



Smart Tokenization

A second “derivative” of tokenization

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We all remember the 2008 financial crisis, and right on cue, Bitcoin arrived, introducing blockchain and changing the way we think about money. Suddenly, it was possible to tokenize assets—turning money into a digital form, accessible to anyone, with transparent controls on issuance to prevent artificial inflation. Decentralized and secure, Bitcoin ran 24/7, with transactions taking just minutes. Then in 2015, Ethereum came along, bringing smart contracts and unlocking the ability to create diverse digital assets. It was revolutionary.

By the end of 2022, Bettercoin took things to the next level with 'transactional intelligence,' addressing one of crypto's biggest issues: volatility. Enter smart tokenization, where human influence over the price of digital assets was stripped away through a virtual arbitrage algorithm, and payments between two parties were enforced via a double transaction mechanism. This is the 'second derivative' of the crypto era, carrying all the value of the tokenized digital asset while making it more stable and reliable, especially in times of crisis. BETTER, the token, integrates seamlessly with its parent asset, ETH, bringing benefits like secure trading, robust price protection, and automated fee systems for intermediaries.

Here's where it gets interesting: in traditional finance, intermediaries drive up costs and devalue money. Add inflation to the mix, and physical currency starts losing its worth. Bitcoin solved this by tokenizing money, making it more transparent through a known mining system that controls issuance. Ethereum's creation significantly enhanced the evolution of blockchain by making it easier to develop new digital assets using smart contracts.



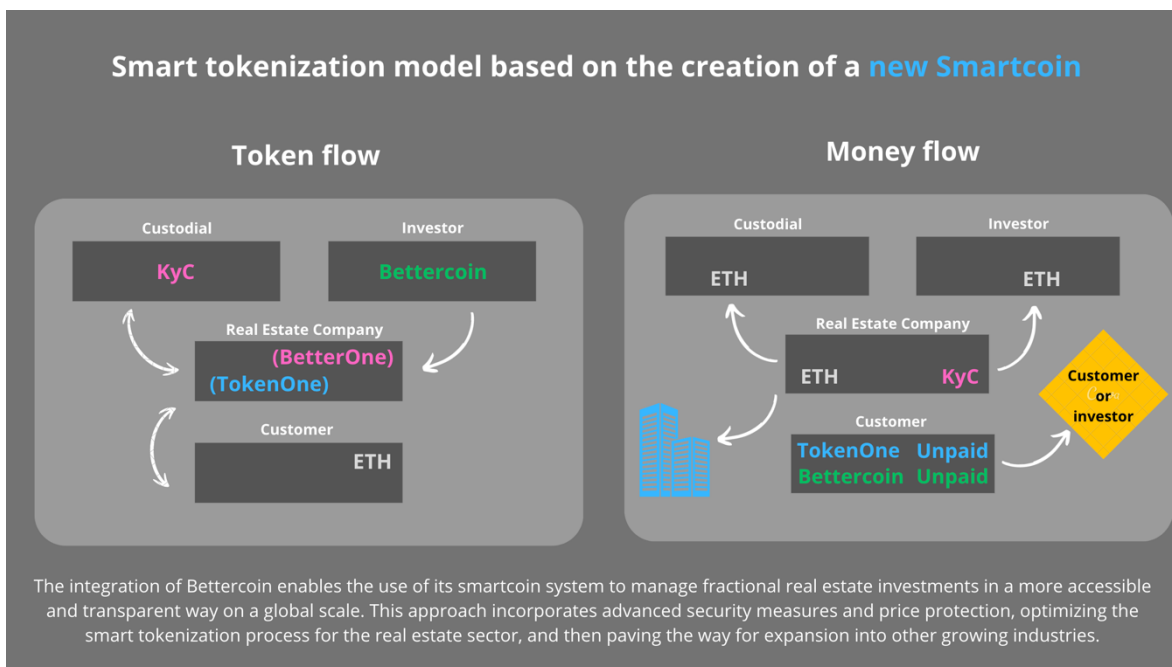
Now, a group of engineers posed a bold question: what if we could tokenize a cryptocurrency and make it smarter? Imagine a token with autonomous capabilities, enhancing an existing digital asset! By leveraging AI and human ingenuity, they created new rules to evolve the old supply-and-demand model into 'underlying demand.' In this system, no user can directly influence the value of a next-gen digital asset. Gone are the days of price manipulation by powerful holders—now, individuals can value their digital assets free from outside interference.

