



# Token by Token: Rethinking Family Wealth, Liquidity and Succession Under SEC Regulation

## Introduction

In a significant development for Nigeria's financial markets, the Investments and Securities Act (ISA) 2025, together with the SEC's digital asset rules and Circular No. 26-1 (January 2026), has formally brought tokenized assets within a regulated framework.

These assets—digital representations of real-world holdings such as real estate, private businesses, private equity, art, and commodities—introduce

new ways for families to hold, transfer, and preserve wealth across generations.

## Key Highlights of the Framework

At the core of this development is the ability to combine traditional asset ownership with digital structuring tools, creating more flexible and efficient wealth management options.

- **Fractional ownership and succession planning:** Tokenization allows high-value assets

to be divided into smaller interests. For family-held property or private business assets, this supports clearer allocation among beneficiaries without forcing a sale. It also reduces the likelihood of disputes and integrates more easily into trust and succession structures.

- **Improved liquidity:** Assets that are typically difficult to sell—such as private company shares or large real estate holdings—can be partially monetised through regulated platforms. This allows families to access liquidity while retaining control over the underlying asset.
- **Diversification and portfolio flexibility:** Lower entry thresholds enable access to premium asset classes. Families can hold fractional interests across a wider range of investments, helping to reduce concentration risk while maintaining exposure to high-value assets.
- **Transparency and operational efficiency:** Blockchain-based records provide clearer ownership tracking and more efficient transfer processes. For family wealth structures, this improves visibility, reduces administrative friction, and supports more structured long-term asset management.

## Important Considerations and Risks

While the opportunities are significant, effective use of tokenized assets depends on careful structuring and regulatory alignment.

- **Regulatory compliance:** Tokenized assets must be issued and traded through SEC-registered platforms, with applicable disclosure, registration, and custody requirements.
- **Tax and legal implications:** As regulated securities under the ISA 2025, tokenized assets may trigger capital gains tax, value added tax, and



succession-related tax considerations. Proper legal and tax structuring is essential to avoid unintended liabilities or disputes.

- **Operational and market risks:** Families must also consider market volatility, cybersecurity exposure, custody arrangements, and ongoing regulatory developments. These risks are manageable but require informed oversight and planning.

## The Road Forward for Family Wealth

Tokenized assets introduce a more structured way to hold, transfer, and manage family wealth. Used properly, they can improve how families deal with liquidity constraints, succession challenges, and portfolio concentration—without losing control of underlying assets.

However, the value lies in execution. Families will need to align these structures with regulatory requirements, tax planning, and existing estate frameworks to avoid unintended exposure.

For guidance on structuring tokenized assets within your wealth and succession plans, contact [info@scp-law.com](mailto:info@scp-law.com) or visit [www.scp-law.com](http://www.scp-law.com).