Diment

WHITE PAPER | 2023

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1 VISION

VISION

Revolutionizing the Stablecoin Landscape with Unprecedented Security and Value

In an era where financial market uncertainty has become the new norm, the need for a secure refuge to protect the value of capital has never been more pressing. Diment introduces a groundbreaking stablecoin, the Diment Dollar, designed to fulfill this critical role by offering unparalleled stability, unwavering consistency, and rock-solid security.

The landscape of current stablecoins can be divided into two categories: the pioneers who have established their reputation and the alternatives that aim to surpass them. However, both groups rely on less-than-ideal solutions, often prioritizing profit potential over true value security and user benefits.

Herein lies our distinctive innovation: Diment Dollar is not simply another alternative among stablecoins; it stands as the quintessence of "value-security," "transparency," and "trust," delivering tangible advantages to our users.

We are redefining the very concept of Stablecoin, setting a new standard for the industry.

Diment - Where Crypto Meets Diamonds

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DIMENT DOLLAR

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1. Description and Key Principles

Diment is on a pioneering mission: to seamlessly merge cutting-edge financial technology with the timeless diamond industry. By ingeniously linking a digital token to the intrinsic value of real diamonds, Diment dismantles the barriers that have traditionally separated these two domains, ushering in a paradigm shift filled with innovative possibilities.

Diamonds are renowned as some of the most stable and valuable physical assets globally. Renowned for their timeless beauty, remarkable durability, and enduring investment potential. Unlike fiat currencies, diamonds exhibit remarkable resilience against inflation and economic fluctuations, rendering them an exceptionally attractive choice for investors seeking unwavering security and stability.

This is precisely why we have chosen diamonds as our anchor. We firmly believe that diamonds represent the ideal embodiment of value, stability, and constancy. By backing our tokens with the value of diamonds, we lay the foundation for an unshakable trust, a stark departure from existing stablecoins pegged to cash or cash equivalents. As a result, we harbor unwavering confidence that our project not only assures long-term investment security but also fosters substantial growth for our investors.

Key Principles of Diment:

Stable pricing: Diment Dollar (DD) is pegged at 1-to-1 with USD. This steadfastness ensures it serves as a reliable medium of exchange.

Real-value backing/Diamond-value anchoring: DD is linked in a 1:1 ratio to the value of our diamond reserve in USD. This fundamental connection guarantees that DD is genuinely supported by the tangible value of diamonds, a hallmark of a stablecoin.

Transparency and commitment: Diment places a strong emphasis on transparency. Regular certification, insurance, treasury management, and audits are integral to our commitment to transparency, assuring our users.

Real value-backed staking: Users staking DD have the opportunity to earn profits. These profits can also enlarge if the diamond's market price grows significantly leading to an increase of our diamond reserve's value. This provides real inflation security to DD stakers.

Reserve and Smart Contract audits: Our diamond reserve undergoes regular audits, and

DD smart contracts are subject to thorough technical reviews and audits. Future adjustments will always be part of the audits. The results of all audits will be publicly available on the Diment website.

In essence, Diment isn't just creating a digital token; it's crafting an ecosystem founded on stability, transparency, and tangible value. This ecosystem cultivates trust and redefines how finance and tangible assets can harmonize in the digital era.