Bettercoin also introduced an automated recovery system for digital assets in case of payment failure, using a double transaction verification mechanism. The first transaction is linked to the second, where partial payments trigger the automatic return of the unpaid portion to the original owner—no human intervention required.

This 'second derivative' can be 'integrated' back into its original state. Essentially, a tokenized asset like Ether transformed into BETTER can safely return to the user, having been protected by a virtual arbitrage algorithm during its time as a second-derivative token. Its value might rise, or fall based on the highest demand between Bitcoin and Ether, but only by the least possible loss between those two, setting the foundation for 'underlying demand.'

Note 1: The creators of Bettercoin hope that academia will study and refine these new monetary rules, giving everyone the freedom, security, and sophistication to use this new form of digital money.

Smart tokenization is carried out using BetterOne (Bettercoin converted into BetterOne) and involves the automated creation of a personalized Smartcoin under unique conditions, delivered directly to the owner's Metamask wallet. This Smartcoin can be used for any purpose the owner deems appropriate, such as backing the value of a digital asset or any physical asset that complies with the local tokenization regulations in the country where taxes are paid. It's important to note that BetterOne is subject to an automatic KYC process, which is a requirement for transferring BetterOne to be tokenized into a new smart digital asset.



Bettercoin is currently being utilized in the first real estate tokenization process, offering distinct competitive advantages over its peers. Beyond atomizing properties into square meters and enabling global sales coverage, Bettercoin stands out as the only digital asset specifically designed to safeguard the price of tokenized real estate. Additionally, it uniquely allows for recovery in cases of payment defaults and facilitates partial sales during the tokenization process. Furthermore, Bettercoin incorporates KYC compliance, ensuring seamless integration with the existing financial market. These innovations position Bettercoin as the leading token for future smart tokenization in the real estate sector. How does it work? It's simple: you can convert your BETTER into BETTERONE to allocate it to a real estate project under development. A real estate company no longer needs to create a new volatile token for tokenization—nor do they want to. Instead, they can leverage your Bettercoin. Why? The automation of transactional intelligence offers a significant opportunity for businesses, streamlining processes and enhancing efficiency.

Explore a model where Bettercoin as a Smartcoin could be used to **fractionalize real estate properties** into units (like square meters) and offer them for global purchase or investment. This would leverage the power of blockchain to handle secure, cross-border transactions efficiently.



Here's how this concept could work in detail:

1. **Fractional Ownership:** Properties can be divided into small, investable units (square meters), allowing multiple investors to buy portions of high-value assets. This makes real estate investment more accessible, especially for people who can't afford whole properties.
2. **Global Accessibility:** Through a decentralized platform like Bettercoin, investors from anywhere in the world can buy and trade these fractional units. Cryptocurrencies offer a secure and borderless means to conduct transactions, bypassing the need for traditional banks or intermediaries.
3. **Blockchain Transparency:** By using a blockchain, the ownership of each unit is securely recorded and made transparent, reducing the risks of fraud. This also allows for easier resale of fractional units, making the real estate market more liquid.
4. **Sales Coverage:** Bettercoin or a similar smartcoin could provide a **global sales platform**, eliminating geographic barriers and enabling a wide range of people to participate in the real estate market. Bettercoin enables the use of its Smartcoin system to manage fractional real estate investments in a more accessible and transparent way on a global scale. This approach incorporates advanced security measures and price protection, optimizing the smart-tokenization process for the real estate sector, and then paving the way for expansion into other growing industries.



BENEFITS OF SMART TOKENIZATION

Overview

In summary, smart tokenization allows financial companies to improve efficiency, security, transparency, and market access while positioning themselves as leaders in financial sector innovation.

