



GBX+ Rock Token Sale Whitepaper

Token seller	GBX Limited
Token name	Rock Token
Token ticker	RKT
Project name	"Gibraltar Blockchain Exchange" or "GBX"
Public sale	Approximately early February 2018 unless fully sold prior

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Table of Contents

Token Sale Summary	5
Introduction	6
Part A – Industry and Project Overview	8
1 Industry overview	8
2 Gibraltar – DLT Regulatory Framework	8
3 GBX, the “Crypto Harbour”	10
4 GSX, a stock exchange for tokenised securities	10
5 GBX Ecosystem, the financial services and fintech ecosystem	11
6 The Rock Token	12
7 The GBX vision	12
Part B – The GBX Market	13
8 Token sale platform for utility tokens	13
9 Digital asset exchange	18
Part C – The GSX Tokenised Securities Exchange	20
10 Overview	20
11 About GSX	20
12 About the GSX Tokenised Securities Exchange	21
Part D – The GBX Ecosystem	22
13 GBX Ecosystem	22
14 Gibraltar fintech ecosystem	24
Part E – Development Approach	25
15 Phased development approach	25
16 Project budget	26
Part F – Community, the GBX Alliance, the GBX Alliance Council and the GBX Blockchain Innovation Centre	27
17 Community	27
18 GBX Alliance	27
19 GBX Alliance Council	28
20 GBX Blockchain Innovation Centre	28
Part G – The Rock Token	31
21 Overview	31
22 Utility token	31
23 Rock Token issuance	33
24 Sale model	34
25 Rock Token distribution	34

26	Use of proceeds	35
	Part H – Corporate Governance, GBX Team and Advisors	36
27	Corporate governance	36
28	Technology team leaders	38
29	Advisory Team	39
	Conclusion	42
	Key Facts Schedule	43
i	About GBX Limited	43
ii	About the Project	44
iii	About the Rock Token	45
iv	About the Token Sale	45
	Appendix – Proposed GBX fee schedule	47

Token Sale Summary

The following is provided for summary purposes only and does not form part of any agreement to purchase Rock Tokens.

Seller	GBX Limited (“ GBX ”) Private company limited by shares Incorporated and registered in Gibraltar Company number: 116223 Registered office: 6A Queensway, GX11 1AA, Gibraltar
Website	www.gbx.gi (“ Website ”)
Token name	Rock Token
Ticker	RKT
Project name	“Gibraltar Blockchain Exchange” or “GBX”
Project summary	<p>The Project comprises two key components:</p> <ul style="list-style-type: none"> (a) establishing GBX, a marketplace for utility tokens and digital assets operating within Gibraltar’s regulatory framework; and (b) creating a financial services and fintech ecosystem with multiple products and services. <p>GBX is launching an initial token sale for its utility token, the Rock Token (“RKT”), which is intended to support the functioning of GBX and the financial services and fintech ecosystem.</p>
Public sale period	<p>Approximately early February 2018 unless fully sold prior.</p> <p>Confirmed date will be published in due course.</p>
Total Token supply	900,000,000 RKT
Minimum sale target	USD \$10,000,000
Token price for this Token Sale	<p>USD \$0.10 = 1 RKT, exclusive of transaction fees or costs.</p> <p>Tokens may be purchased in fractions up to 18 decimal places.</p>
Accepted payment methods	<p>USD transferred to the bank account specified on the Website. (For Pre-sale only)</p> <p>ETH transferred to the digital address specified on the Website, payable at the applicable ETH price determined by GBX and specified on the Website at the time of purchase.</p> <p>GBX will never publish any Token Sale account or address anywhere except on its Website.</p>
Distribution date	<p>Anticipated to be in February 2018, subject to completion of any verification measures undertaken by GBX and other relevant factors.</p> <p>GBX will specify the exact date on the Website in due course.</p>

Introduction

GBX Limited, a subsidiary of GSX Limited - the Gibraltar Stock Exchange ("**GSX**"), is launching an initial token sale ("**Token Sale**") for the Gibraltar Blockchain Exchange ("**GBX**") utility token, the Rock Token ("**RKT**").

GBX – the first of its kind

The GBX aims to be the world's first licensed and regulated token sale platform and digital asset exchange, operated by a European Union ("**EU**") regulated stock exchange.

Using a sponsor and rules-based system, the GBX will apply to be licensed by the Gibraltar Financial Services Commission ("**GFSC**") under the Financial Services (Distributed Ledger Technology Providers) Regulations 2017 ("**DLT Regulations**"), which came into operation on 1 January 2018 in Gibraltar.

More specifically, GBX is expected to be:

- (a) **a global listing and token sales springboard for utility tokens** that have satisfied a strict due diligence process and admission process set out in the "**GBX Rules**"; and
- (b) **a high-quality digital asset exchange**, including a marketplace where issuers of utility tokens, traders and investors can participate with confidence and trust in a platform where the tokens listed have been subjected to an institutional grade approval process.

Commitment to digital assets

The GSX intends to develop a fully tokenised stock exchange system that will aim to provide a pathway from listing and trading initial token sales through to accessing funding via the traditional bond market or equity issuance route. This should give issuers an opportunity to issue tokenised securities to a wider capital base.

Why Rock Token matters

Rock Token is the proposed "**currency of choice**" for GBX and its supporting financial services and fintech ecosystem.

In designing the utility aspects of the Rock Token, GBX considered several questions:

- What is the core brand and value proposition of the GBX platform itself?
- Who are the intended users of the platform, and how are they likely to perceive RKT's value?
- How can the token be used to incentivise ideal behaviour, discourage misbehaviour, and improve the overall user experience?
- What is the roadmap of the project, and how can Rock Token support that?

This whitepaper explains how the Rock Token serves the GBX platform in three primary ways:

- Create an engaged community, reflecting the shared buy-in in the overall vision.
- Deliver premium opportunities for users committed to a safe, forward-thinking industry.
- Incentivise community members to uphold GBX values.

Rock Token helps the GBX brand to be anchored in trust and integrity. See **Part G** for further details.

About this document

This whitepaper details the GBX strategy, our vision for the broader ecosystem, key aspects of the issuance of the RKT and how RKT is expected to be applied throughout GBX.

The “Key Facts Schedule” also provides a summary of the key information about GBX Limited, GBX, RKT and the Token Sale. Any sale of Rock Tokens is subject to separate terms and is not available in all jurisdictions and to all purchasers.

All projects carry variables and contingencies. For the avoidance of doubt, the licensing of GBX and certain other initiatives as proposed in this whitepaper are subject to regulatory approval.

You must read all relevant documents and obtain the advice you need before making any decision to purchase Rock Tokens. RKT is not for everyone.

Part A – Industry and Project Overview

1 Industry overview

World Economic Forum – June 2017:

“Like the first generation of the internet, this second generation promises to disrupt business models and transform industries. Blockchain (also called distributed ledger), the technology enabling cryptocurrencies like Bitcoin and Ethereum, is pulling us into a new era of openness, decentralization and global inclusion.”¹

We are fortunate to live in a disruptive time. Since the invention of Bitcoin in 2008, the ideals of decentralisation, public consensus, and creating new trust models between parties conducting transactions has been embraced. Principles of consensus, efficiency and mutual trust are treasured by the community, as demonstrated by the rapid adoption of blockchain technology, cryptocurrencies and other digital assets by both businesses and individuals in numerous jurisdictions globally.

Token sales have captured imaginations, giving rise to a wide range of innovative new projects and generating unexpectedly large amounts of funds. To date, over USD \$3.4 billion has been raised via token sales (source: *CoinDesk*). The flexibility and speed to market of token sales has created a fundamental change in fund raising, however, it comes with several associated risks. Governments and regulators around the world have struggled to find a solution for dealing with fund raising via token issuance without inhibiting business or the development of new technology.

At a high level, we can categorise three types of digital assets as follows:

- (a) **medium of exchange digital assets:** these are digital coins and other digital assets, such as Bitcoin, in which encryption techniques are used to regulate the generation of units and verify their transfer. They operate independently of a central bank or other issuer;
- (b) **utility tokens:** these are digital assets that are intended to facilitate access to services or units of services that can be purchased with those assets. These tokens can be compared to API keys, used to access the service; and
- (c) **tokenised securities:** these are digital assets that represent a regulated “security” product in a particular jurisdiction. Regulations and structures vary widely, but generally, this can capture products that are (or reflect interests in) shares, debentures, managed investment schemes and structured products.

Digital assets can also serve as digital representations of tangible assets. There are also various other possible types of digital assets and more will undoubtedly emerge.

2 Gibraltar – DLT Regulatory Framework

In January 2016, HM Government of Gibraltar published for consultation a document titled, “*Virtual Currency: Outline Regulatory Framework*” for the consideration of regulating distributed ledger technology (“**DLT**”) firms. After considering the feedback received, further detailed work continued on this project. The consultation process indicated a strong preference from firms for the GFSC to be the regulator for such activities.¹

¹ <http://www.fsc.gi/news/cryptocurrency-working-group-distributed-ledger-technology-dlt-the-way-forward-231>

On 9 May 2017 the GFSC, in conjunction with HM Government of Gibraltar, published a consultation paper entitled “*Proposals for a DLT Regulatory Framework*”.² The paper included the “*three pillars*” of the desired regulatory outcomes and the “*nine DLT principles*”.

The consultation paper explored an approach to:

- (a) provide regulatory certainty for DLT firms based in and operating from Gibraltar;
- (b) provide a regulatory framework that recognises DLT is still a nascent technology that is rapidly-evolving;
- (c) provide a responsive regulatory framework;
- (d) encourage growth in technology and fintech skills in the jurisdiction;
- (e) provide sufficient flexibility to enable the effective regulation of novel business activities, products, processes, and business models;
- (f) enhance consumer confidence in dealing with properly regulated firms using novel technology; and
- (g) encourage DLT firms to be established in Gibraltar because there is an appropriate regime for regulating their activities.

On 12 October 2017, HM Government of Gibraltar published the DLT Regulations.³ The DLT Regulations came into operation on 1 January 2018. When establishing the regulatory framework HM Government of Gibraltar recognised that it should be flexible to adapt to new cases and new uses of DLT and that it needed to be able to be applied to a wide variation of DLT firms and, as such, the DLT Regulations are principles based as opposed to being prescriptive.

