

Tokinvest

Virtual Asset Standards

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Change History

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2 Virtual Assets Standards

Tokinvest considers all of the following factors when assessing a Virtual Asset (VA) for listing:

2.1 Security

Tokinvest takes the security of VAs very seriously. VAs must be:

- secure and have passed a thorough security review, including but not limited to:
 - a smart contract audit (if applicable),
 - the security and immutability of the underlying DLT protocol,
 - and vulnerability assessment.
- Additionally, virtual asset issuers must demonstrate that they have implemented robust security measures to protect their virtual asset from theft, hacking, and other security threats.

2.2 Legal and Regulatory Compliance

Tokinvest operates in compliance with the VARA Regulations and all applicable laws and regulations in the jurisdictions where it operates. For a VA to be considered for listing on Tokinvest's platform, it must comply with all applicable laws and regulations in the jurisdiction where it is issued and, in the jurisdiction(s) where Tokinvest lists it. This includes compliance with securities laws, tax laws, and other relevant regulations.

- All tokens listed must comply with applicable laws and regulations, including relevant securities laws, anti-money laundering (AML) regulations, and know-your-customer (KYC) requirements. In certain cases, Tokinvest may conduct its own legal review before listing a token.
- We will verify whether the VA may be susceptible to price manipulation for any reason, and whether potential or actual conflicts of interest may arise.
- Tokinvest will verify that client Issuers ensure that the asset backed VA representing rights to "real-world" assets have enforceability of such rights.
- Tokinvest will verify and indicate whether the VA previously received a specific approval by VARA or another regulatory authority, or whether the VA is prohibited by VARA or any other appropriate authorities.

2.3 Virtual Asset Issuer Due Diligence Requirements

Tokinvest will conduct due diligence on the token issuer to ensure compliance:

- Tokinvest will verify the background of its Issuer, including but not limited to relevant experience in the VA sector, whether it has been subject to any investigations or claims in relation to fraud or deceit.
- Will include reviewing the Issuer's white paper.
- Conducting background checks on the token issuer's management team.
- Reviewing any legal or regulatory issues related to the token which may include documentation provided by the Issuer or a third party.
- Issuers must demonstrate a commitment to compliance with relevant regulations, including AML and KYC requirements.
- Additionally, Issuers must provide regular updates to virtual asset holders regarding any changes to their compliance policies or procedures.
- Issuers must be a legitimate company, or if an individual, provide all required KYC information which will be subject for review under Tokinvest's AML/CFT Policy.
- Issuers must provide detailed information about their company, including legal entity structure, details of the Board of Directors, Business Plan, and financial information.

2.4 Virtual Asset Use Case

VAs listed on Tokinvest must have a clear use case. Factors impacting the use case to be considered:

- Issuer must provide a detailed explanation of how the token will be used within the project and details of any economic rights for token holders and how these will be determined. This ensures that the token has reasonably determinable value and is not just a speculative investment.

- Utility: The virtual asset must have a clear use case or utility, and its intended purpose must be well-defined and clearly articulated.
- Liquidity: The virtual asset must have sufficient liquidity to support primary distribution and secondary trading on our platform, which includes meeting minimum project size in value and token supply requirements.
- Market capitalisation, fully diluted value, and liquidity, and whether such metrics have steadily trended downwards.
- Sufficient assets must be available to satisfy any obligation with respect to any VA activities.

2.5 Virtual Asset Features

Tokinvest will assess whether there are features which may materially affect Tokinvest's compliance with applicable laws, Regulations, Rules or Directions, including but not limited to those relating to AML/CFT, sanctions, securities, intellectual property.

2.6 Virtual Asset Information

It is critical that VAs listed on Tokinvest provide accurate and verified information, such as name, ticker symbol, total supply, and technical specifications. They must not misrepresent what the underlying asset. Important information that will be considered includes:

- Transparency: issuer must be transparent about the VA's issuance and distribution, and provide ongoing updates to all holders.
- Its future development as communicated by the Issuer and/or relevant developers.
- Tokinvest will ensure that VA Terms and Conditions reflect, to the extent possible, the operation of any existing underlying physical market and avoid adverse impacts to such market, if applicable.
- Tokinvest will review VA Terms and Conditions on a periodic basis for appropriate correlation with any physical market to ensure such Terms and Conditions conform to standards and practices in that physical market, if applicable.