2. Characteristics of Diamonds

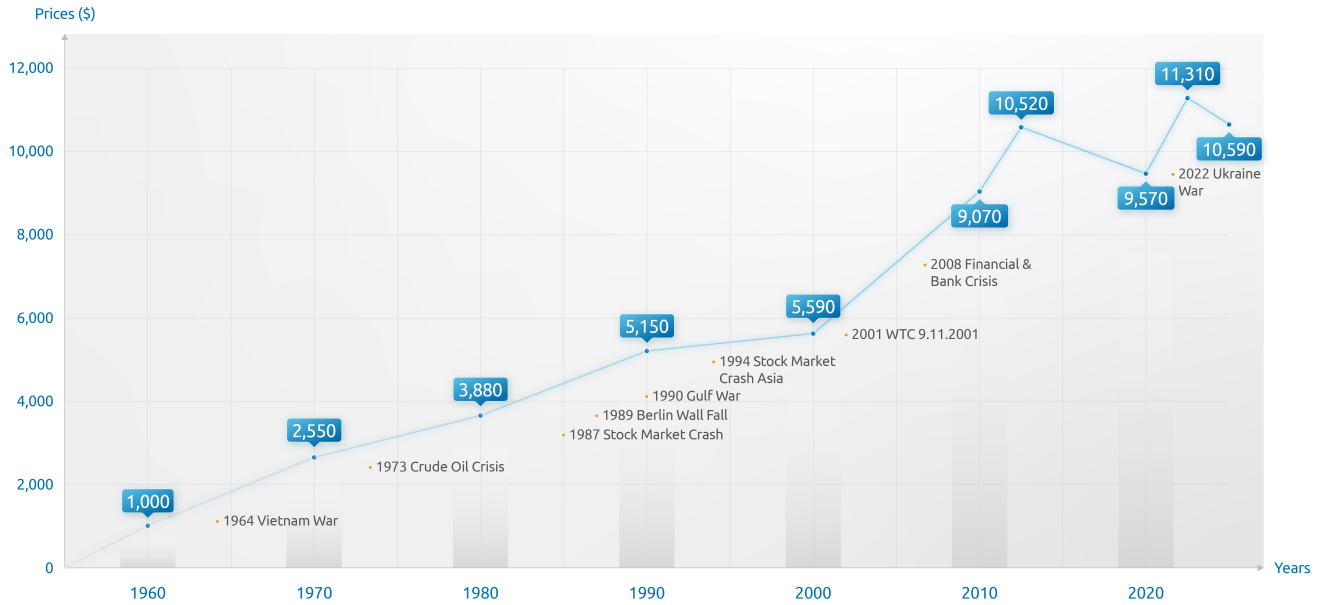

Figure 1: Diamond portfolio's performance from 1960 until 2024

Note: As there is no single price for diamonds the following data has been utilized: from 1960 to 2012, the baseline is set by a 1-carat, round cut, D color, IF clarity diamond, reflecting its historical price trajectory sourced from Rapaport and ajediam.com. Post 2012, the graph shifts to depict a broader spectrum by averaging across 2,960 diamond categories from Rapaport, encompassing variations in carat weight, color, clarity, and cut.

Figure 1 illustrates the performance of a benchmark diamond portfolio from 1960 until 2024. The portfolio has demonstrated a consistent increase in value over the past 65 years:

If you had invested in diamonds back in 1960, your investment would have appreciated by a factor of 10,59 by 2024 corresponding to an annual interest rate of 3.7% over 65 years. On top, the portfolio has been resilient during financial crises: the dotcom bubble crash in the 2000s and the global financial crisis of 2008 did not affect the portfolio's short-term performance. Finally, in periods of strong inflation, such as the 2000s or post-COVID, the portfolio has experienced strong growth offering effective protection against inflation.

Inherent Scarcity: Natural diamonds are relatively rare and take millions of years to form deep within the Earth's mantle. This inherent scarcity makes diamonds valuable and less susceptible to inflation, as their supply cannot be easily increased.

Portability: Diamonds are compact and lightweight, making them easy to transport and store. This portability is advantageous for those looking to store wealth in a small and valuable form.

Durability: Diamonds are one of the hardest substances on Earth, making them highly resistant to wear, damage, and corrosion. This durability ensures that they retain their value over time.

Perceived Value: Diamonds have long been associated with luxury, wealth, and romance. Their cultural and societal value adds to their appeal as a store of value, as people are willing to pay a premium for them.

Tangible Asset: Unlike digital or paper assets, diamonds are tangible physical objects. This tangibility can provide security and trust, as individuals can physically possess and see the asset.

