

**USD GOLD
(USDGOLD)**



**WhitePaper
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by

**Legacy 1 Gold &
EIG Global Trust**



ABSTRACT

Our 100% gold backed stablecoin token, USD Gold (USDG)¹, was created to provide financial institutions (public and private), merchants, and individuals a means to harness the enormous benefits of a digitalized currency backed by real assets, gold. We believe our 100% gold backing provides multiple incomparable benefits vs other coins/tokens backed by nothing (most cryptocurrencies) or fiat instruments (most stablecoins). Our project goal is to have USDG become the world's gold standard in digital transactions in the spirit of the Bretton Woods Agreement.²

USDG is gold-backed by an industry leading fifty-one percent (51%) Fine Gold. The remaining 49% is backed the EIG Bank Coin (EIGBC)⁵, a stablecoin backed by 100% verifiable gold assets. The USDG Project is owned by Legacy 1 Gold LTD, incorporated in the United Kingdom (UK).

The USDG stablecoin token is pegged 100 to 1 ratio to the USD Dollar, thus a par value of One Hundred US Dollars (\$100 USD). Each token will be bought and sold to the hundred thousandths place (5 decimals). This peg of \$100 USD will not change regardless of the price of gold. The Proof of Reserves will be established by the price of gold at the time the USDG token enters circulation. USDG are not directly tradable or exchanged for actual gold held by its owner, Legacy 1 Gold LTD. There are no immediate plans to offer any interest-bearing benefits to hold or "hodl" the tokens.

USDG Total Supply is set at 5,000,000,000 (5 billion) tokens, 100% are authorized and minted with a potential market cap of \$500 billion USD. 80% of the USDG Total Supply will be available for direct or public sales with proceeds going into the USDG Treasury account. The remaining 20% of USDG will be split 14% for the Project Founders and 6% for Project Marketing and Operations. Tokens will be issued from the treasury based on market conditions and made public via the website www.USDGtoken.com. We do not plan to "burn" any tokens in circulation or held in the USDG treasury.



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BACKGROUND ON DIGITAL ASSETS

As the digital assets space continues to evolve and new types of digital assets are created, it has become apparent that the needs of stakeholders include three key concepts: consistency, transparency, and trust. Digital asset-backed tokens include fiat-pegged, commodity-pegged, and crypto-pegged. Generally, asset-backed tokens include mechanisms designed to minimize price volatility by linking (or pegging) their values to the value of the asset backing them. In the case of an asset-backed fiat-pegged token, the token is pegged to a fiat currency (for example, the U.S. dollar); therefore, these are typically referred to as “stablecoins.” These tokens can be redeemed based on the token issuer’s terms and typically obligated to hold a sufficient amount of assets to cover the number of redeemable tokens outstanding.

Currently, no common framework exists for the presentation of the sufficiency of assets for redemption specific to asset-backed tokens. This results in inconsistent and incomparable information made available across token issuer reports regarding the nature and the number of redeemable tokens outstanding and the sufficiency of the redemption assets that back these tokens (such as which counterparties hold the assets that back the liens and the nature of those arrangements, or information about the types of assets being held).

EIG Global Trust and its wholly owned subsidiary Legacy 1 Gold (UK) are full service digital financial firm with built-in asset management, project finance, investment banking, and advisory services driving digital transformation. EIG Global Trust was founded by 6 experts with 200 years combined experience and innovation in banking and finance (commercial and sovereign), regulatory enforcement, government audit, project management, online technology and transactions including digital assets. Their focus during is to establish business and political relationships to complete transactions with governments, commercial banks, and accredited investors using the proven digital backed stablecoins as collateral for credit lines, public and private project financing, and client cryptocurrency i.e. central bank digital currency (CBDC).