Smart tokenization offers investors access to new opportunities for fractional investment, increased liquidity, lower costs, and greater security and transparency. It also provides an efficient way to diversify their portfolios globally with automated passive income.

Smart tokenization provides real estate companies with a powerful tool to increase liquidity, access a global base of investors, reduce operating costs, improve transparency, and manage their projects more efficiently. Additionally, it facilitates more flexible and agile financing, optimizing growth and expansion in the real estate market.

Smart tokenization offers real estate customer greater accessibility, liquidity, transparency, and flexibility in their investments. It also allows them to diversify their portfolios, reduce costs, and manage their real estate assets more dynamically, with the security and protection that blockchain and smartcoin provide.



Benefits of Smart Tokenization			
Custodian	Investor	Real Estate Company	Customer
KyC	Bettercoin	(BetterOne) (TokenOne)	ETH
<ul style="list-style-type: none"> • Seize the tech opportunity • Outpacing the banks • Improved operational efficiency • Transparency and traceability • Access to new markets and liquidity • Reduction of intermediaries • Enhanced security • Simplified regulatory compliance and KYC • New sources of income • Future adaptability 	<ul style="list-style-type: none"> • Access to fractional investments • Increased liquidity • Transparency and security • Cost reduction and efficiency • Global access • Faster transactions • Potential for passive income • Facilitated diversification • Greater control over investment • Asset protection 	<ul style="list-style-type: none"> • Access to a larger base of investors • Increased liquidity of assets • Global market access, More efficient financing • Automation and cost reduction • Transparency and trust • Facilitates asset sales • Simplification of the sales process • Integrated regulatory compliance • Better management of capital flows • Acceleration of project development • Backing of the value of the digital asset 	<ul style="list-style-type: none"> • Access to fractional investments • Increased liquidity • Total transparency • Accessible diversification • Lower transaction costs • Speed in the purchasing process • Security and capital protection • Participation in large projects • Automated passive income • Greater flexibility in investment management • Global access to properties • Investment with legal security • Entry into new markets

BENEFITS FOR CUSTODIAN

Smart tokenization offers several key benefits for a financial company that custodies tokenized real assets. Some of these benefits include:

1. Seize the tech opportunity.

Fintech companies are disrupting traditional banking services, offering faster, more efficient, and often cheaper solutions. Custodian firms, which are responsible for safeguarding financial assets, need to embrace this technology to keep up.

2. Improved operational efficiency.

Tokenization automates many processes, such as record management and transaction settlement. This reduces operational costs, minimizes manual errors, and accelerates transaction processing.

3. Transparency and traceability.

Being blockchain-based, tokenization ensures an immutable and transparent record



of all transactions. This provides the financial company with greater traceability and security over the assets it custodies, facilitating audits and reviews.

4. **Access to new markets and liquidity.**

Tokenization allows for the fractionalization of real assets, making traditional large investments, such as real estate, more accessible to a broader audience. By enabling investors to buy fractions of assets, liquidity is increased, attracting more investors to the custody platform.

5. **Reduction of intermediaries.**

Automating processes through smartcoin can eliminate the need for traditional intermediaries, reducing costs and transaction times. The financial company could benefit by offering a more agile and cost-effective service to its customer.

6. **Enhanced security.**

Smartcoin and blockchain, in general, ensure that assets are managed securely and without direct human intervention. This reduces the risk of fraud or errors in the custody of the assets.

7. **Simplified regulatory compliance and KYC.**

Smart tokenization can integrate identity verification (KYC) and regulatory compliance mechanisms within the token itself, ensuring that financial companies easily comply with regulations without additional processes.

8. **New sources of income.**

The company can generate new revenue streams by offering services associated with tokenization, such as token custody, automated dividend management, and support for investors in buying and selling tokenized asset fractions.

9. **Future adaptability.**

Companies that adopt smart tokenization will be well-positioned to seize new opportunities and maintain a competitive edge in the digital financial future, responding quickly to market demand.