The “*nine DLT principles*” require that a DLT firm must:

- (a) conduct its business with honesty and integrity;
- (b) pay due regard to the interests and needs of each and all its customers and must communicate with its customers in a way which is fair, clear and not misleading;
- (c) maintain adequate financial and non-financial resources;
- (d) manage and control its business effectively, and conduct its business with due skill, care and diligence, including having proper regard to risks to its business and customers;
- (e) have effective arrangements in place for the protection of client assets and money when it is responsible for them;
- (f) have effective corporate governance arrangements;
- (g) ensure that all systems and security access protocols are maintained to appropriate high standards;
- (h) have systems in place to prevent, detect and disclose financial crime risks such as money laundering and terrorist financing; and

² <http://www.fsc.gi/uploads/20170508%20DLT%20Consultation%20.pdf>

³ <http://www.gibraltarlaws.gov.gi/articles/2017s204.pdf>

- (i) be resilient and must develop contingency plans for the orderly and solvent winding down of its business.

3 GBX, the “Crypto Harbour”

GBX is a member of the GSX group of companies, of which GSX Group Limited is ultimate parent (“**GSX Group**”). GBX proposes to establish the Gibraltar Blockchain Exchange (GBX) and seek approval from the Gibraltar regulator within Gibraltar’s DLT regulatory framework.

The aim is for GBX to become a fully integrated utility token sale platform and digital asset exchange (“**GBX Market**”) licensed under the DLT regulations during the first half of 2018.

GBX is in a unique position to offer the GBX Market within the environment of a stock exchange and therefore provide much-needed anti-money laundering and know-your-customer (“**AML/KYC**”) standards, quality control, accountability and transparency to the digital asset market. With the corporate governance, management expertise and regulatory experience of the GSX, GBX proposes to follow a similar governance and rules-based system for admission and trading of digital assets and cryptocurrencies.

Further details regarding the GBX Market are described in **Part B**.



4 GSX, a stock exchange for tokenised securities

GBX is a subsidiary of GSX.

GSX operates the Gibraltar Stock Exchange, a regulated market under European Union regulations and is a member of both the Hyperledger Alliance and the Ethereum Enterprise Alliance.

GSX proposes to provide a blockchain-based exchange for capital markets and will aim to be the world’s first stock exchange for tokenised securities (“**GSX Tokenised Securities Exchange**”) to provide a new level of access, liquidity and transparency in the capital markets. Issuers of tokens listed on GBX may have access to the GSX capital markets pathway, giving more options for capital raising, and access to a more diverse investor base as they grow.

Further details regarding the GSX Tokenised Securities Exchange are described in **Part C**.



5 GBX Ecosystem, the financial services and fintech ecosystem

GBX is expected to be different from other participants within the token and digital assets sector; in addition to operating the GBX Market, and operating within the GSX Group that has the GSX Tokenised Securities Exchange, it is also expected to have a financial services and fintech ecosystem that will provide professional services to support a full spectrum of market participants ("**GBX Ecosystem**").

The total offering is envisaged to ultimately comprise of:

- (a) the GBX Market;
- (b) the GSX Tokenised Securities Exchange;
- (c) fund services (operational now);
- (d) corporate services (operational now);
- (e) business solutions (operational now); and
- (f) digital e-money institution.

The GBX Ecosystem will be launched using a phased development approach:

- (i) the GBX Market commenced activities during December 2017;
- (ii) the fund services, corporate services and business solutions are already operational;
- (iii) the GSX is operational and currently has the facility to list funds and debt and is expected to launch the GSX Tokenised Securities Exchange during the latter part of 2018; and
- (iv) the digital e-money institution is an intended business line and is expected to be launched during 2018.

Further details regarding the GBX Ecosystem are described in **Part D** and the phased development approach is described in **Part E**.

GBX is also committed to the global blockchain community. GBX proposes to establish the GBX Alliance, a forum for building consensus, confidence and trust within the community. It has already established the GBX Blockchain Innovation Centre during September 2017 with the aim of supporting blockchain businesses in Gibraltar. Further details regarding these initiatives are described in **Part F**.

6 The Rock Token

The functioning of GBX Market and the GBX Ecosystem is proposed to be supported by GBX's utility token: Rock Token.

Rock Token will be structured as an ERC-20 compliant token that may be used by holders to access membership rights and use it as the preferred medium of exchange throughout the GBX Market and the GBX Ecosystem.

Further details regarding the Rock Token are described in **Part G**.

7 The GBX vision

Bringing everything together, the **GBX vision** is to:

- (a) **regulated market:** establish a marketplace for utility tokens and digital assets operating within Gibraltar's regulatory framework that is "*first in class*";
- (b) **standards:** create a high standard for entry and a controlled environment with rules for admission and trading, with ongoing obligations and standards of conduct, under the GBX Rules;
- (c) **quality and compliance:** pioneer the development of high quality whitepapers with standardised content and disclosure requirements while maintaining and ensuring AML/KYC compliance;
- (d) **sustainable:** implement an innovative staking mechanism, ensuring all members have a shared ethos to grow a sustainable token and digital asset exchange ecosystem within the DLT regulatory framework;
- (e) **liquidity and transparency:** develop GSX as a marketplace for tokenised securities, allowing for a new level of access, liquidity, and transparency to capital markets;
- (f) **facilitation:** use Rock Token as a medium of exchange within the GBX Market and the GBX Ecosystem;
- (g) **membership benefits:** enable Rock Token holders to exchange Rock Token for membership benefits, which may include early access rights and potential incentives;
- (h) **confidence:** build public trust and consensus, to support the ideals of the crypto-movement and to establish confidence, credibility, and liquidity to the global crypto-community; and
- (i) **inclusiveness:** leverage the experience from both the finance industry and the crypto-industry to enable GBX to be the bridge between the traditional financial industry and the blockchain community, bringing greater acceptance and inclusion for participants in the community from a unique institutional position.

Part B – The GBX Market

This **Part B** sets out GBX's aims in respect of the GBX Market, which consists of the token sale platform and digital asset exchange for utility tokens, fully integrated within a single user sign-on and consolidated in a single website and platform.

8 Token sale platform for utility tokens

To achieve its goals GBX will:

- (a) create a platform that can list utility tokens;
- (b) create a rules-based system;
- (c) establish a network of firms to guide and advise token issuers through the listing process ("**Sponsors**");
- (d) establish a network of ancillary services (in-house and external); and
- (e) establish a network of users.

8.1 Create a token sale platform

GBX proposes to build a high-quality token listing platform.

By operating at a high standard and with token listing best practices, we are confident of attracting the best quality token listings to GBX, which should in turn attract the best quality of token buyers (both accredited and individual buyers). We expect this will result in an ecosystem of quality token buyers and token issuers, with extensive global participation.

Key components of the GBX token sale platform include:

- (a) **operation:** the GBX token sale platform will function via a website with a database back-end, which means users access the platform through an external application;
- (b) **token admission:** tokens will be admitted to the GBX token sale platform only after successfully completing GBX's compliance process;
- (c) **token sale payment types:** at the initial stages of the GBX token sale platform, token issuers will be able to receive Ether and/or Rock Tokens in consideration for their token listing;
- (d) **tracking performance:** token issuers will be able monitor the progress of their token issuance via GBX's Website and subsequently monitor the trading of their tokens via GBX's digital asset exchange;
- (e) **buyer deposits and withdrawals:** token buyers will be able to deposit and withdraw fiat currencies and tokens to and from their wallets;
- (f) **AML/KYC compliance:** token buyers will be required to undergo AML/KYC compliance procedures in order to open an account with GBX. Upon approval, token issuers can then sell their tokens to AML/KYC compliant purchasers. This arrangement should resolve common AML/KYC issues relating to public sales of tokens and allows for

regulatory oversight over the token sale process by GBX acting within the framework of Gibraltar's DLT Regulations;

- (g) **token buyer segmentation:** token buyers will be segmented into various categories, based on jurisdiction, professional or individual, and token buying experience, which token issuers can then use to target buyer segments according to their various legal/jurisdictional needs; and
- (h) **security:** security automation will be a core element of GBX's systems to support its security infrastructure (see Section 9(g)).

8.2 Establish clear requirements and a trusted listing process

(a) Admission and listing requirements

GBX will establish admission and listing requirements that will set out the process for the listing and admission of tokens to market, as well as ongoing obligations for listing. These codes will draw from community initiatives, *"first in class"* principles, and GSX best practices.

More specifically, GBX will issue requirements relating to:

- (i) the tokens themselves, including their admission, listing, trading and continuing obligations;
- (ii) Sponsors, such as eligibility and obligations; and
- (iii) the operation of the GBX Market.

There will also be overarching requirements for all GBX Market participants.

(b) Trusted listing process

The expected process for listing tokens is summarised below:

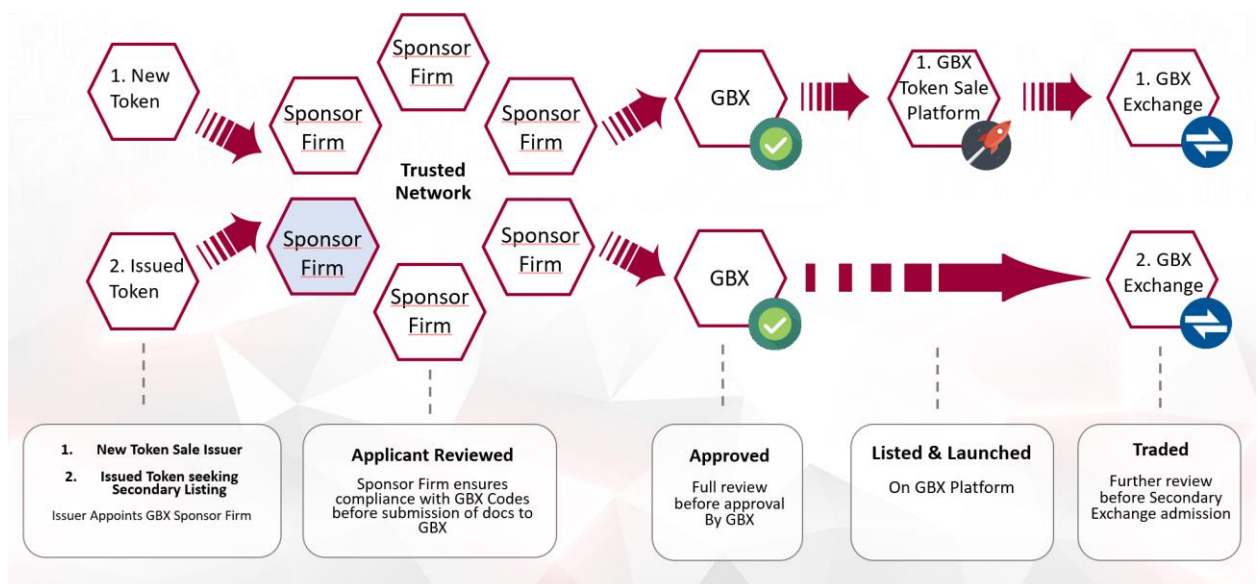
- (i) **Appoint a Sponsor:** all token issuers seeking admission of their tokens to GBX (**"Applicants"**) must appoint a Sponsor who is responsible for reporting to GBX on all matters pertaining to the application, listing, and continuing obligations of all tokens admitted to the official list. Sponsors will need to conduct thorough due diligence on Applicants in accordance with standardised criteria.
- (ii) **Prepare a whitepaper and terms:** all Applicants must publish a whitepaper and terms of sale with minimum content and disclosure requirements. GBX will publish its expectations and requirements to assist Applicants, Sponsors and their advisors with their preparation and submission.
- (iii) **Submit documentation:** the Sponsor will submit the application to GBX.
- (iv) **Review by GBX:** the application will be subject to review by GBX. Comments on the application are expected to be returned to the Sponsor within 10 business days of the first submission and 5 business days on any subsequent submission, but are subject to change depending on volume and the matters raised. Once comments are cleared, GBX will proceed to approval.
- (v) **Approval:** GBX will inform the Sponsor when the application is approved. The whitepaper is published by GBX on its Website.

