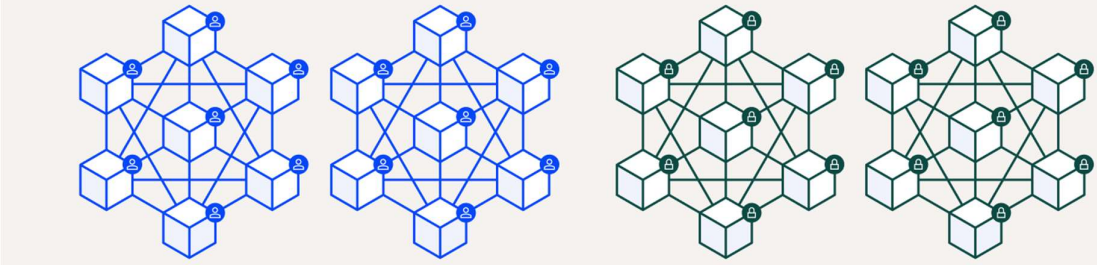


2. Select the type of token and the token standard

Step 3: Choose your chain(s).

Then, the issuer selects one or more public or private blockchains to deploy the token on.

The choice can depend on factors like security, performance, cost, maturity, and more.

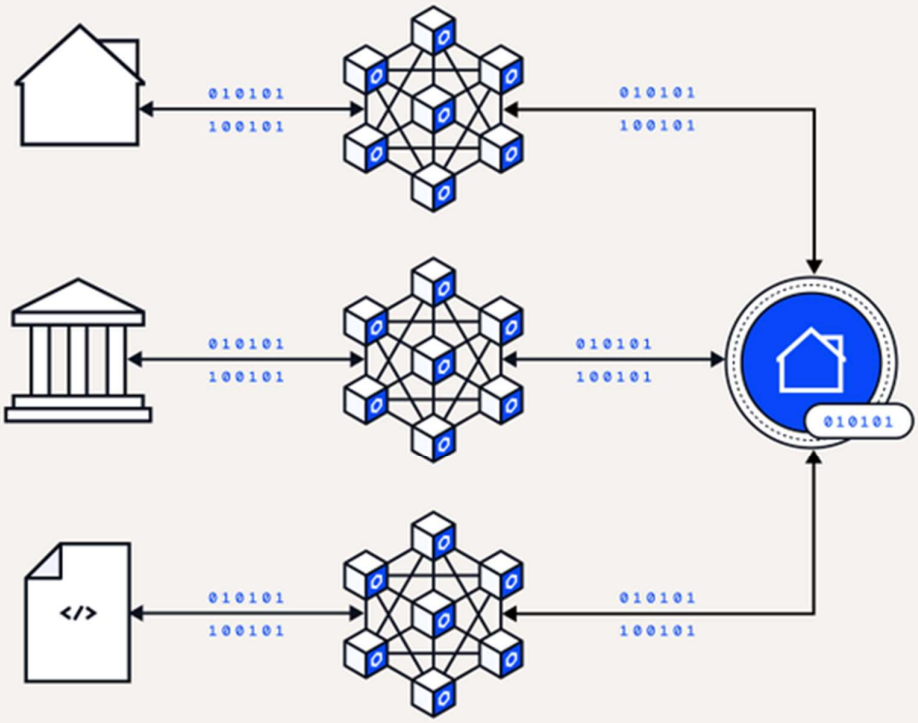


3. Select one or more public or private blockchain(s) to issue on

Step 4: Connect to real-world data.

Tokens need real-world information, such as price, ownership records, or mortgage rates.

Chainlink brings any offchain data onchain, enriching tokens with the information they need to power real-world use cases.