EIG Global Trust believes their stablecoin model is best of both worlds as it can grow with the world's economies as their redeemable asset is firstly the fiat-currency that it's pegged to (US Dollar), plus the additional backing of a near unlimited mining precious metals and gold using new technologies. Further, USDG stakeholders increase their ability to increase their ratios for leveraged based financial products and credit lines since its gold backed. This provides clients with the flexibility and expandability of a digital asset for both how it's traded (collateral, wrapped, traded, etc.) and where as being digital allows for cross-border payments/transactions. The key feature is accountability for credit lines and project financing when EIG stablecoins are used as collateral since digital assets use cryptography in a blockchain for verification and security purposes on a decentralized ledger (publicly available for USDG). This is especially important regarding government and sovereign related financing projects where transparency of funds distribution and accountability has been problematic previously.

The Project Owners, EIG Global Trust and Legacy 1 Gold: state it is **not the intention** to replace the existing financial infrastructure with de-centralized transactions or be the one-all-be-all digital asset down to the retail level, but to improve upon, support, and modernize the world's existing financial infrastructure both politically and systematically for the better good of humankind. This is accomplished by using EIG Global Trust stablecoins as collateral for project financing, credit lines to increase money supply that is trackable, and make cross border payments and in-country transactions more efficient.

INTRODUCTION

Stablecoins are a type of cryptocurrency that are primarily pegged to an asset primarily fiat currency like US Dollars (USD) at usually a ratio of 1 to 1. Stablecoins are assumed to be "stable" because they are backed by their Proof of Reserves (usually fiat currencies or financial instruments based on fiat currencies).

Fiat money is a government-issued currency that is not backed by a physical commodity, such as gold or silver, but rather by the government that issued it. The value of fiat money is derived from the relationship between supply and demand and the stability of the issuing government. The term "fiat" is a Latin word that is often translated as "it shall



be" or "let it be done." Fiat currencies only have value because the government maintains that value; cannot be redeemed; and there is no utility to fiat money in itself.⁶ Thus, fiat currencies can increase or decrease in relative value based on that country or block of countries monetary policy, economy, and amount held in financial reserves (usually gold).

Before fiat currency came about in the 1970s, governments would mint coins out of a valuable physical commodity, such as gold or silver, or print paper money that could be redeemed for a set amount of a physical commodity. Bretton Woods created a collective international currency exchange regime that lasted from the mid-1940s to the early 1970s and today a lasting influence on international currency exchange and trade through its development of the IMF and World Bank. The Bretton Woods System required a currency peg to the U.S. dollar, which was in turn was pegged to the price of gold.²

Stablecoins have gained popularity with a total market cap above \$150 billion. Leaders are currently Tether (USDT) and Circle (USDC) with market caps of \$107 billion and \$32, respectively. The term "backed" equates to assets held in the owners' custody or Proof of Reserves that support or stabilizes the cryptocurrency. What is often found is 90% or more held in reserves are fiat-based bank instruments or unsecured debt with restrictions. Backing by actual cash and precious metals is comparably low and the reserves also usually contain highly volatile non-stable cryptocurrencies.

For example, Tether hired accounting firm BDO to perform a Reasonable Assurance Engagement of reserves in January 2024 showed less than 1% cash, 4% precious metals, and 3% Bitcoin.⁷ The remaining 90%+ was backed by various bank and government instruments tied to interest bearing notes.

USDC (Circle) provides monthly attestation reserve reports reviewed by Deloitte & Touche LLP, the audited report shows 36% of assets held in treasuries, 56% in repurchase agreements, and 9% in cash.⁸

The above interest related assets can be greatly affected by swings in interest rates. For example, if your backed bank/government instrument pays 2% interest rate but



recent changes to the market increase a similar bank/government instrument rate to 5%, then the value of your backed instrument has lost value and must be greatly discounted when sold. Many other stablecoins are thus not stable as these “backed assets” values can fluctuate greatly, increasing the risk of that held stablecoin.

Recently, new “gold backed” stablecoins have been launched to provide an alternative method to purchase gold by for example, pegging 1 token to 1 gram of gold, silver, or other precious metals. The price of the token increases as the precious metal increases. The crypto owners derive their profits through transaction fees and add-on costs like storage or shipping if the buyer wants to take possession of the actual precious metal. While these stablecoins usually claim a 1 to 1 ratio gold to reserves, the Market Cap is relatively low being an alternative way to sell gold at usually higher prices.

