

**PRESS RELEASE**

## **For the first time a Picasso is being tokenized on the blockchain by Sygnum Bank and Artemundi**

Zurich/Madrid, 15 July 2021 – Sygnum, a digital asset bank, and Artemundi, an art investment company, have partnered to tokenize Picasso's *Fillette au béret* painting. This marks the first time the ownership rights in a Picasso, or any artwork, is being broadcast onto the public blockchain by a regulated bank, enabling investors to purchase and trade "shares" in the artwork called Art Security Tokens (ASTs).

- Created in 1964 by Pablo Picasso, the most influential artist of the twentieth century, the *Fillette au béret* is priced at CHF 4 million
- Tokenization lowers the barriers to art investment and opens-up the art market to a broad range of new investors
- Tokens will be available for subscription to professional and institutional investors exclusively through Sygnum, a FINMA regulated Swiss Bank
- Token holders will have their ownership share in the painting fully recognised under Swiss law
- Secondary trading of tokens on SygnEx, Sygnum's digital asset trading platform

### **Tokenization holds potential to increase transparency and democratise the annual USD 60 billion art market**

The art market is complex, and often requires deep technical knowledge, personal connections and millions of dollars to enter. Tokenization, which creates digital representations of financial and real assets on the blockchain, enables fractional ownership, lowering financial barriers and democratising access to pieces of art history like Picasso's *Fillette au béret*. This innovative technology has the potential to open-up the global art market, worth USD 60 billion annually, to a broad range of new investors.

The tokenization of *Fillette au béret* represents two additional breakthroughs for the art market. By transforming art into a tradeable, bank-grade security on the blockchain, liquid secondary markets like Sygnum's SygnEx can directly connect buyers and sellers. This then eliminates the need for intermediaries, reducing transactional costs and bringing much-needed industry transparency. Picassos have a proven track record for continual appreciation in value, and *Fillette au béret* has been subject to Artemundi's stringent examination which is based on more than 30 years of experience in art investment.

### **Issuance of 4,000 tokens through regulated Sygnum Bank**

Investors can own a share of *Fillette au béret*, priced at CHF four million. Tokens can be subscribed directly through Sygnum's e-banking platform, with a minimum subscription of CHF 5,000<sup>1</sup>. Transactions will be settled in Swiss Francs, using Sygnum's digital CHF stablecoin (DCHF). All tokens are tradeable on SygnEx, Sygnum's digital asset trading platform.

As a regulated bank, Sygnum applies a robust legal framework to all token issuances on its platform, while providing a seamless, end-to-end solution – from primary issuance, settlement and custody to secondary trading. As such, the full benefits of a tokenized ecosystem can be realised. Sygnum continues to create new and unique investment opportunities in the verticals of Art & Collectibles, Venture Capital, Mid Cap and Real Estate.

### **Protected ownership of painting recognised under Swiss law**

The significance of this tokenization project also lies in the legal certainty of ownership that the issued tokens provide. The direct ownership in the artwork – not a fund or investment vehicle holding the painting – will be tokenized. These tokens are recognised under Swiss DLT (Distributed Ledger Technology) law, with transactions on the blockchain considered legally binding. As such, ownership rights are protected, and investors are able to invest with full confidence.

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<sup>1</sup> This does not include additional fees, inter alia for administration and management of the artwork

**About *Fillette au béret***

Pablo Picasso (1881-1973) painted *Fillette au béret* in 1964, oil on canvas (65 x 54 cm). The artwork shows a bust of a girl in the center of canvas, over a yellow background that degrades from left to right. The strong colour palette of green, red, black, yellow, and blue shown in *Fillette au béret* evokes a fulfilling yet intensive and powerful time in the artist's life. The painting has been exhibited in museums worldwide such as Galerie Beyeler in Switzerland, the Moderna Museet Museum in Sweden, the Kunsthalle Nurnberg in Germany, the LACMA and Phoenix Art Museum in the USA. This artwork has been subject to Artemundi's proprietary examination protocols tested throughout 32 years and an independent third-party valuation was obtained. The physical artwork is stored in a high-security specialised storage facility.

**Javier Lumbreras, Co-Owner and CEO of Artemundi**, says, "In my 37 years of collecting art, I never imagined this could happen. Artistic, cultural objects of universal appeal, once reserved for the elite or the museums, can now be safely and directly owned without the burden of high entry barriers, such as information, knowledge, connections, and capital. The art market is absurdly opaque and inefficient, but these traits will soon be relics of a bygone age."

**Mathias Imbach, Co-Founder and Group CEO of Sygnum Bank**, says, "It has been Sygnum's mission from the start to empower investors with more direct access to ownership and value. The tokenization of the *Fillette au béret* exemplifies how we bring our mission to reality, unlocking a universe of unique investment opportunities that can be made accessible to many. "

**About Sygnum**

Sygnum is the world's first digital asset bank, and a digital asset specialist with global reach. With Sygnum Bank AG's Swiss banking licence, as well as Sygnum Pte Ltd's capital markets services (CMS) licence in Singapore, Sygnum empowers institutional and private qualified investors, corporates, banks, and other financial institutions to invest in the digital asset economy with complete trust. Sygnum operates an independently controlled, scalable, and future-proof regulated banking platform. Our interdisciplinary team of banking, investment, and Distributed Ledger Technology (DLT) experts is shaping the development of a trusted digital asset ecosystem. The company is founded on Swiss and Singapore heritage, and operates globally. To learn more about Sygnum, please visit [www.sygnum.com](http://www.sygnum.com).

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**About Artemundi**

Fuelled by a deep knowledge of art and the long experience understanding of its behavior as an asset, Artemundi has taken traditional art collecting and investing to a completely new level. Artemundi was born out of a rebellious idea and a principled objective: Help clients build and diversify art portfolios without the excessive fees associated with traditional brick-and-mortar art companies while paving the way for transparent business practices. Since the foundation in 1989, Artemundi has evolved to become an industry-leading art investment company with +1 Billion USD managed in art and thousands of art transactions. It now has over 32 years of experience providing expert funds and other art management services. For more information, please visit [www.artemundi.com/](http://www.artemundi.com/).

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