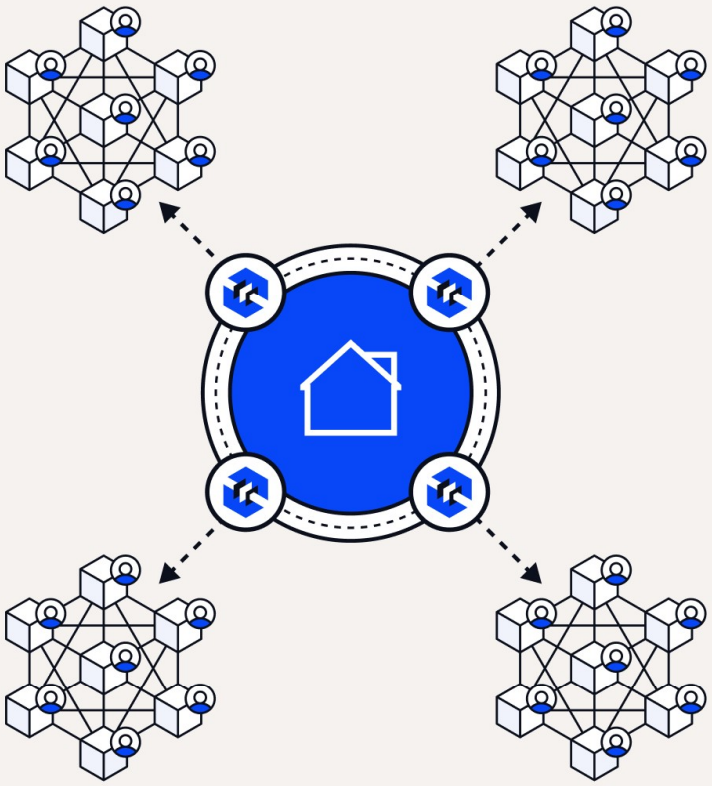


4. Establish offchain connections to enrich the asset with essential data such as price, mortgage rate, and ownership deed.

Step 5: Enable interoperability.

Tokenized assets shouldn't be siloed on a single chain.

With Chainlink CCIP, they can move seamlessly across the multi-chain ecosystem—enabling broader accessibility and greater liquidity.

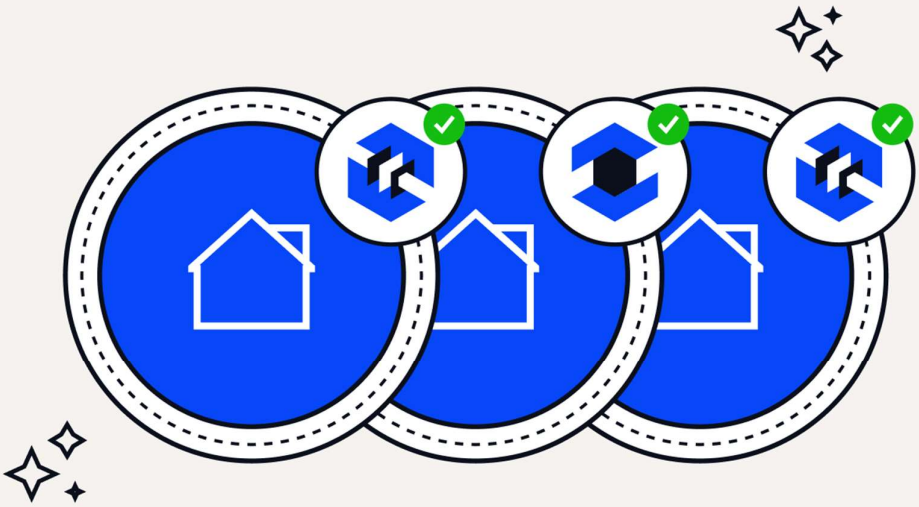


5. Enable interoperability for counterparties to interact with it across any blockchain

Step 6: Deploy the token.

Now, the asset issuer can deploy, mint, and make the token available for purchase.

The issuer can also enable fractionalization, where the asset can be divided into smaller units.

