EQ | Bullish

Tokenized Shares vs. Synthetic Tokens

Not all share-related tokens are the same: what issuers need to know.

Digital assets are creating new ways for investors to gain exposure to public companies. However, not every token linked to a company's shares represents actual ownership. Some digital tokens are backed by shares recorded on the official shareholder register, while others simply track the share price without providing shareholder rights.

For issuers, the distinction matters. It affects ownership records, voting rights, dividend entitlements, regulatory oversight, and the ability to maintain a direct relationship with shareholders. The comparison below explains the difference between an issuer-sponsored tokenized share and a synthetic token.

	Issuer-Sponsored Tokenized Share	Synthetic Token
What it is	An actual share of the company, issued in digital form against the official register	A third-party instrument that tracks a share's price without conveying a claim on the company
Who creates it	The issuer, through its transfer agent as minting authority	Potentially anyone: offshore platforms, DeFi protocols, and unaffiliated intermediaries, including third parties who purchase and hold the underlying shares, issuing a token linked to their value rather than to the issuer's register
Register entry	Intended to be one-to-one with the official shareholder register; the register is the primary source of truth	Typically none; the issuer's records generally would not reflect it
Shareholder rights	Designed to carry full rights: voting, dividends, corporate actions, and legal ownership	Typically no voting rights, no dividends, and no legal claim on the company
Duplication risk	Designed to be prevented structurally; tokens are intended to be minted and burned only by the transfer agent	Not structurally bounded; multiple parties could create competing representations of the same asset
Regulatory standing	Treated as a security in tokenized form per the SEC's January 2026 staff statement; Schedule 13D/13G and securities law requirements apply	Often uncertain and jurisdiction-dependent; frequently outside issuer and U.S. regulatory oversight
Exposure to crypto volatility	Not intended to affect the position's underlying value; blockchains function as the rail; the equity is the asset	Varies; may embed platform, collateral, and counterparty risk on top of price tracking
What it means for the issuer	Potential for greater float visibility, more direct shareholder relationships, and cleaner governance data	Little to no visibility, no formal relationship, and potential brand and investor-confusion risk

> The official register, maintained by the transfer agent, is generally intended to remain the primary source of truth for ownership. Issuer-sponsored tokenization is designed to extend that register on-chain. Synthetics generally sit outside it.

Equiniti, which entered a definitive agreement in May 2026 to combine with Bullish's blockchain platform (expected to close in January 2027, subject to regulatory approval), is working to give issuers a regulated path to tokenization with duplication risk reduced by design.

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Forward-looking statement: Equiniti's pending combination with Bullish, including its expected closing date, remains subject to regulatory approval and customary closing conditions and could change. This briefing is general information only and is not legal, tax, regulatory, or investment advice.