We have resolved the above problems of Proof of Reserves by backing all the USDG stablecoins using 100% real assets, fine gold and verified gold assets. If gold price increases or decreases, we will increase the physical amount in our Treasury when USDG is first circulated based on the current price of gold. This provides the preferred hedge against interest bearing assets that our target audience has in their possession. In summary, our USD Gold (USDG) stablecoin will disrupt the meaning of “backed” by truly having a stablecoin token backed by an actual asset gold and shielded by the world’s inflationary driven economy. Additional benefits are vast and will be detailed in this Whitepaper.

EIG Global Trust went through extensive 1 year of regulatory reviews in multiple jurisdictions before the private launch of USDG in May 2024 via www.usdgtoken.com. Our primary goal is to establish a stable gold backed digital currency that interacts with the world's existing financial fiat-based assets (i.e. fiat currency, bonds, notes, and other banking instruments) from both governments and commercial institutions. USDG is a vehicle to combine the real-world use of fiat assets with a digital currency that offers the cross-border transaction efficiencies and blockchain security, accountability, and audit capabilities.



USDG is an excellent asset to meet capital requirements for collateralization to issue loans to consumers and hedge against inflationary factors mentioned above.

Additionally, since our stablecoin can be exchanged for fiat currency like the US Dollar and Euro, we made it a priority to focus its adoption to countries who need to improve their intra-country payments (i.e. payroll for government employees and contractors) and inter-country payments (i.e. cross-border trade).

The USDG also provides an excellent hedge and long-term investment against volatility in currency prices or crypto currencies. Since it is gold backed and not fiat-currency backed, investors receive the best of both worlds of the stability of gold as an asset and permanently pegged to \$100 per USDG Token. We believe our USDG Token will be the world's leader in digital asset backed currency improving upon the true intention of the Bretton Woods Agreement. For more information on the USDG backing see Appendix A below.

Finally, the term coin and token has been used interchangeably regarding stablecoins. Since USDG will be running on another's blockchain, technically it is a token on that blockchain. We have chosen the Binance BNB Smart Chain (BSC)⁹, a high-performance blockchain that allows developers to create smart contracts using the same programming language used by Ethereum. We chose the BSC blockchain for cost-effective, high scalability, interoperability, and large user base. See more about BSC in the technology stack section below.

THE USD GOLD (USDG) PROJECT OWNERS AND PARTNERS

The USDG project is owned by Legacy 1 Gold LTD, a private company wholly owned by EIG Global Trust. Additionally, EIG Global Trust has partnered with its subsidiary EIG Global Resources to source the fine gold for the USDG asset backing.

Legacy 1 Gold LTD is incorporated in England & Wales, registration number 15631712, see filing [UK Registration](#). The project owners charter demands a responsible corporate governance and operations including strong know your customer (KYC), anti-money



laundering, and counter terrorist financing processes. Legacy 1 Gold LTD is compliant or in the process with all regulatory bodies including but not limited to the UK Financial Conduct Authority (FCA).

EIG Global Trust is a full service digital financial firm registered in Delaware, USA and the United Kingdom that provides asset management, project finance, investment banking, and advisory services driving digital transformation with emphasis on proactive fraud prevention and auditing.

We were conceived to manage partnerships with the world's financial community and develop digital economies in a responsible fashion. EIG Global Trust is leading the stable digital currency transition from the central banking establishment and their client countries commercial financial apparatus, into the digital venture and investment capital operations with a true cross border digital currency solution with heavy emphasis on project financing, mergers & acquisitions, gross domestic product enhancement, and liquidity into the marketplace.

EIG Global Trust has an internal 1 million USD denominated fully backed stable Bank Coin (EIGBC) on its proprietary and security audited private blockchain. The EIGBC has an available treasury of \$90 Trillion USD equivalent in fully minted 100% asset backed stable digital token currency.