- (vi) **Listed and admission to trading:** the token issuer will set the token offering period. Once the token offering period has completed, the approved token can be traded on the secondary market of the GBX Market in accordance with the GBX Rules.
- (vii) **Issuance:** the tokens are issued.

Existing tokens listed and trading on other exchanges can also apply to be approved and admitted by GBX to its digital asset exchange but will have to comply with the GBX Rules in order to be admitted to trading.

Illustrative diagram – new and existing tokens

The following diagram demonstrates the proposed listing process for new and existing tokens:



8.3 Establish a network of Sponsors

GBX will play an important role in the global blockchain community and Sponsors will form an integral part of such a role.

Sponsors have a duty to uphold the quality, reputation and integrity of the GBX Market. They will play a crucial role in maintaining quality in the market and, in particular, are responsible for critically assessing the appropriateness of an Applicant for admission.

Sponsors will be required to ensure the Applicant meets the GBX eligibility criteria, is suitable for admission, and to assess the likelihood of an Applicant affecting the integrity and reputation of GBX. A vital component of such determination is the due-diligence process that Sponsors will be required to undertake.

GBX proposes to require Sponsors to:

- (a) **conduct due diligence:** adopt a consistent set of key due diligence parameters in accordance with the GBX requirements. Sponsors will be required to conduct due diligence on the Applicant's senior management and controllers (including directors, shareholders and beneficial owners) as well as consider in detail, aspects of the Applicant's legal, financial and commercial proposition, and the viability of the Project as a whole. The use of accredited third party due-diligence providers to provide detailed commercial compliance reports may, in certain cases, be required;
- (b) **advise Applicants and liaise with GBX:** be responsible for advising Applicants on their obligations and guiding them through the admission process. Sponsors are also responsible for dealing with GBX on all matters relating to the application, listing, and continuing obligations of tokens admitted to the official list; and
- (c) **fit and proper:** have appropriate financial and personnel resources for the role that they are to perform. They must be fit and proper, have appropriate organisational arrangements, and will be required to undertake to GBX to accept and discharge those responsibilities at all times to the satisfaction of GBX.

Drawing from "first in class" principles and GSX best practices, GBX envisages establishing a trusted network of Sponsors who will play a crucial role in maintaining the quality of the GBX Market. GBX will set eligibility criteria and a code of conduct with the aim of attracting world class, proven experts in the token sale sector.

Innovative fee and staking mechanisms will help ensure Sponsors have a shared ethos to grow GBX with responsibility and accountability. The specific mechanisms envisaged are as follows (See **Part G** for more details):

- (i) **Fee payment** – Fees paid by an Applicant to a Sponsor should include at least 20% of the total fees payable to the Sponsor for non-disbursement fees paid in the Applicant's tokens. The Sponsor will be obliged to hold these tokens for a minimum of 6 months when vesting (or "lock-up") restrictions will be lifted.
- (ii) **Staking** – In addition, each Sponsor will stake a fixed amount of Rock Tokens (to be held in GBX escrow) for 12 months, equivalent to 0.5% of the total tokens issued through each token sale that they are sponsoring and which are admitted to trading on GBX.

The full details of the Sponsor rules and application requirements will be released in the separate "Sponsor Rules" once finalised.

Presently, there is interest from more than 20 well-qualified organisations to be Sponsors. More are expected to be added over time.

8.4 Establish the GBX Ecosystem

The GBX Ecosystem is expected to be a network of ancillary services both in-house and external to support the GBX token sale platform, from payment facilities to company formation and due-diligence services. This is described further in **Part D**.

GBX aims to work only with the highest quality firms to assist token issuers and the development of the community in general. By doing so, GBX will form a centre for excellence for token issuance and token sales.

8.5 Establish a network of users

For the GBX token sale market to operate effectively the market will require participants (“**users**”). GBX is committed to creating a broad base and efficient marketplace for both buyers and sellers.

GBX’s token sale platform will be designed to be user-friendly for both issuers and users. For example:

- (a) **categorising tokens:** token issuances are proposed to be categorised to allow users to filter token listings by individual or multiple criteria, such as, geography and activity, experience in participating in token sales, accredited institution or individual, in order to identify their preferred choice of token. This will aim to allow token issuers to be able to target the right kind of participants based on their business or legal requirements.
- (b) **communication:** the GBX platform’s messaging service will allow users to contact token issuers directly;
- (c) **ease of use:** users will be able to deposit and withdraw fiat currencies and tokens to and from their account, and will be able to acquire token issuances via “one-click” participation;
- (d) **AML/KYC standards:** all users of GBX’s token sale platform will have to pass AML/KYC compliance standards. They will have assurance that they have an account in a regulated token sale market along with other users that have also passed the same AML/KYC compliance standards.

The functionality and controls of the token sale platform will not alone be sufficient to attract users. A marketplace is created by buyers and sellers. Therefore, token issuers and users need to be aware that the GBX token sale platform exists. GBX has a public relations program and media strategy, as well as community and content managers who will raise awareness of GBX within the crypto-community. GBX will produce content and news on leading social media platforms including Facebook, Twitter, LinkedIn, GitHub, Telegram, Reddit, as well as other social community channels and newspaper publications. GBX will also generate news and awareness with respect to its token sale platform via its community initiatives including, but not limited to, the GBX Blockchain Innovation Centre.

All activities and opportunities for access will be subject to applicable law. This means, for example, that GBX may limit participation access to all or certain tokens in order to comply with the laws of other jurisdictions.

***“The GBX marketplace is
akin to issuing tokens into
a large pool of
AML/KYC cleared buyers”***

- Nick Cowan Group CEO

9 Digital asset exchange

GBX's digital asset exchange is expected to connect buyers and sellers in the secondary trading market to buy, sell, or exchange digital assets and cryptocurrencies for other digital assets and cryptocurrencies, or for fiat currency, utilising the single user sign-on more fully explained and highlighted in Section 8.

(a) Products

Users will be able to buy major digital assets, such as Bitcoin, Ethereum, Dash, Ripple, and Litecoin that have perceived strong credibility, user base, and liquidity along with tokens listed on GBX's token sale platform.

Different tokens are expected to be incrementally added over time as the token sale platform and digital asset exchange develops.

(b) Integration with the GBX token sale platform

GBX's token sale platform and digital asset exchange are expected to be operated as an integrated system which will share the same website with a database back-end and blockchain connectivity.

The Website will be user friendly, and will host a range of trading features for traders and casual users alike, including "*beginner friendly*" functions. The digital asset exchange aims to be open constantly, and have customer service and multi-language capability.

(c) User deposits and withdrawals

Users are expected to be able to fund their wallet with digital assets and fiat currency (major currencies such as USD, GBP and EUR) via various methods of payment including debit and credit cards, wire transfer, and payment service providers.

Users are also expected to be able to store, send and receive digital assets, view account balances, manage portfolios, and trade digital assets via their wallet.

(d) Trading interface

GBX envisages that the digital asset exchange will support web-based trading, as well as desktop applications and will have multi-language support.

(e) AML/KYC compliance

As highlighted in Section 8.1(f), users must pass AML/KYC compliance before they are permitted to open an account, after which they will be able to fund their wallet up to agreed limits (based on the assessment of the user at the point of account opening and subsequent review as applicable).

GBX will adopt "*first in class*" AML/KYC policies and procedures; for example, users will only be able to withdraw fiat to an agreed account in the name of the user with a reputable bank. The AML/KYC compliance process should protect the exchange and its users against the risks associated with a poorly controlled environment. Subject to legal and regulatory restrictions, GBX expects to on-board retail and professional users alike who may open an account with fiat and/or digital assets, subject to passing applicable on-boarding and AML/KYC compliance requirements.

(f) **Market operation and fees**

GBX will endeavour to make a market in all tokens that are admitted to trading. In addition, GBX will seek strategic relationships with other exchanges, aiming to enable dual listing of tokens to increase liquidity and price transparency. However, ultimately the market and not GBX will set the prices within the exchange.

The market will operate by matching buyers and sellers via “*one-click*” trading technology. Matching engine technology facilitate fast and robust trading of digital assets, aiming to ensure that GBX has a fast execution speed, price/time matching and permit an order book for trading with depth. The aim is that tokens will be matched by the system on the basis of users offering a number of tokens to buy/sell at a set price for a duration of time determined by the token holder.

GBX’s digital asset exchange will have low transaction fees for holders and users of Rock Token. GBX’s digital asset exchange may have geographical restrictions in respect of specific user functions and product availability that may only be accessible from certain jurisdictions.

(g) **Security**

GBX will employ air gaps and other security protocols to minimise the risk of theft. GBX will adopt a multisig wallet security system whereby tokens deposited at GBX will be secured in various multisig wallets; and the majority of tokens will be stored offline in cold storage, while a small proportion of the tokens will remain in hot online storage allowing for faster transactions for users who perform deposits and withdrawals on the digital asset exchange. Wallets will be multi-layer and allow for storing and trading between tokens listed on GBX.