Liquidity: While not as liquid as some other assets like currency or stocks, diamonds can still be sold relatively easily through reputable dealers, auctions, or private sales. The diamond market is well-established, and there is a demand for high-quality diamonds.

Historical Use: Diamonds have a history of being used as a store of value. They have been used as a form of currency and wealth preservation in various cultures and regions over centuries.

Hedge Against Economic Uncertainty: Like other alternative investments, such as gold, some people turn to diamonds during times of economic uncertainty or currency devaluation as a way to protect their wealth.

This is why we've chosen to anchor our project with diamonds.

3. Use Cases

Store of value: DD can be used as a stable store of value because it is backed by diamond value.

Protection from inflation risk: Historically, the investment value of diamonds has

demonstrated growth during periods of inflation. Users who stake DD will stand to benefit from this trend, as it can result in the appreciation of our diamond reserve's value. Consequently, this can lead to an increase in the circulation of DD, which will be distributed to DD stakers as part of their rewards.

Payment solutions: DD can be used to process payments 24/7 without significant transaction fees or delays. This is especially useful for e-commerce and international transactions, where currency conversion and cross-border fees can add up quickly.

Remittances: DD can be used to facilitate fast and cost-efficient cross-border remittances. Utilizing DD reduces the fees and latency associated with traditional remittance methods.

Decentralized Finance (DeFi): DD can be used to provide value to blockchain-related yield farming, lending, and borrowing platforms.

Protection against volatility: DD can be used as a safe haven during periods of high market volatility. This is because DD is pegged to USD with a 1:1 ratio, which minimizes the risk of price fluctuations.

Escrow services and smart contracts: DD can be used as a payment method in smart contracts or as collateral in escrow services. Since the DD price is fixed, it stands out compared to volatile cryptocurrencies.

4. Key Product Features and Benefits

- DD is created and removed from circulation by Diment through the functions outlined in the smart contract. Diment ensures that the token count aligns with the audited value of the diamond reserve, measured in USD.

- DD can be sent to or received by anyone with an Ethereum wallet. All transactions adhere to the rules established in our precisely designed smart contract, crafted by our team of blockchain experts.

- DD will be available for trading on global exchanges, granting users the flexibility to buy or sell DD at their convenience. Additionally, our website provides a platform for acquiring, redeeming, or staking DD.

- DD will be operational 24/7, allowing for seamless settlement against various asset types, including cryptocurrencies, security tokens, and asset tokens, as well as for

payments. Unlike traditional fiat currency, which can only settle trades during bank business hours, DD remains accessible and functional around the clock.

- The presence of DD will adhere to a strict token production rule, subject to transparent audits and contingent on the USD value of the underlying diamond reserve. This approach minimizes the susceptibility of DD to economic fluctuations, financial crises, or cryptocurrency market downturns.

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TECHNOLOGY AND NETWORK

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1. Diment Technologies

Diment Dollar (DD) smart contracts are developed using the Solidity programming language and adhere to the ERC20 Token Standard. They have undergone audits conducted by renowned blockchain security firms. DD will be issued on the Ethereum mainnet, which stands as one of the most secure and dependable blockchain networks available. Ethereum operates on a Proof of Stake (PoS) consensus mechanism, known for its energy efficiency and environmentally friendly nature, in stark contrast to Proof of Work (PoW). This design choice makes DD a more sustainable option compared to tokens built on PoW-based blockchains.

The Ethereum blockchain offers several advantages for DD, including:

Immutability: Once a transaction is recorded on the Ethereum blockchain, it becomes unchangeable and immune to tampering. This provides users with the confidence that their DD tokens are secure.

Transparency: Ethereum's blockchain makes all transactions publicly accessible, enabling users to monitor their DD and verify their authenticity.

Scalability: Ethereum's blockchain architecture is designed to scale, ensuring it can accommodate the growing demand for DD.

DD also be deployed to other widely used blockchains. DD is available now on 6 blockchains (Ethereum, Tron, Arbitrum, BNB Smart Chain, Polygon, and Avalanche) with all functions, and bridging to other networks is possible.