EIG Global Resources is Mining for a Better Future. The mission is to provide resource rich communities a one-stop solution to locate, extract, process, and sell valuable minerals in an eco-friendly and community first approach. The company is registered in registered in Kenya as EIG Resources Ltd and specializes in exploration of precious and rare metal mines by optical geophysical survey and proprietary nano- electromagnetic technology in determining the location and content of the ores. Artisanal mining is the primary focus by minimizing the environmental impact while maximizing our positive contributions to society. EIG Global Resources offer a full range of mining services including modern optical 4D exploration, proprietary technology in the determination of content, refining, casting, and stamping. Our customized solutions are tailored to meet the unique needs of each client and project. We specialize in Artisanal Mining equipment

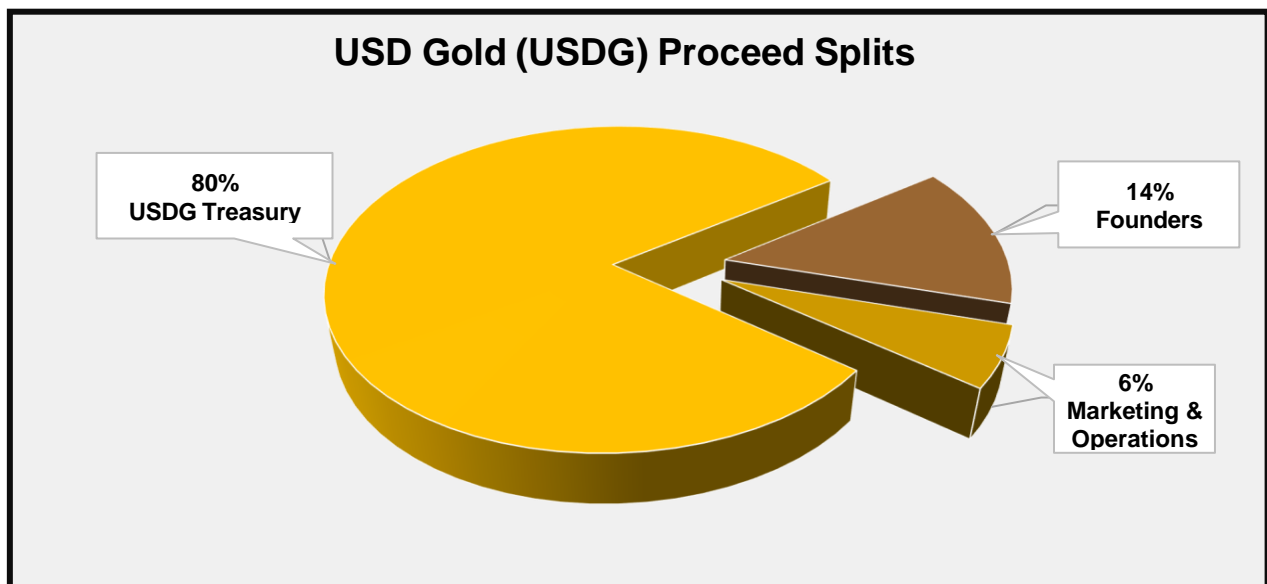


geared towards improvement of Artisanal mining worldwide

The primary goal of the owners is help convert from fiat to digital currency and bring socio-economic benefits to the world at the grass roots level by supplying a digital alternative to cash. This enables easier access to financial services and improving efficiency. Digital banking provides much needed access and ease of use particularly in developing nations where traditional banking and hard currency are limited in rural areas.