(h) **Limits**

GBX will impose various limits on trading as well as on the purchase and sale of particular digital assets, based on operational, market integrity, legal and regulatory requirements. **Not all digital assets will be available to all users.**

Part C – The GSX Tokenised Securities Exchange

This **Part C** sets out GBX's vision in respect of the GSX Tokenised Securities Exchange.

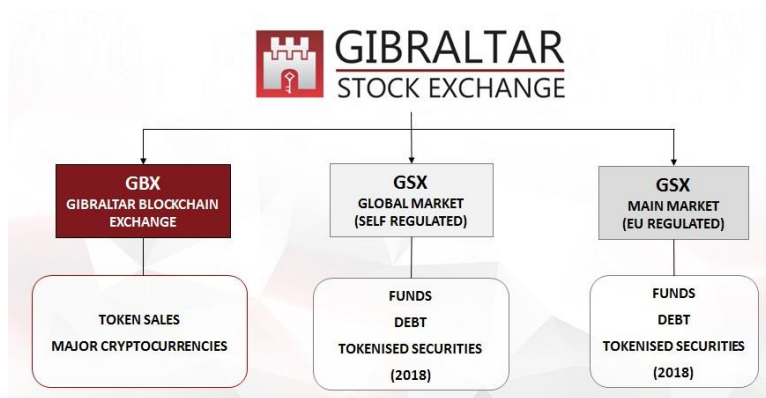
10 Overview

GBX and GSX clearly distinguish between utility tokens (which includes medium-of-exchange tokens) and tokenised securities.

GBX is the planned regulated marketplace for utility tokens, with GSX planned to be the regulated marketplace for tokenised securities.

11 About GSX

The following chart provides an overview of the key aspects of GSX and its proposed overall product scope and structure.



GSX is licensed and regulated by the GFSC under licence number FSC123B (issued on 11 November 2014).

GSX operates two markets:

- (a) **GSX Main Market**, an EU regulated market recognised by ESMA and by the United Kingdom's tax authority (HMRC) under S1005 (1)(b) Income Tax Act 2007 for funds and debt securities; and
- (b) **GSX Global Market**, a self-regulated market which is a Multilateral Trading Facility (MTF) as defined under the Markets in Financial Instruments Directive 2004/39/EC (MiFID) for funds and debt securities.

As a relatively new exchange, GSX has had the opportunity to develop fresh practices and build new infrastructure rather than being hampered by legacy systems. GSX aims to take this one step further by becoming one of the world's first tokenised securities exchange, providing a new level of market efficiency, access, liquidity, and transparency in the capital markets. By GSX implementing a blockchain solution, GSX plans to build a secure and controlled environment for the issuance, trading, and holding of tokenised securities for market participants who have passed AML/KYC compliance.

12 About the GSX Tokenised Securities Exchange

12.1 Key features

The GSX Tokenised Securities Exchange is planned to function as a transparent auditable ledger such that participants will be registered holders of the tokenised securities at every stage of the trading process.

This is by virtue of utilising the record-keeping functionality of DLT for the benefit of the exchange, issuers, the participants and regulators alike.

The GSX Tokenised Securities Exchange is expected to provide access to the capital markets for a wide variety of issuers and participants including:

- (a) traditional and non-traditional counterparts including global conglomerates, institutional licensees, operating companies, family businesses, investment vehicles, family offices, and ETFs; and
- (b) participants who can trade within the GSX marketplace and build investment portfolios with confidence and without the layers of intermediaries, barriers to entry, and cost associated with traditional markets. This has the potential to give participants access to a spectrum of investments, capital, and/or income generating assets that might not otherwise be possible in the same manner and to the same degree under a traditional stock exchange model.

With the adoption of the blockchain-based trading system, the GSX Tokenised Securities Exchange will dramatically boost efficiencies whilst reducing costs by integrating the entire spectrum of exchange services including, but not limited to, listing, execution, clearing, settlement, AML/KYC controls and processes, security, digital identity management and custody.

12.2 Timing and progress

We aim to be able to list tokenised securities by Q3 2018, while employing a blockchain-based trading system for such tokenised securities by Q4 2018.

We are already in the design phase of a blockchain-based trading system that will be able to offer all the benefits and effectiveness of the DLT, while ensuring such securities remain registered and compliant under current EU Securities regulations during secondary trading.

12.3 Opportunities for GBX listed token issuers

GSX aims to open up new markets and create new opportunities for collaboration. It will also serve as the next destination point for tokens listed on the GBX digital asset exchange.

As the token issuers of the GBX token listings grow in their business, they may apply to list a security token on the GSX Tokenised Securities Exchange and get further access to capital raising opportunities.

Issuers that are listed on the GBX digital asset exchange will receive fast-track access, with faster processing times, to list security tokens on the GSX Tokenised Securities Exchange, giving more options to raise capital. They will also have access to a more diverse investor base as they grow including possible dual listing opportunities on other stock exchanges.

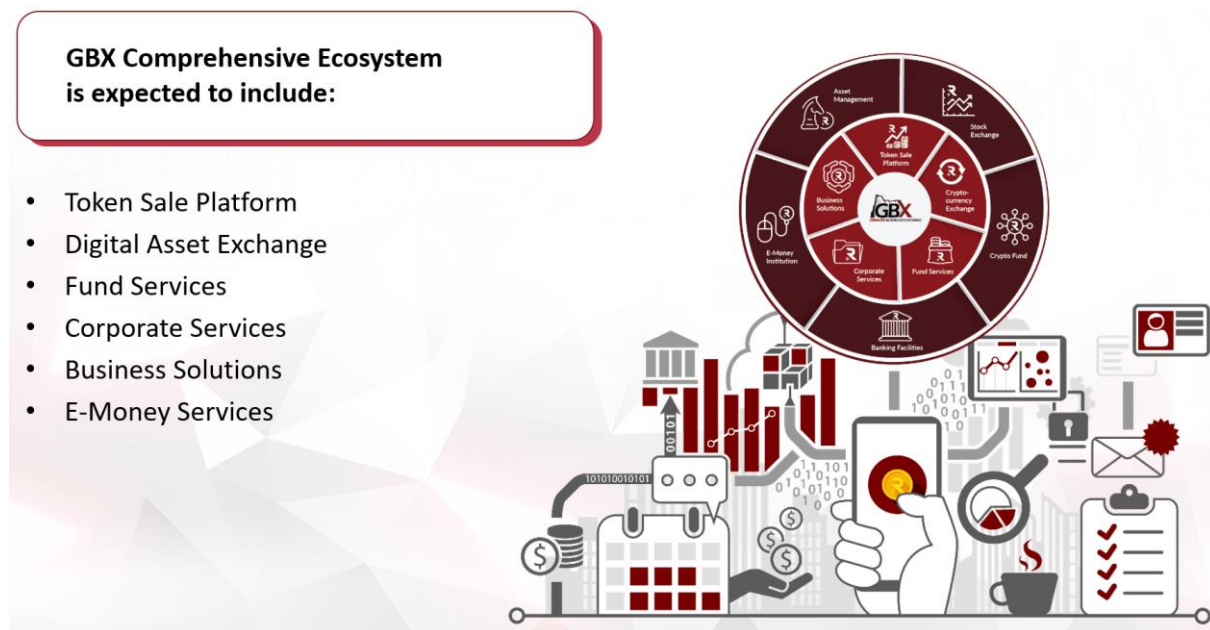
Part D – The GBX Ecosystem

This **Part D** sets out GBX's vision in respect of the GBX Ecosystem.

13 GBX Ecosystem

13.1 Overview

GBX envisages creating the GBX Ecosystem, a financial services and fintech ecosystem with multiple products and services.



The GBX Ecosystem is expected to consist of three divisions:

- 1) Exchange Division
- 2) Services Division
- 3) E-Money Division

It is intended that the entire GBX Ecosystem will make use of DLT, initially by both GBX and GSX, and thereafter by the other members of the GBX Ecosystem with an initial focus on AML/KYC, settlement and clearing.

13.2 Services Division (Juno Services)

The services division comprises a unique offering within a stock exchange eco-system including company formation and supporting services, fund services (fund establishment and administration), business solutions (securitisation, advisory and regulatory) and support.



The services division includes Juno Fund Services Limited, Juno Fiduciary Services Limited and its licensed nominee and company manager subsidiaries (collectively, “**Juno Services**”), all of which are former Grant Thornton⁴ service lines that were acquired by GBX on 30 November 2017. The former Grant Thornton service lines are existing businesses with over 10 years operational history.

The key entities are as follows.

- (a) **Juno Fund Services Limited** is licensed by the GFSC, licence number FSC00926B, to carry on business as a Collective Investment Scheme Administrator. The business line provides services to funds of varying asset classes (conventional “trading” funds, alternatives and DLT/crypto funds) and jurisdictions (Gibraltar, Malta, BVI and Cayman Islands).
- (b) **Juno Fiduciary Services Limited** is licensed by the GFSC, licence number FSC00603B, to carry on business as a Company Manager. The business line provides corporate services to the GBX Ecosystem, its users and participants.
- (c) **Juno Nominees Limited** is licensed by the GFSC, licence number FSC00604B, to carry on business as a Company Manager restricted to the provision of nominee shareholdings.
- (d) **Juno Management Limited** is licensed by the GFSC, licence number FSC00605B, to carry on business as a Company Manager restricted to the provision of directorships.
- (e) **Juno Solutions Limited** will provide solutions and services to clients of the GBX Ecosystem, its users and participants on an ad hoc basis with a focus on token issues and regulatory support.
- (f) **Juno Support Limited** will provide back office support to the exchange, services and e-money divisions.

The Juno Services businesses will not be funded by any of the proceeds of the Token Sale.

13.3 E-Money Division (digital e-money institution)

The e-money division is expected to consist of a digital e-money institution.

⁴ Grant Thornton’ service lines consist of Grant Thornton Fund Administration Limited, GT Fiduciary Services Limited, GT Nominees Limited and GT Management Limited, former members of the Grant Thornton Gibraltar Group of Companies.

A digital e-money institution would facilitate the smooth transaction of business and would serve to make the GBX Ecosystem stronger. From a commercial point of view, a digital e-money institution could on-board and provide services for issuers, users, participants and clients of the ecosystem.