BENEFITS FOR INVESTOR

Smart tokenization offers several important benefits for investors, especially by leveraging the advantages of blockchain and smartcoin. Below are the main benefits:

- 1. Access to fractional investments.**

Tokenization allows investors to buy fractions of high-value assets, such as real estate, art, or commodities, which typically require large amounts of capital. This democratizes access to high-profile investments, allowing for portfolio diversification with lower initial capital.

- 2. Increased liquidity.**

Traditionally illiquid assets, such as real estate or private investments, become more liquid through tokens, which can be traded in secondary markets. Investors can buy or sell fractions of assets more quickly and easily, improving flexibility in managing their portfolios.

- 3. Transparency and security.**

Blockchain technology ensures that all transactions and token ownership are transparent and immutable, increasing investor trust. Each token is backed by smartcoin, reducing the risk of fraud and data manipulation.

- 4. Cost reduction and efficiency.**

Tokenization eliminates costly intermediaries, such as lawyers, notaries, or brokers, typically involved in physical asset transactions. By automating transactions with smartcoin, transaction costs decrease, improving net returns for investors.

- 5. Global access.**

Investors from anywhere in the world can access tokenized assets without geographical barriers. This increases the availability of diverse global investment opportunities, allowing investors to participate in international markets without complications.



6. Speed in transactions.

Smartcoin automate and streamline transactions, allowing investors to buy, sell, and transfer tokenized assets almost instantaneously. This Smart-Contrasts-Network-AI-Integration (ServerWare Cloud) with traditional processes, which tend to be lengthy and complex.

7. Possibility of passive income.

Tokens can be linked to assets that generate recurring income, such as real estate that pays dividends or royalties from property rights. Smartcoin integrated on a DEX automatically distribute payments to investors, providing passive income without manual intervention.

8. Facilitated diversification.

Investors can diversify their portfolios by investing in different asset classes through tokenization, such as properties, art, commodities, or startups, without needing to physically own the underlying assets. This reduces risk and increases growth opportunities.

9. Greater control over the investment.

Investors have direct control over their tokens and, therefore, their investments. They can transfer or sell tokens without needing intermediaries, allowing for more dynamic control over their portfolios.

10. Asset protection.

Through smartcoin, investors are protected against payment defaults or potential risks associated with tokenized assets, as security and protection rules are integrated directly into the token.

BENEFITS FOR REAL ESTATE COMPANY

Smart tokenization brings multiple benefits to a real estate company, transforming how it manages, finances, and sells its assets. Below are the main benefits:

1. Access to a larger base of investors.

Tokenization allows real estate assets to be divided into small fractions, enabling a larger number of investors, including small investors, to participate in real estate projects that were previously out of reach. This significantly expands the market and financing opportunities for the real estate company.

2. Increased asset liquidity.

Traditionally, real estate is an illiquid investment, but by tokenizing properties, companies can make assets tradable in secondary markets. This allows investors to buy and sell their stakes more easily, increasing liquidity in the real estate market.

3. Global market access.

With tokenization, a real estate company can offer its projects to investors worldwide, removing geographical barriers. This not only increases the potential number of investors but also diversifies the capital base, reducing dependence on local or national markets.

4. More efficient financing.

Smart Tokenization can provide an alternative and more flexible method for raising funds. Instead of relying solely on bank loans or large investors, a real estate company can finance its projects by selling fractional tokens of its properties to a wide base of investors, reducing the need for traditional financial intermediaries.

5. Automation and cost reduction.

Smartcoin can automate key processes such as dividend distribution, rent payments, or transfer of token ownership. This reduces administrative and operational costs, decreasing the need for intermediaries such as lawyers, brokers, or property managers.



6. Transparency and trust.

Blockchain guarantees complete transparency in transactions and asset ownership. This increases investor trust, as all operations and ownership of assets are publicly and verifiably recorded, reducing the risk of fraud or legal disputes.

7. Facilitates asset sales.

Tokenization allows real estate companies to sell portions of their assets fractionally, freeing up liquidity without having to sell an entire property. This offers financial flexibility and can be useful in situations where quick liquidity is needed.