WHERE TO PURCHASE AND PROCEED SPLITS

The USDG token will be available to purchase initially on DexTrade Exchange in late August 2024 and via Project Owners website www.usdgtoken.com. The token will then be released on cryptocurrency exchanges throughout the world. The proceeds generated from direct sales and exchanges will be split 3 ways, 80% USDG Treasury, 14% Founders, 6% Company Marketing and Operations as illustrated in the chart below:



PROOF OF GOLD RESERVES

Each USDG token is pegged to \$100 US Dollars. When the USDG token is first acquired



(circulated) from the Owners (Legacy 1 Gold LTD) treasury, the price and amount of gold required to be held and custody will be established. For gold pricing purposes, we will use the London Bullion Market Association (LBMA) gold price fix per troy ounce in terms of US Dollars.¹⁰ The London Bullion Market Association (LBMA) fixes the price of gold per troy ounce in US dollars twice a day via an auction, at 10:30am and 3pm London time. We will use the 3pm London fixing time to set that day's price.

Once the price is established, we will then determine the amount gold required to be held in custody to meet the 51% gold backing. Then using EIG Global Resources advanced gold bar laser etching (QR code) technology, we can assure the amount is linked to actual fine gold held in custody. For example, assume 10,000 USDG tokens were first circulated from the USD Gold treasury on July 1 when the price of gold based on LBMA = \$2,000 per troy ounce. Since each token is priced at \$100 USD, then that day's total value = \$1,000,000 USD (10,000 USDG tokens x \$100 USD). So, 51% would equal \$510,000 ($\$1,000,000 * 51\%$) worth of fine gold required to back that day's newly acquired tokens. At \$2,000 per troy ounce, we would place 255 troy ounces ($\$510,000 / \$2,000$) in the USDG custodian ledger and link those 255 troy ounces to that day using the QR code etching technology mentioned above.

USD Gold's owners, EIG Global Trust and EIG Global Resources, are the custodians of the gold. Transparency regarding the proof of purity and amount of the gold used as USDG reserves for backing purposes will be provided to the public during quarterly audits by international recognized auditors and published on the USDG website, www.usdgtoken.com.

The remaining 49% of USDG is backed by EIG Global Trust, EIG Bank Coin (EIGBC). This internal blockchain stablecoin has a high \$1 million US Dollar (USD) peg value per coin to support central bank initiatives, large financial transactions, and infrastructure project funding. The ledger based digital currency allows detailed tracking and accountability throughout the entire lifecycle.



REDUCED RISK MANAGEMENT

We acknowledge the growing hesitancy with investing in cryptocurrencies due to controllable (mismanagement or human error) and intentional maleficence from fraud and external hacks. We are fully transparent in both who we are, our regulatory backing, and our intentions. We have also launched on public recognized blockchain technology Binance Smart Chain (BSC) to alleviate the concern and risk of in-house build blockchains or outdated blockchains that require updates.

While we can secure the technology and gold reserves, each investor must remain diligent to avoid their own wallet and exchange account intrusions. But we feel extremely confident with our regulatory approvals and our central bank, government, and commercial banking partnerships that USDG is the preferred method to invest in cryptocurrency for the purposes of long-term inflationary protection investments while avoiding the extreme volatility of non-backed cryptocurrencies like Bitcoin or memes. We strongly believe that the world will come to its senses and realize Bitcoin is simply made up and based and backed by zero assets and to mention an enormous energy hog, inefficient, and impactable in real-time transactions. In fact, the recent ETF launches used Bitcoin by default as it's the only cryptocurrency the general public is aware of. We plan to change that narrative by focusing on the long-term future of the digital world based on a truly asset backed currency that is tangible, verifiable, and proven valuable over 1,000s of years.

TECHNOLOGY STACK

The BSC Blockchain.¹¹ USDG uses Binance Smart Chain (BSC), a layer-1 blockchain built to support smart contracts, running alongside the Binance Chain, which was designed to support high transaction volumes. Binance Smart Chain implements the Ethereum Virtual Machine (EVM) to enable smart contracts, allowing developers to create or migrate Ethereum-based decentralized applications (dApps). BSC was designed based on Geth, an Ethereum execution client that handles transactions, deploys and executes smart contracts, and contains the EVM.



