

# NJORD Estonia: Legal Opinion on the Substance of the Token

NJORD is ready for a tokenized world. Let's get your business ready as well. Tokens have become the foundation of a new digital economy. While fiat money still makes the world go 'round today, in the world of tomorrow, that mission will be handled by tokens.

Tokens can represent anything from a store of value to a set of permissions in the physical, digital, and legal world. Depending on the features of the token, issuing and selling of the token may fall under legal regulations. For example, issuing a security token falls under securities laws, while a utility or payment type of token does not fall under legal regulation.

One of the key points of any token offering is listing an issued token on a cryptocurrency exchange or cryptocurrency exchanger, in order to create liquidity. Hence, it is often required to draft a legal opinion on the substance of the token with the legal opinion analyzing the concept and features of the token.

Legal opinion will be drafted to confirm or deny the classification of a token as a security. Cryptocurrency exchanges require such legal opinion security or non-security in order not to be subject to the laws applicable to classic exchanges that trade in securities. Legal opinion is also crucial for the token issuer in order not to trigger heavier legal requirements than needed for the contemplated business model.

Each token sale requires a well-planned legal & financial setup. NJORD attorneys and AML experts have a keen understanding of the Estonian and European Union regulatory issues, a company that wants to launch token sale, may face. NJORD offers the full spectrum of legal services, including legal opinions related to token sale and crypto-currency matters end to end.

NJORD is ready, let's get your token ready as well!



**VIRGI NAEL**  
HEAD OF BANKING AND  
FINANCE, SENIOR ASSOCIATE

(+372) 524 1668  
VIRGI.NAEL@NJORDLAW.EE



**VEIKKO TOOMERE**  
ATTORNEY AT LAW,  
PARTNER

(+372) 66 76 440  
VEIKKO.TOOMERE@NJORDLAW.EE