A digital e-money institution could facilitate currency exchange, peer-to-peer payments and peer-to-business payments for fiat and digital assets alike. The e-money institution could also support Rock Token and permit users to store and trade tokens, digital assets on GBX and tokenised securities on GSX via their e-money wallet.

The digital e-money institution would be regulated by and be subject to the authority of the GFSC, and potentially other regulators.

14 Gibraltar fintech ecosystem

Gibraltar is positioning itself to become a global fintech hub and the assent to law of the DLT Regulations on 12 October 2017 supports this development.

It is GBX's view that there are four critical elements that establish and develop a fintech ecosystem:

- (a) business environment/access to markets;
- (b) government and regulatory support;
- (c) access to capital; and
- (d) financial and technical expertise.

Gibraltar is seeing growth in the fintech sector with many fintech institutions choosing Gibraltar as a place to do business. For example, Gnosis, Xapo and Wavecrest, along with some of the largest e-gaming companies in the world including bwin.party, 888.com and Bet365 operate from Gibraltar.

Gibraltar has a supportive government and regulator, a favourable fiscal environment, access to a large pool of talent built upon the financial services and e-sectors and access to markets.

The GBX Ecosystem intends to create fintech synergies and integration between GBX, GSX and members of the GBX Ecosystem to enable development of products, services and growth.

Part E – Development Approach

This **Part E** describes the planned approach to execute the GBX vision. It includes the milestones envisaged from launch until 2019 and beyond.

15 Phased development approach

The GBX Market, the GSX Tokenised Securities Exchange and the GBX Ecosystem are expected to be built via a phased development approach at appropriate intervals as and when technology and control systems are developed, tested and approved for adoption and integration.

Regulatory applications will be submitted to the GFSC in respect of GBX, GSX (licence extension for tokenised securities), and digital e-money institution.

The authorisation of any licensed activity, including extension, will be subject to the approval of the GFSC at the appropriate time based on the merits of the respective request for authorisation. Other licences and approvals in other jurisdictions may be sought in due course, subject to legal and regulatory advice, as well as business need.

Phase 1 Milestones (Q4 2017 and Q1 2018)	Phase 2 Milestones (Q1 2018 and Q2 2018)
<ul style="list-style-type: none">• Launch the Rock Token and hold the Rock Token sale• Launch the GBX token sale platform• Build a network of Sponsors• Submit an application to the GFSC for GBX to be a token sale platform and digital asset exchange regulated in accordance with the DLT Regulations• Acquire the Grant Thornton service lines and create the Juno Services division• Launch the GBX Blockchain Innovation Centre• Launch the GBX Alliance and the GBX Alliance Council• Form a centre of excellence for token and digital asset exchange best practices• Launch the GBX digital asset exchange	<ul style="list-style-type: none">• Submit an application to the GFSC to extend GSX's licence to be the first regulated exchange for tokenised securities• Submit an application to the GFSC for the permission to operate a digital e-money institution or acquire an existing digital e-money institution• Integrate digital e-money institution within the ecosystem

Phase 3 Milestones (Q3 2018 to Q4 2018)	Future Milestones 2019 and beyond
<ul style="list-style-type: none"> List tokenised securities on GSX's Global Market (exchange-regulated) and Main Market (EU regulated) Trade tokenised securities on GSX's own blockchain-based platform 	<ul style="list-style-type: none"> Develop and expand the GBX, GSX, and GBX Ecosystem Launch GBX and GSX exchanges and Juno Services division across the United Kingdom, Europe, the Middle East and Asia

16 Project budget

GBX anticipates that the following amounts will be required to successfully achieve each of the respective milestones:

Milestones	Estimated Costs
Phase 1 Milestones	USD \$2,000,000 to US\$3,000,000
Phase 2 Milestones	USD \$3,500,000 to US\$4,500,000
Phase 3 Milestones	USD \$6,500,000 to US\$7,500,000
Future Milestones	USD \$10,000,000 to US\$12,000,000

GBX proposes to fund these costs primarily using the proceeds of the Token Sale, and with support from the excess capital of the GSX Group if the Token Sale target is not reached.

In the long term, GBX expects the proposed various revenue streams of the GBX Market, the GSX Tokenised Securities Exchange, and the GBX Ecosystem should maintain its sustainability and ensure the long-term goals of GBX are achieved.

Part F – Community, the GBX Alliance, the GBX Alliance Council and the GBX Blockchain Innovation Centre

This **Part F** sets out GBX's vision in respect of the blockchain community, the GBX Alliance, the GBX Alliance Council and the GBX Blockchain Innovation Centre to serve the blockchain community.

17 Community

GBX considers the well-being of the global blockchain community to be of paramount importance. Core to GBX's business purpose and objective is:

- (a) building public trust and consensus;
- (b) supporting some of the key principles important to the community;
- (c) establishing confidence in and credibility of the digital assets; and
- (d) ensuring maximum liquidity in the crypto-market.

The global token sale and digital asset market is experiencing a period of significant risk and uncertainty; GBX is intent on serving the community and creating a regulated business environment with corporate responsibility and community involvement to support the growth of the new digital economy.

With the aim of serving the blockchain community, GBX will establish the GBX Alliance; and has already established the GBX Blockchain Innovation Centre during September 2017.

18 GBX Alliance

The GBX Alliance will be *"established with the community for the community"* to support the development of the new digital economy in Gibraltar. The GBX Alliance will be formed from a cross-section of the community with international participants as well as those from Gibraltar.

The GBX Alliance will be a forum for high-level discussions, for building consensus, confidence and trust and for developing thought leadership. It is expected to support the following:

- (a) **promote and support the Gibraltar DLT sector:** support the promotion of Gibraltar as a DLT centre of excellence, promote adherence of the *"nine DLT principles"* of the DLT Regulations and provide a forum through which all can express and represent views in relation to the DLT sector in Gibraltar, including current issues, development, regulatory developments and building Gibraltar as a DLT centre of excellence;
- (b) **communication and advocacy channels:** encourage an exchange of information and provide a channel of communication with the relevant authorities and professional bodies in Gibraltar and elsewhere in order to achieve common goals and provide input on regulatory and legislative matters relating to DLT;
- (c) **discussion and cooperation:** provide a forum for members of the GBX Alliance and the community to discuss matters of mutual interest and promote cooperation and

respect between members of the GBX Alliance and the crypto-community in general; and

- (d) **education:** encourage and promote the continuing education of members of the GBX Alliance and the community in general by providing training and guest speakers on current and suggested programmes.

19 GBX Alliance Council

The GBX Alliance Council will be formed from the GBX Alliance.



The GBX Alliance Council will be a small body of persons, chosen from members of the GBX Alliance, who will work with GBX to provide advice on both the content and the implementation of GBX Rules.

As a key adviser to GBX in respect of GBX requirements, the GBX Alliance Council is planned to be kept separate and distinct from Sponsors to ensure impartiality, a fair evaluation process, and respected advice.

Given its advisory role on some fundamentally important aspects of the governance of GBX and the operation of its market, it is important that the GBX Alliance Council draws its membership from a wide cross-section of persons and professions, both locally in Gibraltar and internationally.

20 GBX Blockchain Innovation Centre

GBX established the GBX Blockchain Innovation Centre on 18 September 2017.

The GBX Blockchain Innovation Centre has been established with the aim of enabling Gibraltar to be the world's most connected tech community, by bringing customers together with fast-growth tech companies and world-class talent whilst providing infrastructure support. The aim is to create a centre for the blockchain community in Gibraltar, providing a dynamic workspace, an active events calendar and world class facilities to help businesses achieve scale.

The vision for the GBX Blockchain Innovation Centre is to:

- (a) promote and be a driving force for blockchain innovation;
- (b) foster the creation of new applications for DLT / blockchain technology with the aim of helping people realise their ideas for new businesses;
- (c) act as a centre for the development of new protocols, applications, and software related to DLT / blockchain technology; and
- (d) welcome proposals and proofs of concept related to any aspect of functionality or area of the DLT industry.

The GBX Blockchain Innovation Centre is expected to work closely with the GFSC and Gibraltar Finance Centre to ensure consistency of message in marketing Gibraltar as a friendly crypto-enabled jurisdiction. It is part of GBX's commitment to the community to embrace and improve new technology and drive forward innovation and will promote collaboration and networking, build partnerships, facilitate sound investment and create employment.

Membership of the GBX Blockchain Innovation Centre is free of charge. Technology firms, developers, and investors are all welcome to join.

The GBX Blockchain Innovation Centre is expected to host conferences, seminars, lectures, panels, meet-ups, hackathons, and competitions. The GBX Blockchain Innovation Centre hosted its first international event, the Blockathon, with the Broctagon Fintech Group's innovation centre in Delhi, India, on 28 October 2017. Similar events are already being planned with partners in London, Hong Kong, South Korea, and Canada.



The GBX Blockchain Innovation Centre will also be a vehicle for engaging with technological development at the multi-national corporate level.

On 26 September 2017, the Gibraltar Stock Exchange joined the Linux Foundation's Hyperledger project ("**Hyperledger**"), followed by the Ethereum Enterprise Alliance during November 2017 and is also collaborating with the IOTA Foundation for research in conjunction with the GBX Blockchain Innovation Centre. Amongst other things, Hyperledger aims to build an open source DLT framework and code base, allowing organisations to create specific applications, platforms, and hardware systems to help support industry specific business transactions. In the spirit of Hyperledger membership, the GBX Blockchain Innovation Centre is demonstrating a very early stage bond-trading platform at bond.bic.gi.

GBX intends to support technology development initiatives and values in its engagement with the wider community. It will allocate human and capital resources to the development of new technology at the GBX Blockchain Innovation Centre, invite engagement on guiding the governance of its platform via the GBX Alliance and the GBX Alliance Council, and work with the wider Gibraltar and international communities as the blockchain industry grows.

Part G – The Rock Token

This **Part G** describes the key aspects of the proposed Rock Token and the Token Sale.

21 Overview

The functioning of GBX, GSX and the GBX Ecosystem are proposed to be supported by GBX's utility token: the Rock Token.

The Rock Token is an ERC-20 compliant token to be issued on the Ethereum blockchain, and used and accepted throughout the GBX, GSX and the GBX Ecosystem.