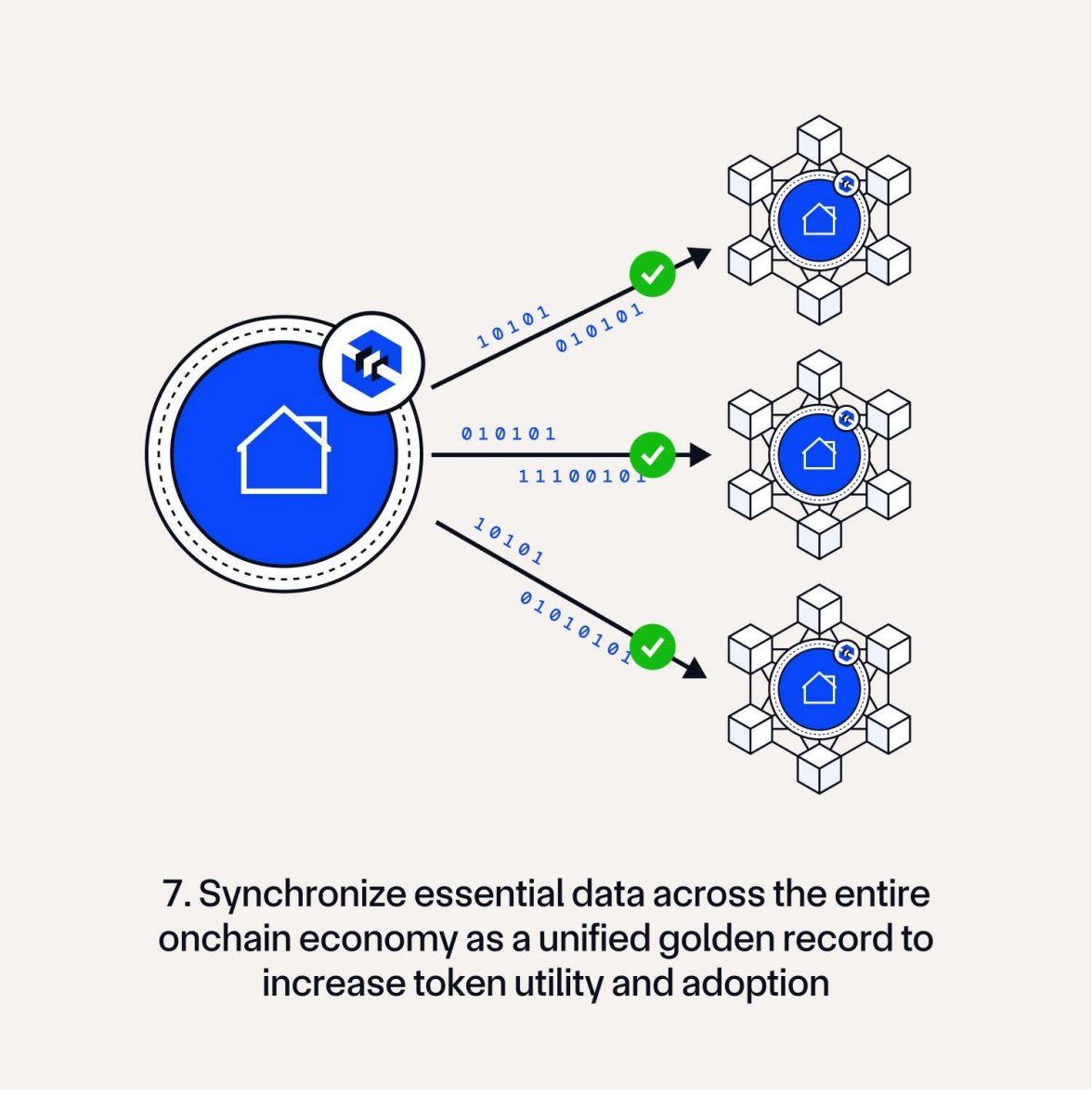


6. Deploy, mint, and make the token available for purchase—with optional fractionalization

Step 7: Synchronize data.

Tokens must remain connected to data even as they move across chains.

Chainlink enables a unified golden record—a single source of truth accessible across multiple chains and offchain systems.



7. Synchronize essential data across the entire onchain economy as a unified golden record to increase token utility and adoption

Tokenization is set to disrupt trillions in global assets—but it can't reach its full potential without Chainlink infrastructure. Explore major Chainlink announcements with leading tokenized asset institutions building the onchain future ↓

https://blog.chain.link/chainlink-institutional-tokenization-announcements/