



TOKENIZATION: RKH ADVISES LLOYD FONDS AG ON THE TOKENIZATION OF ECONOMIC PARTICIPATION RIGHTS IN THE LAIC SUBGROUP

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Raschke von Knobelsdorff Heiser (RKH) and YPOG (ex SMP) advised Lloyd Fonds AG, a specialized fund and asset management company listed in the Open Market (Scale) of Frankfurt Stock Exchange, on the tokenization of economic participation rights of up to 9,75 % in its LAIC subgroup.

LAIC subgroup consists of LAIC Capital GmbH as intermediate holding and its two subsidiaries, whose focus lies on the portfolio and fund management via its in-house developed algorithm. The project offers selected investors the possibility of participating in the economic success of the LAIC Capital GmbH and its subsidiaries as indirect limited partners by way of a token-based fiduciary relationship with a specialized alternative investment fund (AIF) in the legal structure of a GmbH und Co. KG. For this purpose, the specialized AIF will acquire a direct stake in LAIC Capital GmbH from Lloyd Fonds AG. The investors' positions as trustors will be represented as tokens on the Blockchain (LAIC-Token 21).

The LAIC-Token 21 are based on an Ethereum-Blockchain and serve as proof of legitimacy for the investors' positions as trustors. Each LAIC-Token 21 represents approximately one share in LAIC Capital GmbH to be acquired by the special AIF. The token-owner holds his digital value stored on the Ethereum-Blockchain with the possibility of transforming it into a conventional share as a limited partner at any given time. The LAIC-Token 21 provides for the same rights as a direct shareholder. The voting rights and other rights concerning the shares in LAIC Capital GmbH will be exercised by the manager of the special AIF.

Within the course of the project the special AIF had to be structured taking into account a particular employee participation model. Further, the trust relationship underlying the LAIC-Token 21 had to be legally structured and harmonized with the administrative practice of the BaFin. At the same time the chosen structure had to be aligned with several project partners. This applied in particular to the money laundering concept to be agreed upon with LAIC Vermögensverwaltung GmbH as investment intermediary and Bankhaus von der Heydt GmbH & Co. KG as crypto custodian.

As corporate and capital market law partner of Lloyd Fonds AG RKH acted as the lead advisor in the project and was responsible for its structuring, for the corporate and capital market law as well as prospectus law requirements and for the legal setup of the employee participation model. The YPOG team specialized in digital assets was responsible for the legal and tax concept of the LAIC-Token 21, the regulatory aspects of the online platform and the setup of the fund structure.

Lloyd Fonds AG was advised by RKH partners Dr. Kristian J. Heiser (lead/corporate/capital market/M&A) and Dr. Thorsten Raschke (corporate/M&A), of counsel Prof. Dr. Christian Möller (tax law) as well as Counsel Dr. Jan Hermann (prospectus law/M&A) and the associates Maximilian Neeb, Markus Korinth and Markus Schweyer (all corporate/capital market/M&A).

On part of YPOG Lloyd Fonds AG was advised by partners Daniel Resas (co-lead/digital assets/capital market), Dr. Julian Albrecht (funds), Stefan Richter (taxes) and Lennart Lorenz (regulatory law) as well as associate Dr. Niklas Ulrich (co-Lead/regulatory law).

Background

RKH is a repeatedly award-winning corporate/M&A boutique based in Hamburg, which was founded in 2005 as a spin-off from Freshfields Bruckhaus Deringer. The firm focuses on advising German and foreign clients on complex corporate and capital markets law issues, corporate transactions and litigation. RKH's clients include well-known family businesses, German and international industrial, commercial and real estate companies, private equity/venture capital investors and family offices as well as banks and other financial service providers. Further information can be found on the Internet at www.rkh-law.de.

RKH has been advising the Lloyd Fonds AG for several years on corporate, capital market and transaction law issues. For implementing the legally demanding tokenisation of the fund structure, the team of YPOG was brought in at RKH's recommendation and was led by Daniel Resas, a partner with great experience and expertise in the field of digital assets and tokenisation.

Contact

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