Evolution of BSC into BNB Chain. The Binance blockchain, built by the world’s largest cryptocurrency exchange, has evolved since its launch in 2017. As decentralized finance (DeFi) applications enabled by smart contracts took off in 2020, Binance launched a parallel Binance Smart Chain to run alongside the Binance Chain and compete with the Ethereum blockchain.

BSC quickly gained popularity among developers and users in early 2021 as network congestion and high gas fees on the Ethereum blockchain increased the cost of transactions while slowing processing times. In 2022, BSC merged with the Binance Chain in a new dual-chain structure. The original Binance Chain has been renamed the BNB Beacon Chain and merged with BSC, meaning that Binance Smart Chain is now the BNB Smart Chain. Together, the two chains comprise the BNB Chain.

BNB Smart Chain Protocol. BNB Smart Chain brings programmability and interoperability to the BNB Beacon Chain using a combined delegated proof of stake (DPoS) and Proof-of-Authority (PoA) consensus mechanism known as Proof-of-Staked-Authority (PoSA).

PoSA uses a system of validators elected based on the number of tokens they stake. They take turns verifying transactions and adding them to the chain in new blocks.

Backup validators called “candidates” provide security, as in the event of a malicious attack that brings the validators offline, the candidates can report to the Beacon Chain, resume processing on BSC, and propose the re-election of active validators.

Advantages of BSC include:

- **Short blocking time:** BSC aims to achieve a short blocking time of three seconds on its live blockchain (mainnet). This means that transactions can be processed quickly enabling faster confirmation and reducing potential delays.
- **Fast confirmation of transaction finality:** BSC emphasizes fast confirmation of transaction finality. This ensures that once a transaction is included in a block, it is considered finalized and cannot be reversed or altered. This feature enhances the security and reliability of transactions on the BSC.



- **EVM compatibility:** BSC is fully compatible with EVM. This compatibility allows developers to seamlessly port their existing Ethereum-based applications and smart contracts to the Binance Smart Chain ecosystem. It also provides users with a familiar environment and access to a wide range of dApps.

USDG SECURITY & SMART CONTRACT AUDIT

The Project Owners, EIG Global Trust and Legacy 1 Gold (UK) successfully completed a comprehensive security and smart contract audit conducted by top firm Hashlock. The audit showed no material gaps in the code or security. For detailed information see Appendix A below.

TARGET MARKET:

Cryptocurrency Exchanges. USDG tokens can readily accessible for purchase, exchange for other cryptocurrencies, and settled in fiat currencies. We plan to list USDG on all BSC supported exchanges. The first exchange is expected to be [DexTrade](#).

Governments. Legacy 1 Gold LTD owners have developed deep ties to several country governments and their central banks. We believe USDG can support their needs to convert their local economies from fiat to digital currency. One example could be paying government contractors in USDG or government employees in USDG.

Commercial Banks. a truly backed stablecoin to support and modernize traditional banking needs including cross-border payments, using USDG as an inflationary hedge, asset management portfolio, and trading practices.

Companies. Public and private companies could also use USDG as an inflationary hedge, cross-border payments, and other traditional methods current fiat-currency provides.

Exchanges, Retail, & Individuals. USDG provides a hedge against volatile fiat and floating priced cryptocurrencies and limited leverageable stablecoins.



APPENDIX A

Hashlock Security & Smart Contract Audit of Stablecoin USD Gold

[Download the complete Hashlock Audit Report](#) –

Executive Summary

The USD Gold Token (USDGOLD) partnered with [Hashlock](#) to conduct a security audit of their USD Gold.smart contract. Hashlock manually and proactively reviewed the code to ensure the project’s team and community that the deployed contracts were secure.

Project Context

USDG Token is a gold-backed stablecoin.

Project Name: USD Gold (USDGOLD) Token

Compiler Version: ^0.8.19

Website: www.usdgtoken.com

Audit scope

We at Hashlock audited the solidity code within the USDGold Token, the scope of work included a comprehensive review of the smart contracts listed below. We tested the smart contracts to check for their security and efficiency. These tests were undertaken primarily through manual line-by-line analysis and were supported by software-assisted testing.