The ERC-20 token standard prescribes the functions that a token on the Ethereum blockchain should incorporate to enable the issuance, distribution and control of tokens in a standardised manner. It is a set of guidelines that a token issue contract should adhere to in order to be compatible with most wallet software. The Rock Token contract will adhere to the ERC-20 token standard by declaring six standardised function names and two standardised event handles. This standardisation makes it easy for decentralised application developers to utilise Rock Token in the future and ensure maximum exposure and adoption.

22 Utility token

The Rock Token is considered to be a "utility token" and is intended to be used for:

- (a) settling of the GBX application fee ("**Application Fee**"), listing fees ("**Listing Fees**") and Sponsor fees ("**Sponsor Fees**") on GBX;
- (b) staking by Sponsors on GBX;
- (c) settling trading fees ("**Trading Fees**") on the GBX Market;
- (d) medium to pay fees in the GBX Ecosystem including corporate services, fund services, business solutions and e-money services;
- (e) GBX Blockchain Innovation Centre campaigns, rewards for GBX Blockchain Innovation Centre campaigns and other incentives.

It is also planned to provide:

- (f) membership to GBX, with privileged account benefits including potential discounts;
- (g) priority access to token sales; and
- (h) other potential incentives and voting rights on select community initiatives and developments;

in each case subject to further consideration and legal and regulatory advice.

**An indication of the proposed Application Fee, Listing Fees, Sponsor Fees and Trading Fees is set out in the Appendix. The full details of fees and application requirements as well as the mechanism of the staking model and token utility will be further detailed in the separate GBX Rules.*



Given the expected coherence of interests among Rock Token holders, it is our view that GBX can be properly thought of as a community, with the following intended initial model:

22.1 Member use

- **Member classification:** a person may apply to open an account with GBX, subject to compliance with applicable AML/KYC and other procedures, and any restrictions imposed by GBX. All approved GBX account holders (wallets) will be classed as “Members”.
- **Account opening gift:** following the successful opening of an account, a Member will be granted 1 RKT as a gift.
- **Participation in “early-access” public sales:** any Member that holds a balance equal to or greater than USD \$1,000 equivalent of RKT, will be eligible to access a higher membership tier, which entitles participation in the “early-access” public sale of any token sale using the GBX platform. This period is expected to be a period of 24 hours before the general public sale date, and all token sales in this period must be paid for using RKT.
- **Trading Fees:** Members will have the option of holding a minimum amount (such amount to be determined in due course) of RKT and utilising it to pay their Trading Fees, which may result in a lower overall transactional cost.

22.2 Issuer use

- **Issuer classification:** a person may become a GBX issuer by listing a token on the GBX digital asset exchange, subject to compliance with the GBX Rules.
- **Listing payments:** an issuer must settle the Application Fee and Listing Fee in RKT. The Listing Fee is expected to comprise:
 - the GBX listing fee (85% of the total face value of the Listing Fees); and
 - the staked RKT (15% of the total face value of the Listing Fees). Staked RKT is proposed to be held in escrow and returned after 24 months if the issuer has complied with its obligations. However, if it fails to do so, GBX will not return the RKT and it may be used for other purposes.

The Appendix sets out the expected initial Application Fee and Listing Fee.

- **Minimum token sale proceeds in RKT:** an issuer that lists on the GBX digital asset exchange must raise at least **10% of the value of tokens in RKT**. If the actual sale proceeds collected from the sale are in other forms of payment, then the issuer will have to purchase the shortfall of RKT to top it up to **10%**.
- **Issuer staking of RKT:** an issuer will stake by permitting GBX to hold in **escrow half of the Rock Tokens** required to be raised as described above, for a period of 12 months. The issuer-staked RKT will be repayable in four equal proportions, paid quarterly, the first quarter being 3 months after the admission to trading of the tokens. The amounts staked will be held by GBX as part of a claims mechanism for any resolution of disputes between market participants and the issuer. GBX retains the right to change staking requirements as needed or consider lowering the staking requirements to 2.5% of the amount raised.

22.3 Sponsor use

- **Sponsor classification:** a person may be approved as a Sponsor as described in Section 8.3. Sponsors must comply with the Sponsor Rules.
- **Sponsor stake:** Sponsors must **accept or separately purchase at least 20% of their total fees or fee equivalent** in the issuer's tokens and must hold these tokens for a minimum of 6 months when vesting (or "lock-up") restrictions will be lifted. Sponsors will be subject to audit requirements and will sign an annual statement of compliance demonstrating to GBX that they have implemented this requirement.
- **Staking for project transparency:** Sponsors must stake the equivalent in RKT of **0.5%** of the total tokens issued through each token sale that they sponsor and which are admitted to trading on the GBX digital asset exchange. Such amount will be repaid after 12 months provided the issuer has not been in breach of their obligations.
- **Sponsor Fees:** RKT will be the only accepted means of payment for Sponsor Fees.

23 Rock Token issuance

GBX will issue 900,000,000 Rock Tokens.

Token Name	Rock Token
Code	RKT
Issue Amount	900,000,000
Token Sale Price	USD \$0.10 = 1 RKT, payable in USD or at the fixed price in ETH specified on the Website at the time of purchase
Particulars	ERC-20, Ethereum-based token

24 Sale model

The Token Sale will have two stages

- (a) a limited private pre-sale up to 31 December 2017, which may involve bonuses or discounts; and
- (b) a public sale in approximately early February 2018 unless fully sold prior.

GBX may undertake further sales of RKT from its reserve from time to time.

The terms and conditions of the Token Sale will be made available on the Website.

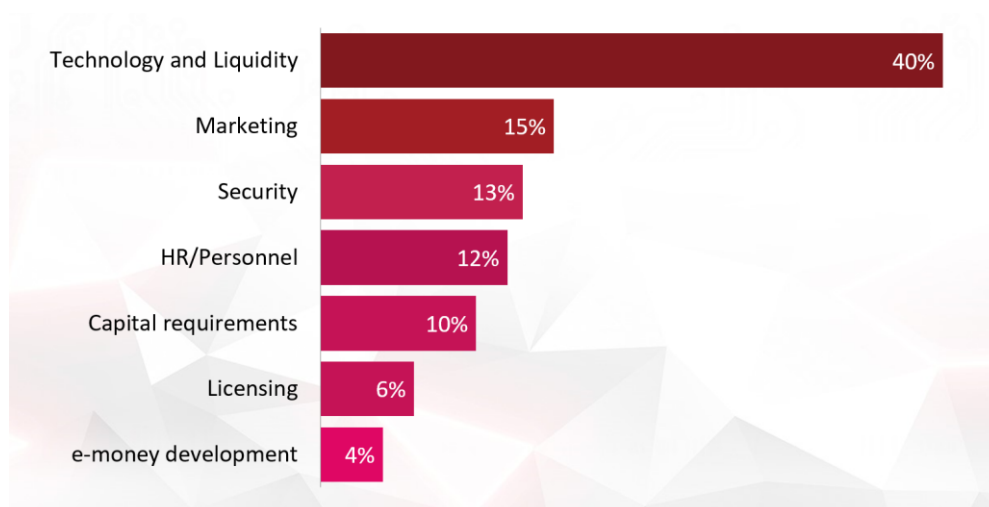
25 Rock Token distribution

Rock Tokens are proposed to be distributed as follows:

Percentage allocation	Token Holders	Intended use	Lock-up period	Amount of RKT
35.4%	Token Sale	Private and public sale.	For Private Sale only – 50% of all tokens locked up and released monthly over 6 months	318,556,250 RKT for sale
27.4%	Reserve	Intended to be used responsibly for further development and stability of the GBX Ecosystem. RKT holders may be able to acquire future releases of RKT from the GBX reserve at a discount to the market rate.	Not applicable	246,443,750 RKT
10.5%	Community Development and Liquidity	Includes development of the GBX Alliance, GBX Alliance Council, GBX Blockchain Innovation Centre, community development initiatives including bounty programs etc, and providing liquidity and easy access for buyers to acquire RKT for its utility purposes.	Not applicable	94,800,000 RKT
13.0%	Early Backers, Partners and Advisors	Recognition of their efforts and resources contributed to the GBX and the Token Sale.	6-12 months	117,300,000 RKT
13.7%	Founders and Staff	Recognition of their efforts and resources contributed to the development of the GBX and their future efforts and commitment in developing the GBX Ecosystem.	Locked up for first 6 months, then released every quarter proportionally over 3 years	122,900,000 RKT

26 Use of proceeds

The proceeds from the token sale will be used to achieve the GBX Vision and allocated as follows:



GBX expects that these amounts will be spent over the course of the phased development approach described further in **Part E**.

The proceeds will be securely stored by GBX and disbursed in accordance with appropriate procedures. GBX may invest any unused proceeds from time to time as it sees fit and it may also sell or exchange the proceeds for fiat currency and/or digital assets.

Part H – Corporate Governance, GBX Team and Advisors

This **Part H** provides information about GBX's corporate governance arrangements and the key team members and advisors that are involved in the Project.

27 Corporate governance

27.1 “First in class” corporate governance

The GSX Group has adopted and embraced a “*first in class*” principles-based approach to corporate governance. The approach promotes and guides the behaviour of those responsible for corporate governance in order to achieve the purpose and objectives of GBX, GSX, and the GBX Ecosystem.

The six overarching principles of the corporate governance approach are:

Leadership Leaders shall lead with the intent of meeting the business purpose and objectives of the ecosystem in both the short and long term.	Ethics, Honesty and Integrity Leaders shall ensure that the business of the ecosystem is conducted in an ethical, fair and transparent manner. Leaders shall act with honesty and integrity in every walk of life.
Capability Leaders shall have an appropriate mix of knowledge, skills, qualifications and experience to enable them to discharge their duties and responsibilities effectively.	Sustainability Leaders shall guide the business of the ecosystem to create value and allocate it fairly and sustainably to ensure that adequate financial and non-financial resources are maintained.
Accountability Leaders shall be accountable and shall communicate to stakeholders at regular intervals, a fair and balanced assessment of how the ecosystem is achieving its business purpose and objectives.	Community Leaders shall ensure that they uphold and protect the interests of the communities in which the ecosystem operates and safeguard the reputation and integrity of Gibraltar and the global blockchain community.

The principles are intended to contribute to open and dynamic practices so that those responsible for corporate governance can focus on how to best apply them to achieve the business purpose and objectives. A robust internal control system will be adopted with policies and procedures that manage risk and ensure consistency in the quality of service being provided at all times to all stakeholders. Control systems will be designed to ensure the standards of regulation and compliance are applied to all business areas including adherence to the “*nine DLT principles*” of the DLT Regulations (where applicable).