Market participants can utilize established public ledgers and monitoring tools to track coin issuance, redemptions by Diment, and other on-chain transactions. This empowers them to monitor tokens issued or redeemed by Diment, as well as other on-chain activities.

In addition to its technical attributes, Diment benefits from a dedicated team of experienced blockchain developers and entrepreneurs. This team is unwavering in its commitment to ensuring the long-term success of Diment and its users.

2. Contract Specifications

DD operates on a sophisticated network that is ideal for building decentralized or centralized applications. These applications use smart contracts, which are like secure pathways for storing and exchanging value. Skilled developers set specific rules for these contracts.

The Ethereum network aligns perfectly with these requirements, boasting a precise technical standard for tokens known as the 'ERC20' standard. This standard enjoys widespread global adoption, spawning a multitude of software and services tailored to support ERC20-compliant tokens. This extensive ecosystem offers users worldwide a multitude of accessible and seamlessly functional avenues to engage with these tokens.

2.1. Characteristics of Contract

2.1.1. Upgradable

Complying with regulatory standards, our role as an issuer with supervisory authority demands a precisely designed technical framework with a smooth implementation that allows us to have the privilege of making upgrades to the DD.

The upgrade feature serves as a potent tool, enabling us to enhance the security, functionality, and performance of the system. It can be employed to achieve several key objectives:

Eliminate Security Vulnerabilities: The upgrade feature acts as a shield, allowing us to patch security vulnerabilities within the system promptly. This proactive approach safeguards the system against potential threats and data breaches.

Introduce New Features: We can use the upgrade feature to incorporate new functionalities into the system, making it more versatile and beneficial.

Enhance System Performance: Leveraging the upgrade feature can improve the system's overall speed and responsiveness, optimizing its efficiency.

Optimize Operational Efficiency: The upgrade feature can be harnessed to fine-tune the system's operational efficiency, reducing costs and bolstering productivity.

The proxy contract acts as an intermediary that delegates calls to another contract, known as the "target." This proxy pattern is vital when striving for upgradability while maintaining the immutability of the proxy contract. By simply updating the target address within the proxy

contract, we can deploy a new contract behind it, preserving all data.

Our approach involves three contracts: the proxy, master, and storage. This setup proves invaluable when upgrading a smart contract while preserving crucial data. Users interact with the proxy contract, and data is securely stored in the storage contract. The DD smart contract is designed to be upgradeable, allowing for the development of new code on top of the existing code.

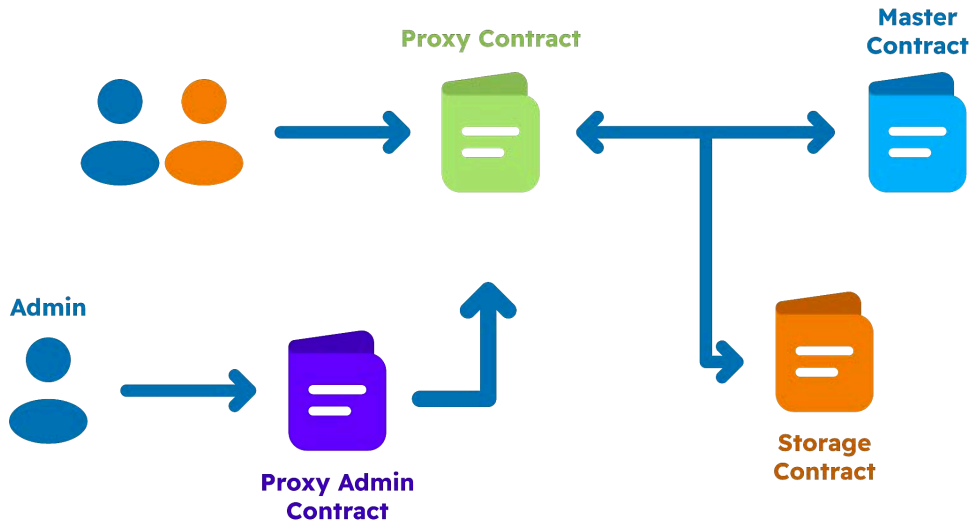

Figure 2 - Diment Dollar smart contract schema

2.1.2. Multi Transfer

multiTransfer simplifies sending DD to multiple recipients in a single transaction. The sender inputs a list of recipients, approves the transaction, and covers all associated fees. multiTransfer then promptly sends DD to each recipient. Users can use the multiTransfer function to send DD to up to 500 addresses simultaneously.