Description	USDGold Token Smart Contract
Platform	BSC / Solidity
Audit Date	July, 2024
Contract	USDGold.sol
Contract MD5 Hash	35a5e67075d02bdad37b947764e1546b
Contract Address	0x642b6bf1322de562469cd8fe43a2cce81bd24708



Security Rating

After Hashlock's Audit, we found the smart contracts to be **"Secure"**. The contracts all follow simple logic, with correct and detailed ordering.

Code Quality

This Audit scope involves the smart contracts of the USDGold Token, as outlined in the Audit Scope section. All contracts, libraries, and interfaces mostly follow standard best practices to help avoid unnecessary complexity that increases the likelihood of exploitation; however, some refactoring is required. The code is very well commented on and closely follows best practice nat-spec styling. All comments are correctly aligned with code functionality.

Audit Resources

We were given the USDGold Token smart contract code in the form of a Link to the Deployed Contract. As mentioned above, code parts are well-commented. The logic is straightforward, and therefore it is easy to quickly comprehend the programming as well as the complex code logic. The comments help understand the overall architecture of the protocol.

Dependencies

Per our observation, the libraries used in this smart contract's infrastructure are based on well-known industry-standard open-source projects. The USDGold Token values decentralisation.

Conclusion

After Hashlock's analysis, the USDGold Token seems to have a sound and well-tested code base. Overall, most of the code is correctly ordered and follows industry best practices. The code is well commented on as well. To the best of our ability, Hashlock is not able to identify any further vulnerabilities.





APPENDIX B

EIG Global Trust (EIG) Stablecoin USD Gold (USDG) is “Double Backed”

“EIG stablecoin USDG provides industry leading consistency, transparency, and trust + fiat currency returns from credit lines and project financing by leveraging the double backing”

- A. USDG stablecoin is pegged to the US Dollar (USD) and only redeemable / exchanged for USD. Neither stablecoins are redeemable for actual gold.
- B. EIG issuer terms state at least 80% of issued USDG proceeds will remain in the EIG Treasury balance sheet for “double backing” asset backing purposes.
- C. The 1st Level of asset backing is USD and cash equivalents to cover the redeemable stablecoins and secure the hard assets. This balance will grow as proceeds grow.
- D. The 2nd Level of asset backing is verifiable and registered gold and precious metals.
- E. Industry standard for stablecoins is to maintain at least 100% Proof of Reserve Ratio or the value of asset backing vs. value of issued stablecoins.
- F. EIG is able to achieve the 100% ratio debt free by issuing EIG stablecoin USDG to mineral rights and gold owners in exchange for revenue sharing from the proceeds.
- G. The mineral rights and gold owners are paid in cash (USD), therefore; no “circular reference” exists i.e. backing the stablecoins & also paid in stablecoins.
- H. What makes EIG double backing model unique and built for the global economy?
 - USDG is collateralized for credit lines & project financing that generates larger returns vs. other stablecoins cash and cash equivalent only returns.
 - Current leading stablecoins (USDC & USDT) are pegged, redeemable, and backed by cash and cash equivalents, loans, bonds, and less than 5% in precious metals. Their growth is tied to cash with limited leveraging returns.
 - Existing “gold backed” stablecoins redeemable asset is gold. Niche & unscalable.

In Summary, EIG stablecoin USDG has double asset backing of both fiat and precious metals. This provides the liquidity benefit of fiat + expandability for global markets since precious metals are abundant. Using secure and accountability of digital blockchains, combined with EIG founders’ trusted expertise, EIG solution offers modern financial products with better leverage returns for the EIG target audience: governments, banks, and financial entities.



APPENDIX C

Glossary

Asset backed/ pegged cryptocurrency. Any stablecoin cryptocurrency whose price is pegged to a real-world asset i.e. It's not a "utility backed" cryptocurrency.

Bitcoin (BTC). The original, largest and best-known cryptocurrency.