8. Simplification of the sales process.

Smartcoin facilitate the transactions for buying and selling tokenized properties by automating the entire process, from property transfer to payment. This significantly reduces the time and costs involved in transferring assets.

9. Integrated regulatory compliance.

Smart Tokenization can automatically incorporate compliance norms, such as KYC (Know Your Customer) and AML (Anti-Money Laundering) regulations, ensuring that investors and transactions comply with local and international laws without the need for additional manual processes. It is possible to use a KYC token, which is a part of a smartcoin.

10. Better management of capital flows.

By issuing fractional tokens, a real estate company can manage capital flows more efficiently. Instead of waiting for entire large properties to sell, they can continuously raise funds as tokens are sold, providing a more stable and predictable cash flow.

11. Acceleration of project development.

By facilitating access to financing and streamlining sales, tokenization can accelerate the development of real estate projects, allowing companies to complete projects more quickly and start new developments more frequently.

12. Backing of the physical asset value.

Each token is backed by a fraction of a real asset, providing confidence and security



to investors. This reinforces the perceived value of the tokens and ensures that there is always a tangible asset backing the investment.

BENEFITS FOR REAL ESTATE CUSTOMER

Smart tokenization offers multiple benefits for a real estate customer, transforming how they invest, buy, and access properties. Below are the main benefits for a real estate customer:

- 1. Access to fractional investments.**

Tokenization allows customer to purchase a fraction of a property instead of having to acquire it entirely. This reduces the entry barrier, enabling more people to invest in real estate, a sector that traditionally required significant capital.

- 2. Increased liquidity.**

Real estate is typically a long-term and illiquid investment. With Smart Tokenization, customers can sell their tokens on secondary markets, giving them more flexibility to liquidate their investment whenever they wish, without having to wait for the entire property to sell.

- 3. Total transparency.**

Blockchain provides a transparent and immutable record of ownership and transactions. This offers customers greater confidence, as they can trace the property history and be assured that their investment is protected against fraud or disputes.

- 4. Accessible diversification.**

By being able to purchase fractions of multiple properties, customers can more easily diversify their real estate portfolios. This allows them to spread their investment across different locations, types of properties, or markets, reducing risk.

- 5. Cost savings.**

Smart Tokenization can reduce transaction costs by eliminating intermediaries, such



as brokers and agents, traditionally involved in real estate transactions. Customers can save money on commissions and fees, resulting in better net returns.

6. Simplified buying process.

Smart Tokenization automates the buying process through smartcoin, simplifying transactions and reducing the time and effort involved in acquiring property. Customers can purchase properties more quickly and efficiently than through traditional methods.

7. Passive income generation.

Tokenized real estate assets can generate rental income, which is distributed automatically to token holders via smartcoin. This offers customers a way to earn passive income from their investments without additional management or effort.

8. Greater control and flexibility.

Customers have more control over their investments as they can buy, sell, or transfer tokens without needing to rely on intermediaries. This provides greater flexibility to manage their real estate portfolio according to their preferences and market conditions.

9. Lower minimum investment amounts.

Tokenization allows customers to invest with lower amounts, which increases accessibility to real estate investments. This democratizes the sector and enables a larger number of people to participate.

10. Security of the asset.

The backing of physical assets by tokens provides security and reassurance to customers. Each token represents real property, ensuring that their investment is tangible and has intrinsic value.

11. Integrated regulatory compliance.

Smartcoin can embed compliance with local laws and regulations directly into the tokens, ensuring that customers' investments are secure and in compliance without the need for additional processes.