Management will be organised such that clear goals are set, with feasible strategies to achieve the goals, an appropriate organisation structure to deliver the goals and appropriate reporting and controls to monitor performance. Irrespective of the fact that the interests of stakeholders may be different, the corporate governance approach will treat all stakeholders with equal concern and respect. The tone and culture of the ecosystem will be set from the top with “*first in class*” corporate governance principles being encouraged throughout.

27.2 Composition

GBX and GSX are members of the GSX Group. The GSX Group board has a balance of executive and non-executive directors to oversee the activities of the group. They have formed a committee in order to run the executive affairs of the group ("**Executive Committee**"). The Executive Committee is based in Gibraltar (head office), London and Hong Kong. Members of the Executive Committee have capital markets, regulatory, technological, legal, accounting, private equity and financial services knowledge, skills, qualifications and experience. The Executive Committee has established a technology team to assist with its executive functions, comprising 43 full-time developers and IT support staff across three continents and an advisory team that includes token industry, fintech and exchange experts along with crypto-technologists and leading legal counsel in key markets.

27.3 Executive Committee

Nick Cowan – Group Chief Executive Officer *(Gibraltar)*

Nick is the founder of the Gibraltar Stock Exchange. Nick has 34 years of experience in capital markets, including being the head of Equities at ING Barings, managing up to 2,500 employees in 43 countries, including 40 stock exchange memberships.

Adrian Hogg – Group Chief Financial Officer *(Gibraltar)*

Adrian is a Fellow of the Institute of Chartered Accountants in England and Wales, Chairman of the Gibraltar Funds and Investments Association and sits on the Gibraltar Finance Centre Council. Adrian is a financial services and regulatory expert with over 20 years in the profession having overseen the licensing and establishment of the Gibraltar Stock Exchange and multiple licenses including an e-money institution, investment dealers, brokers, asset managers and hundreds of funds. Adrian was a partner of Grant Thornton Gibraltar for 10 years (audit, regulatory and financial services) and was formerly of KPMG and the Bank of East Asia (in the British Virgin Islands).

William Rawley – Group Legal Counsel *(Gibraltar)*

William is a Cambridge University graduate who qualified as a solicitor in the UK in 1996 with international law firm Simmons & Simmons. He was admitted as a Hong Kong solicitor in 1997. William has since worked at BNP Paribas and Citigroup Global Markets and is one of a select group of lawyers who has worked both as an in-house counsel and as a structuring expert as part of front desk business teams. He has extensive legal and commercial experience gained from 23 years in major institutions with a specialty in legal structuring. William was admitted to the Gibraltar Bar in 2014.

Philip Young – Group Chief Marketing Officer *(London)*

Philip has over 30 years' investment industry experience. Philip was part of the founding team of the Gibraltar Stock Exchange and before that, he spent 5 years with a start-up hedge fund and 5 years with a principal emerging market private equity firm. Philip is a CFA Charterholder.

I-Wu Wang (David) – Asia Pacific *(Hong Kong)*

David is the CEO of Stellar Partners Limited, a private VC fund focusing particularly on fintech and information technology start-ups. David has more than 10 years of corporate finance, M&A and investment experience, specialising in multinational transactions and collaborations. David holds a MBA degree from the University of Hong Kong.

Kai Jun Soh (Benjamin) – Asia Pacific *(Hong Kong)*

Ben is a fintech entrepreneur. He is one of the co-founders of Broctagon Fintech Group and has built a development team of 500 employees in 6 countries, specialising in fintech technologies and solutions. He is the founder and vice-chairman of Stellar Partners Limited.

Ta-Ming Chao Thomas - Asia Pacific *(Hong Kong)*

Thomas has an extensive background of over 14 years in the finance industry. Graduated from the University of Texas in Economics and Finance, he has served in banking and financial services firms; including banker at JP. Morgan, registered representative at Apex Clearing and managing director at Stellar Partners Limited. Thomas is also a co-founder of a tech firm based in China, where he is integrating his financial background into the technology advancement of the blockchain industry.

28 Technology team leaders

The GBX technology team is led by the following experts.

Floyd DCosta – Chief Blockchain Officer

Floyd is the co-founder of Block Armour which is developing the next-generation enterprise solution for cybersecurity powered by blockchain technology. He is also the co-founder of Blockchain Foundry, a ready-to-use blockchain platform to help enterprises and fintech entrepreneurs rapidly design, deploy and operate distributed ledgers. Floyd was a management consultant at Capgemini for 13 years specialising in the IT and Digital industries.

Samuel Reid – Chief Blockchain Engineer

Samuel is a mathematician, business executive, inventor, and STEM polymath with 10+ public papers & 50+ conferences, with a deep portfolio of classified work. As the CEO and Co-Founder of Geometric Energy Corporation, he provides advisory services and execution for technology feasibility and development in energy systems, such as solid-state sodium ion batteries, and blockchain, holding a research and adoption position at the IOTA Foundation. He is also a Director of SpaceBit, the world's first non-jurisdictional decentralised space agency. He was formerly the Head of Technical Stream of Ethereum Foundation South China.

Ted Quek – Head of Technology Operations

Co-Founder and Managing Director of Broctagon Fintech Group. Over 9 years of experience as CTO managing over 300 staffs in 3 continents, specialising in Forex trading and institutional clearing. Founding member of the GBX Blockchain Innovation Centre.

Eric Zhang – Full Stack Developer Lead

Eric is one of the lead full stack developers. Eric has an MSc in Software Engineering from the University of Science and Technology of China and was one of the lead programmers for global crypto exchange ViaBTC.

Daryl McFarlane – GSX Chief Technology Officer

Daryl is a System Specialist that joined GSX in 2014. Daryl is responsible for the development and management of all GSX systems ensuring compliance and smooth operation in a regulated market.

The full GBX Technology Team consists of 43 full-time developers and IT support staff across three continents.

29 Advisory Team

29.1 Key advisors

Jehan Chu (Strategy Advisor)

Jehan is the co-founder and managing partner at Kenetic Capital which is one of the first blockchain venture capital and cryptocurrency funds and token sale advisory businesses in Asia. He is the founder of Ethereum Hong Kong, a blockchain technology community, and also Founding Member of the Bitcoin Association of Hong Kong established in 2014.

Mike Costache (Blockchain Advisor)

Mike is the Founder of the Blockchain Investment Consortium and KrowdMentor. He is the Co-chair of d10e and President of Karma International.

Samson Lee (Chief Crypto-Economic Advisor)

Samson is a serial tech-entrepreneur with over 20 years of experience in AI, blockchain, cryptocurrency and crypto assets, token sales, digital entertainment, social media, mobile and e-commerce. He is the co-founder of Ethereum South China and South Asia.

Joey Garcia (Legal Advisor)

Joey is a fintech and financial services partner at ISOLAS LLP, a leading law firm in Gibraltar. Joey has been at the forefront in developing Gibraltar's fintech space and token and cryptocurrency industry. He co-chairs the Gibraltar Government working group/think tank on digital currencies.

Ismail Malik (Marketing Advisor)

Ismail is the editor in chief at ICO Crowd, the world's first publication for the crypto crowd funding industry and is the founder and CEO of BlockchainLab. BlockchainLab is a specialised crypto development project partner alongside search and placement of lead developers for existing DLT projects with a focus on R&D.

Eddy Travia (Blockchain Advisor)

Eddy is the CEO of Coinsilium (COIN:NEX), co-founder of Block Chain Space and Seedcoin.

29.2 Additional strategy advisors



29.3 Key legal advisors



Other key team members

29.4 Governance advisors

Marcus Killick, OBE

Marcus was CEO of the Gibraltar Financial Services Commission until February 2014 having served nearly eleven years in the role. He is an English Barrister and member of the New York State Bar as well as a Chartered Fellow of the Chartered Institute for Securities and Investments and a member of the Chartered Management Institute (Diploma in Management and Leadership) and the Chartered Insurance Institute. Marcus was awarded the OBE in the 2014 New Years Honours List.

Bruno Callaghan

Bruno is the Managing Director of Callaghan Insurance Brokers. He was President of the Gibraltar Chamber of Commerce, and was a member of the Government Economic Advisory Council. He was also the Chairman of United Kingdom Gibraltar Tourism Association.

Mark Okes-Voysey

Mark is the CEO of Line Group, which is associated with Hassans, Gibraltar's leading international law firm. He is an ex-Executive Board member of PwC Central and Eastern Europe, specifically leading the Advisory Service across 30 countries in that region.

Simon Brickles

Simon is a former barrister who has run two of the UK's three full equity markets. Under his leadership, AIM became one of the most successful growth markets in the world attracting more companies than all the other growth markets in Europe combined and raising around USD \$100 billion. Simon also created the first, new full stock exchange in London for two hundred years, PLUS Markets plc. Simon brought together traders and investors to create and promote a new secondary platform, which within months of its launch, was trading in excess of USD \$1 billion per month.

Yew Kiat Phang

Phang is the Vice Chairman and CEO of Credit China FinTech Holdings Limited, a leading publicly listed fintech group in Asia, with a growing presence in China and South East Asia region. Headquartered in Hong Kong, the company successfully established a fully integrated fintech ecosystem, providing 24/7 and one-stop efficient intelligent financial lifestyle services to over 60 million registered small and medium-sized enterprises and middle-class consumers via internet and mobile internet channels. Phang is the Vice Chairman to United Nations - Economic and Social Commission for Asia and the Pacific (ESCAP) Business Advisory Council Task Force on Digital Economy. Phang is also the Founding member of the Global Blockchain Business Council.

29.5 Regulatory team

Regulatory development, engagement and compliance are pivotal to the success of this Project. Our team includes the following experienced individuals:

Daniel Evans	Manager Listings and Development, author of the 'Crypto Securities Exchange' paper 01 November 2015, the proposal to integrate blockchain technology into the GSX.
Dan Cole (DC)	Regulatory and Marketing Assistant
Caroline Cerisola	Regulatory Officer
Emmaliz Azopardi	Administrative Assistant
Fernando Sevilla (Mao)	Senior Manager
Glenn Apilan	Fund Administrator
Greta Diaz Lobo	Senior Manager
Heather Adamson	Fund Administrator
James Byrne	Company Manager
Lara Cowan	Finance Manager
Louise Montegriffo	Legal and Compliance Assistant
Priya Vaswani	Fund Administrator
Rosanna Yeats	Senior Administrator
Sarah Espigares	Compliance Officer and MLRO
Tyrene Edwards	Supervisor (Legal and Compliance)

Conclusion

In less than 10 years since the invention of Bitcoin, decentralisation and the rapid adoption of the blockchain has created opportunities to develop and change the way we live and work, giving rise to innovative ways to raise capital via token sales.