Blockchain. The underlying technology is used by nearly all cryptocurrencies. A blockchain is essentially a complete ledger of transactions held simultaneously by multiple nodes on a network.

Collateralization. Use of a valuable asset to secure a loan against default and can be seized by the lender to offset any loss.

CeFi. Short for centralized finance. Finance is traditionally centralized because it relies on trusted intermediaries like banks (central, commercial, and online).

Circle (USDC). A stablecoin that is pegged 1-to-1 with the U.S. dollar.

Coin. A colloquial term for a cryptocurrency.

Cryptocurrency. A digital asset that can be used as a store of value or a medium of exchange for goods and services. Transactions are verified and recorded using cryptography by a distributed network of participants, rather than a centralized authority such as a bank or government agency.

dApp. Short for decentralized application, a dApp is an app that isn't controlled by a central authority. Twitter is an example of a centralized app, with users relying on it as an intermediary to send and receive messages. A dApp is distributed on a blockchain, allowing users to send and receive data directly without an intermediary.

DeFi. Short for decentralized finance. Finance is traditionally centralized because it relies on trusted intermediaries. For example, if you want to send money to a friend or relative, you rely on your bank to send it to the recipient's bank. DeFi, on the other hand, requires no intermediaries. Participants can send and receive assets directly. In theory, this makes transactions faster and cheaper.

Exchange. A website or app that allows users to buy and sell crypto assets.

Ethereum. The second-biggest cryptocurrency by market capitalization after Bitcoin.

Fiat currency. Traditional currencies are backed by the full faith and credit of a nationstate. The U.S. dollar, the euro or the British pound are fiat currencies.

Fiat currency. Traditional currencies are backed by the full faith and credit of a nationstate. The U.S. dollar, the Euro or the British pound are fiat currencies.

Hodl – "Hold on for Dear Life", to hold the cryptocurrency for long period of time often earning interest with withdrawal restriction

Know Your Customer (KYC). Although not required, many crypto exchanges carry out certain identity checks on their customers under KYC rules.



Ledger. A record of transactions maintained by both centralized financial institutions and decentralized finance applications. Data for each transaction entered into a ledger may include times, dates, senders and recipients.

Market capitalization (cap). Also written as market cap, this is the total market value of a cryptocurrency. At the time of writing, all cryptocurrencies had a combined market cap of slightly less than \$1 trillion.

Node. A computer or device connected to other computers or devices that all hold a copy of a blockchain. Each node supports the broader network by sharing information and validating transactions.

Proof of Reserves. The process by which the issuer of any asset backed decentralized digital token, cryptographically/mathematically proves that all tokens that have been issued are fully reserved and backed by the underlying asset.

Regulated. A market in which players must follow certain rules of risk fines and/or the loss of their operating license.

Smart contract. A program that executes itself on a blockchain when certain conditions are met, without the need for human intervention or an intermediary. Once completed, the contract cannot be changed or undone.

Stablecoin. A cryptocurrency that aims to maintain a fixed, unchanging market value that is pegged to another currency, commodity or financial instrument. As of this writing, the biggest stablecoins are Tether and USD Coin.

Tether (USDT). A stablecoin that is pegged 1-to-1 with the U.S. dollar.

Token. An individual cryptocurrency. Specifically, it's a way to refer to a crypto that runs on a particular blockchain.

Volatility. A market condition in which prices frequently and unpredictably rise and fall in prices or interest rates.

Total Circulation. Collective number of coins or tokens in circulation at any point in time.

Total Supply. Collective number of all coins or tokens in circulation, owners' treasury, or escrow any point in time.

Utility backed. A decentralized digital token whose value is derived from the usefulness of its application rather than just being a value transfer system.

Whitepaper. A technical document released alongside new crypto projects that explains how the system works.

Yield. A return on investment, expressed as a percentage.



APPENDIX D

References

- [1] For more information on USD Gold (USDG) and its owner Legacy 1 Gold LTD, see www.usdgtoken.com
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by Technology Journalist Nicole Willing