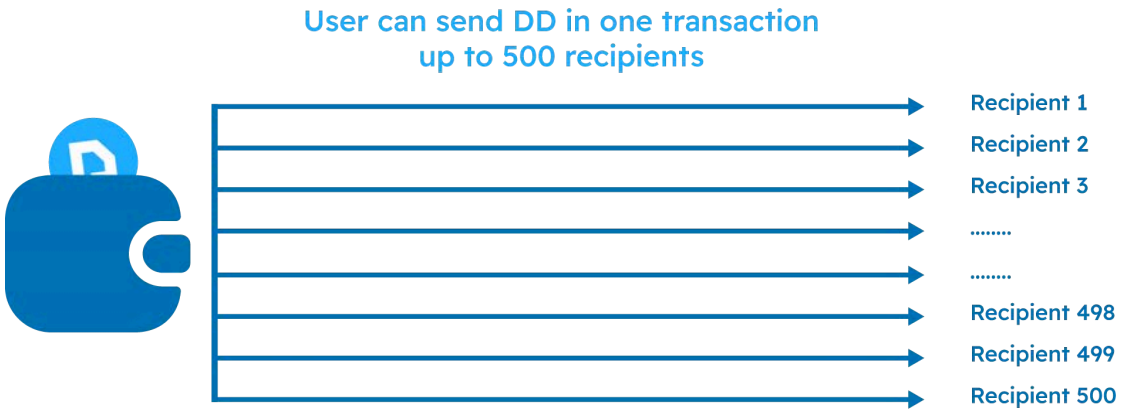

Figure 3 - Multiple transfers of DD

2.1.3. Mint and Redeem Functions

The **Creation** of DD begins with the storing of physical diamonds. These diamonds are cut, processed, and certified by accredited institutions, forming the foundation of their intrinsic value. Each diamond's market value becomes the basis for DD issuance, with a 1:1 DD-to-USD (Diamond) ratio.

Redemption of DD is straightforward. Holders of DD can redeem them for USD by visiting Diment's website. The equivalent USD amount (after fee reduction) is then transferred to the user's bank account.

This process is transparently executed on the blockchain, and the entire system undergoes regular audits to ensure accuracy and maintain the 1:1 DD-to-USD (Diamond) ratio. Diment's "Flows of Funds Process" blends real-world diamond value with digital tokens, creating a secure, seamless, and innovative financial ecosystem.

2.1.4. addToBlackList/ removeFromBlackList and destroyBlockedFunds Functions

The DD is governed by a stringent set of usage conditions, which includes a blacklisting system. When an account is blacklisted, it is prohibited from sending or receiving DD. Individual user addresses can be blacklisted, effectively restricting the use of transfer and transferFrom functions through the **addToBlackList** command. Additionally, assets held by blacklisted users can be removed via the **destroyBlockedFunds** function. This mechanism is in place to ensure compliance with legal requirements and mitigate risks associated with illicit activities. User

addresses can be restored to normal functions once removed from the blocklist using the **removeFromBlackList** command.

3. Token Acquisition and Redemption on Website

The DD smart contract manages the minting and redemption of DD, facilitating exchanges and interoperability with wallets.

Figure 4 - Token BUY flow diagram

When a user wishes to purchase DD, the initial step involves transferring fiat currency through the Diment website. The system then proceeds to execute a series of commands within the Diment network to verify the funds and subsequently transfer the corresponding number of DD to the user's designated wallet (after deducting fees). These DD tokens are sourced from the company's wallet inside the liquidity pool, which holds only fully backed DD. Users can utilize these tokens for payments or transfer them to other accepted wallets or exchanges.