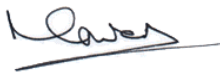
On 12 October 2017, HM Government of Gibraltar published the DLT Regulations. Gibraltar is positioning itself as a world leader in innovation, embracing change by creating a regulated environment in which distributed ledger technology can flourish.

GBX and GSX, the Gibraltar Stock Exchange, have a unique objective, to be one of the world first licensed and regulated exchanges for both utility tokens and tokenised securities, operating entirely on the blockchain.

Using a Sponsor-based rules system, a strict due diligence process and strong conduct principles, a market place will be created where issuers, traders and investors can participate with confidence and trust.

To support our expansion, GBX will issue its utility token, the Rock Token, providing membership and access to our exchanges and financial services ecosystem. Contributors to the Token Sale can take the opportunity to become an early adopter of what is likely to be a significantly disruptive capital market. GBX, together with the Rock Token, signals the dawning of a new era of best practices in the token sale space. Greater disclosures and transparency, coupled with innovative staking mechanisms, should lead to a higher quality market place for issuers and participants.

We are committed to the crypto-revolution and bring to the world our newest market, GBX, the Gibraltar Blockchain Exchange, which along with GSX, the Gibraltar Stock Exchange, provide a stamp of excellence to attract viable high quality tokens and securities listings with supporting exchange infrastructure for the entire crypto-community. We will aim for the highest standards, on the principles of trust and credibility, and bring institutional respectability and recognition to the millions of crypto-users all over the world. We welcome you to join in our journey and acquire a unique token that will help contribute to enhanced disclosure, transparency and confidence. RKT, the Rock Token.



Nick Cowan
CEO GSX Group

Key Facts Schedule

i About GBX Limited

Seller	<p>GBX Limited (“GBX”) Private company limited by shares Incorporated and registered in Gibraltar Company number: 116223 Registered office: 6A Queensway, GX11 1AA, Gibraltar</p>
Website	<p>www.gbx.gi</p>
Regulatory licences	<p>GBX intends to apply to be licensed by the GFSC under the Financial Services (Distributed Ledger Technology Providers) Regulations 2017 which came into operation on 1 January 2018 in Gibraltar.</p>
Shareholders	<p>GBX is a subsidiary of GSX Limited, licensed by the GFSC under licence number FSC1231B.</p> <p>Its ultimate parent is GSX Group Limited.</p>
About GBX	<p>GBX aims to create first licensed and regulated token sale platform and digital asset exchange owned by an EU-regulated stock exchange.</p> <p>As a member of the GSX Group and through such association, it is in the unique position to offer token sales and digital asset exchange services within a robust regulatory and operational environment.</p>
Governance	<p>The GBX governance model is described in Section 27.</p>
Directors and key personnel	<p>The directors and the key personnel of GBX are set out in Sections 27.3, 28 and 29.5.</p> <p>GBX confirms that none its directors have been the subject of, or involved in, any of the following:</p> <ul style="list-style-type: none"> (a) unspent convictions in relation to indictable offences; (b) bankruptcies, receiverships, liquidations, administrations, voluntary arrangements of such person or of any company or partnership where such person was a director with an executive function or partner at the time of or within the 12 months preceding such events; (c) any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies); or (d) disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

Advisors and other service providers <i>(including legal counsel, auditors, custodians, nominees and other third party service providers)</i>	<p>Key advisors and service providers that have been appointed so far are set out in Section 29.</p> <p>The compensation arrangements for each of those parties are as follows:</p> <ul style="list-style-type: none"> (a) Strategy advisors: Rock Tokens based on 6-12 month vesting schedule. (b) Legal advisors: fiat currency payments based on work performed. (c) Auditors: fiat currency payments based on work performed. <p>GBX confirms that except as disclosed below, in respect of its directors and key personnel that there is no affiliation, conflict of interest or related party transactions with any of the persons listed in Section 29.</p>
Material legal disputes	<p>None of GBX or any of its directors are involved in any current or threatened legal disputes that may affect GBX or the status of the Project.</p>
Involvement in other token sales	<p>GBX has not arranged any other token sale or issued any other tokens prior to the date of this whitepaper.</p>

ii About the Project

Project name	<p>“Gibraltar Blockchain Exchange” or “GBX”</p>
About the Project	<p>The Project comprises two key components:</p> <ul style="list-style-type: none"> (a) establishing GBX, a marketplace for utility tokens and cryptocurrencies operating within Gibraltar’s regulatory framework; and (b) creating a financial services and fintech ecosystem with multiple products and services. <p>GBX is launching an initial token sale for its utility token, the Rock Token (RKT), which is intended to support the functioning of GBX and the financial services and fintech ecosystem. GBX will also support the establishment of GSX’s marketplace for tokenised securities.</p> <p>Refer to Parts B to D for further details.</p>
Project budget	<p>Refer to Section 16.</p>
Timeline and current status	<p>Refer to Section 15.</p> <p>As of the date of this whitepaper, some of the stages of the Phase 1 Milestones have commenced and/or are completed.</p>
Project development reporting	<p>GBX does not propose to provide formal updates to RKT holders about every aspect of the Project. However, it expects to provide general updates from time to time on the Website.</p>
Material third party or intra-group service arrangements	<p>A GSX Group member will enter into service arrangements with GBX for the purposes of GBX.</p> <p>Specifically, Broctagon Fintech Group, who will provide technology and customer support services to GBX. GSX Executive Director Benjamin Soh is the majority shareholder of the Broctagon Fintech Group and the</p>

Existing material resources allocated for this Project	majority shareholder of Cyberhub Fintech Holdings Limited which owns approximately 25% of GSX Group Limited.
	GSX Group Limited has agreed to allocate the resources of the Group Executive Committee (see Section 27.3) to implement the GBX strategy
Technical reports	There are no other technical reports prepared by GBX for the purposes of this Project
Additional documents	Separate documents encapsulating the GBX Rules and related requirements will be published in due course

iii About the Rock Token

The following is provided for summary purposes only and does not form part of any agreement to purchase Rock Tokens.

Token name	Rock Token
Ticker	RKT
Token purpose	Utility token within the GBX and GBX Ecosystem, with various potential applications. Please refer to Section 22.
Total Token supply	900,000,000 RKT

iv About the Token Sale

The following is provided for summary purposes only and does not form part of any agreement to purchase Rock Tokens.

All purchasers should be aware that an active secondary market in RKT may not necessarily develop.

Token Sale terms and conditions	To be made available on the Website. Each purchaser of Rock Tokens must ensure that they carefully read them, obtain any necessary professional advice and agree to them before purchase.
Purchase Website and instructions	Website: www.gbx.gi Purchasers must follow the instructions provided on the Website to purchase Rock Tokens.
Pre-sale period	1 December 2017 at 0000 Coordinated Universal Time (UTC) to 31 December 2017 at 2359 UTC, unless fully sold prior.
Public sale period	Approximately early February 2018 unless fully sold prior.
Minimum sale target	USD \$10,000,000

Token price for this Token Sale	<p>USD \$0.10 = 1 RKT, exclusive of transaction fees or costs.</p> <p>Tokens may be purchased in fractions up to 18 decimal places.</p>
Accepted payment methods	<p>USD transferred to the bank account specified on the Website. (For Pre-sale only)</p> <p>ETH transferred to the digital address specified on the Website, payable at the applicable ETH price determined by GBX and specified on the Website at the time of purchase.</p> <p>GBX will never publish any Token Sale account or address anywhere except on its Website.</p>
Minimum purchase amount	<p>USD \$200,000 for pre-sale, USD \$100 for public sale.</p>
Distribution date	<p>Anticipated to be in February 2018, subject to completion of any verification measures undertaken by GBX and other relevant factors.</p> <p>GBX will specify the exact date on the Website in due course.</p>
Further token sales	<p>GBX may undertake further sales of RKT from its Reserve from time to time.</p>
Authorised communication channels	<p>The only communication channels authorised by GBX for the purposes of the Token Sale are:</p> <p>Website: www.gbx.gi / Email: info@gbx.gi / Twitter: @GibBlockEx / Medium: @Gibraltar.Blockchain.Exchange / Facebook: @GibBlockEx / Telegram: https://t.me/GBXCommunity</p>

Appendix – Proposed GBX fee schedule

Application Fee

All applications to the GBX token sale platform will be subject to an Application Fee of USD \$10,000, payable in RKT which will be non-refundable.

The Application Fee pays for the full review carried out by GBX prior to approval.

Listing Fees

Applicants must also then pay the Listing Fees before it is allowed to be listed on the GBX digital asset exchange.

Listing Fees		
Initial Token Sale Size (USD)	Listing Fees	(USD)
10,000,000	1%	100,000
20,000,000	0.90%	190,000
30,000,000	0.80%	270,000
40,000,000	0.70%	340,000
50,000,000	0.60%	400,000
60,000,000	0.50%	450,000
70,000,000	0.40%	490,000
80,000,000	0.30%	520,000
90,000,000	0.20%	540,000
100,000,000	0.10%	550,000

The Listing Fees is **payable in RKT** and must be paid prior to the admission of the tokens to trading. GBX will operate an exchange conversion facility, to provide a robust marketplace facilitating the conversion of fiat or major digital assets to RKT as needed.

The Listing Fees are expected to comprise:

- 1 the GBX listing fee (85% of the total face value of the Listing Fees as stated above); and
- 2 the staked RKT (15% of the total face value of the Listing Fees as stated above). Staked RKT is proposed to be held in escrow and returned after 24 months if the issuer has complied with its obligations. However, if it fails to do so, GBX will not return the RKT and it may be used for other purposes.

Additional fees will be charged for corporate announcements, which will be announced via a formal notice published on GBX's Website, at USD \$500 per announcement payable only in RKT. Additional staking is also expected to be applied (see Section 22).

Sponsor Fees

Sponsor Fees will be split into the following:

Application fee: USD \$25,000

Annual fee: USD \$25,000

Fees must be paid in RKT. These are in addition to amounts required to be staked (see Section 22).

Trading Fees

Trading fees will be a flat fee of 10 bps if paid for in RKT or 15bps if paid in another form.