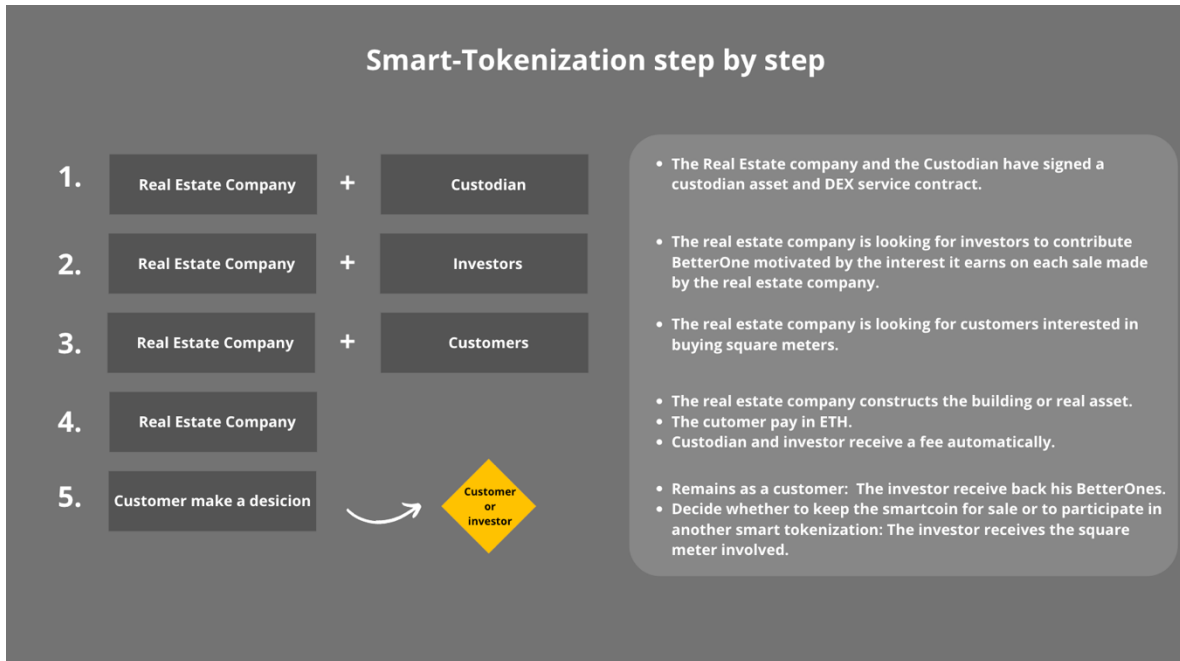
12. Global access to investment opportunities.

Customers can access a wider range of real estate investment opportunities globally



without geographical barriers, allowing them to diversify their portfolios more effectively and explore emerging markets.

STEP BY STEP OF SMART TOKENIZATION



This is the step-by-step process of "Smart-Tokenization" in the context of a real estate company's partnership with custodians, investors, and customers. It outlines five key stages:

1. Everything starts with a real estate company seeking to tokenize their real assets, such as a building under construction. The first step involves signing an asset management and DEX service contract with a custodian. This contract governs the assets under management and sets the terms for providing decentralized exchange (DEX) services.
2. At this point, the real estate company is ready to begin seeking investors to contribute BetterOne tokens. Investors are motivated by the potential interest earned from the sales conducted by the company.
3. Next, the company aims to attract customers from around the world who are interested in purchasing square meters of real estate. These customers represent



potential token holders seeking fractional property ownership, facilitated by Transactional Intelligence technology.

4. With the incoming resources, the construction of the building begins. After a well-estimated period of time, the necessary works and permits are completed. Customers pay for their share of the property in ETH (Ethereum), while custodians and investors automatically receive their respective fees through the Smartcoin system.
5. Customers face a unique choice, unlike any other real estate purchase process to date: they can either retain their BetterOne tokens, keeping them ready for future sales, or participate in a new smart-tokenization real estate development, where they will receive the square meters corresponding to their tokens.

The entire process emphasizes flexibility for both customers and investors, allowing them to either remain in the market or convert their holdings into real estate assets through a transparent and automated system enabled by the smartcoin Web3 structure. The focus on tokenized property ownership simplifies traditional real estate transactions while ensuring that all stakeholders, including custodians and investors, are compensated fairly.

Got thoughts on this next-level dive into smart tokenization? Hit us up at sales@coinware.company — we'd love to hear from you!

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