Figure 5 - Token SELL flow diagram

When a user wishes to redeem or sell their DD, they can easily do so by visiting the Diment website and providing their DD wallet address. The system will then verify the tokens and proceed to transfer the corresponding fiat amount (after deducting fees) to the user's bank account.

The buying and selling process is automated and transparent, ensuring efficiency and security.

4. Reserve Related Processes

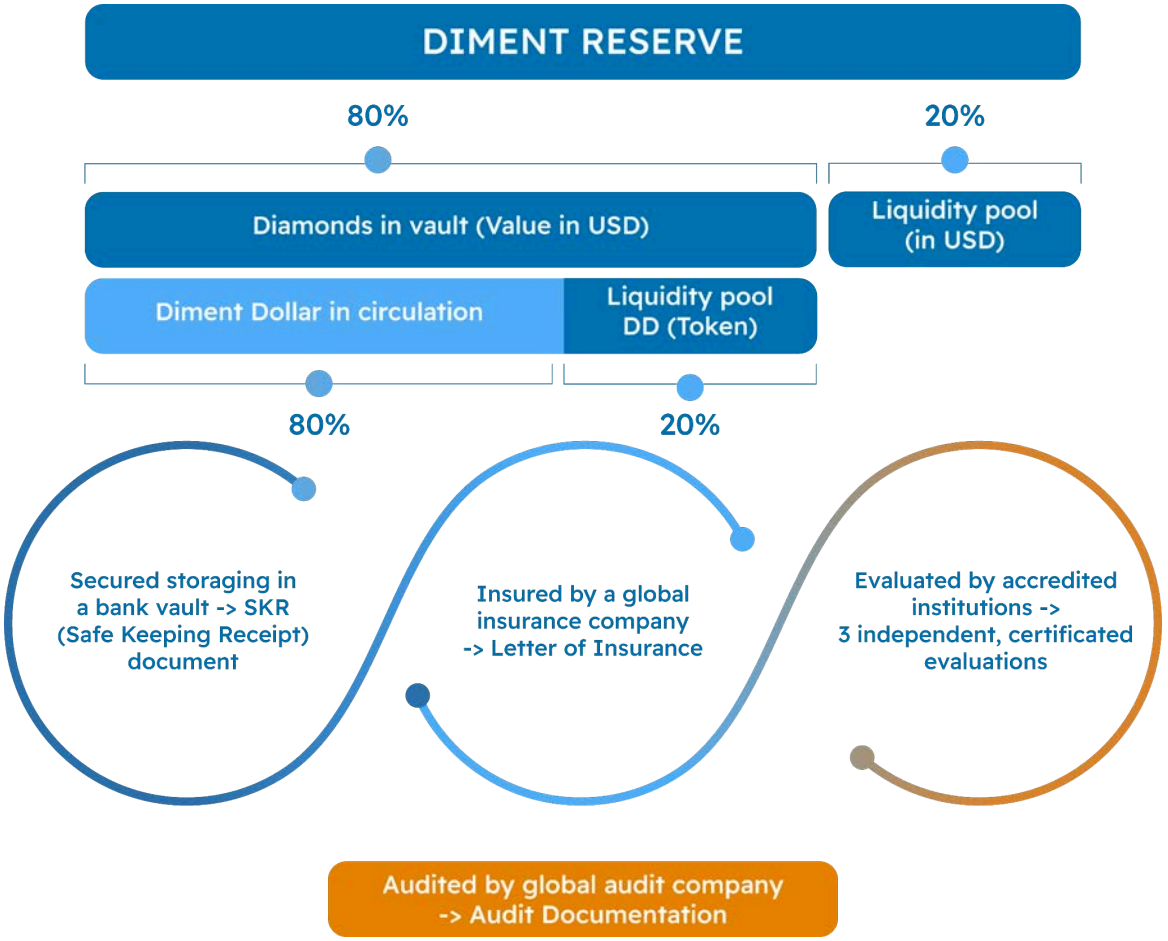

Figure 6 - Diment Reserve in a Nutshell

Note: The shown percentages are initial parameters that could change in the future.

Liquidity Pool (in USD): The Liquidity Pool is a vital reserve of liquid funds or assets such as fiat currencies within the Diment platform, strategically established to stabilize and bolster the operations and value of DD. The pool's level is precisely managed by the Reserve Tracking System to maintain DD's over-collateralization.

Liquidity Pool (DD): The DD Company Wallet is Diment's exclusive digital vault, at the core of platform operations. It not only partially functions as a token-burning supply during events leading to token burning but also acts as a buffer during periods of heightened token demand, ensuring timely service to users.

Reserve Tracking System: The liquidity pool comprised fiat money (USD), initially capitalized by the Diment company. Diment holds 20% of the total DD supply in the DD Company Wallet. The liquidity pool is formed using these fiat and DD.

Our Reserve Tracking System continually monitors the quantity of DD and fiat money within the liquidity pool and issues warnings when it approaches predefined levels. When the alert is triggered, we perform specific operations to maintain the liquidity pool at an adequate level.

5. Diamond Acquisition and Token Minting

5.1. Regular Diamond Acquisition Process

Our regular diamond acquisition process is a crucial aspect of maintaining a well-stocked reserve. We procure both rough (uncut and unpolished) and polished diamonds.

For rough diamonds, the process is straightforward. We collaborate with a licensed diamond trading company in Antwerp, which imports or purchases rough diamonds on our behalf. Upon arrival in Antwerp, these diamonds already passed the certification by the Kimberly Process, ensuring they are not conflict diamonds. Additionally, they go through the official state registration and import procedures. These certified rough diamonds are stored securely in our diamond vault. Before entering the polishing process, these rough diamonds become the object of regular auditing, and their value becomes part of our reserve.

In the case of already polished diamonds, the licensed diamond trading company in Antwerp, collaborating with us, ensures before purchasing on our behalf that these polished diamonds are officially registered by the state, natural, untreated, certified by the Kimberly Process, and certified by one of the accredited institutions GIA[1], HRD[2] or IGI[3]. Subsequently, they are sent to two independent and accredited institutions, namely WGI[4] and SGL[5] for certification. This process provides us with comprehensive information about the diamonds' characteristics and serves as the basis for accurate valuations, drawing from three reputable sources. After successfully passing these steps, these polished diamonds become the object of insurance and regular auditing and their value becomes part of our reserve.

[1] *https://www.gia.edu/gem-lab-service/diamond-grading*
[2] *https://hrdantwerp.com/*
[3] *https://www.igi.org/*
[4] *https://web.wgi-global.com/*
[5] *https://sgl-labs.com/*

5.2. Acquisition Process Triggered by User's Buy Order

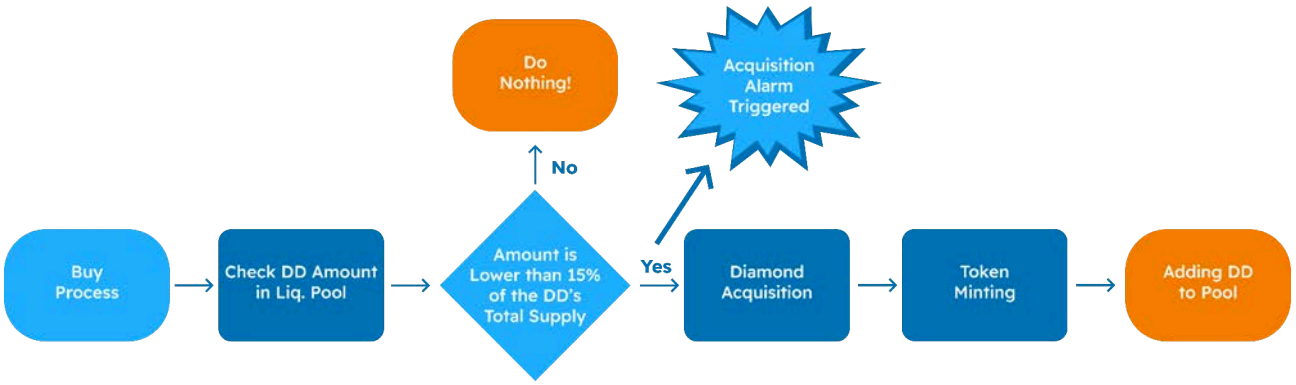

Figure 7 - Diamond Acquisition and Token Minting Flow Diagram

Apart from our regular diamond acquisition process, users can trigger a diamond acquisition process by placing a buy order. When users purchase DD, our tracking system monitors the DD stock in our liquidity pool (LP). If it falls below the established threshold, initially set at 15% of the total circulation supply (subject to potential changes), our system triggers a diamond acquisition process. This process includes auditing and token minting to replenish the DD in the Liquidity Pool to meet current and future demand.

The system's request will be processed by our warehouse system, which will either match it with an ongoing acquisition process or initiate a new one. Users will be informed when the DD tokens they wish to purchase are available for transfer or have to activate our pre-staking system, which executes the purchase and automatically reserves the ordered DD amount, along with a reward for the time required to replenish our reserve and mint new DD.

5.3. Minting of Diment Dollar

Any of the diamond acquisition processes explained above results in an increase in the value of our diamond reserve in USD. These processes undergo either in the case of rough diamonds the official registration and import process or regular audits conducted by globally recognized auditing firms in the case of polished diamonds. Each completed process provides us with the basis to determine the USD value of our diamond reserve and the corresponding amount of DD to be minted (maintaining a DD amount 1:1 ratio with the diamond reserve value in USD).

Following each regular audit, we will transparently release the audit results on our

transparency page on the website.

6. Proof of Reserves

Ensuring the integrity and stability of DD is our top priority. To achieve this, we employ a robust Proof of Reserves mechanism that guarantees complete transparency and verifiability.

At regular intervals, comprehensive audits are conducted by globally recognized firms to validate the existence and value of Diment's diamond reserve that backs DD. These audits verify that the diamonds securely held in dedicated vaults correspond to the issued DD and their respective market values.

The audit results are then promptly published, creating an accessible and immutable record of DD's value backing. This Proof of Reserves approach verifies that every DD in circulation is fully backed by genuine, audited diamond asset value.

7. Partnerships and Integrations

Partnerships and integrations play a crucial role in the success of any stablecoin project. Collaborating with other projects and platforms enhances DD's adoption, contributing to the stablecoin's success.

Thus we intend to:

- list DD on exchanges and other trading platforms
- integrate DD into wallets and various payment apps
- partner with merchants and businesses for DD to be accepted as a form of payment
- collaborate with DeFi projects to explore new use cases for the stablecoin

7.1. Exchanges

Our objective is to form strategic partnerships with leading cryptocurrency exchanges, effectively bolstering their liquidity pools and supporting trading volumes. By securing strategic listings on widely recognized exchanges, our stablecoin can seamlessly enter the user space, surmount accessibility barriers, and significantly enhance its versatility and benefits for the community.

7.2. Payment Apps

DD possesses the inherent potential for an effortless integration with cutting-edge

payment processors, facilitating its adoption by merchants for its products and services. By achieving this integration, Diment is paving the way for its widespread utilization in everyday transactions, heralding a transformation in the way commerce is conducted.

7.3. Wallet Suppliers

Our strategic vision encompasses the establishment of long-term partnerships with trusted wallet providers, representing a significant initiative aimed at simplifying the storage and transactional aspects of DD's ecosystem. This collaborative effort holds the promise of broadening the stablecoin's user base and ushering in a new era of unparalleled convenience for users seeking a seamless experience in managing and utilizing DD.

7.4. DeFi Project

By integrating DD into DeFi platforms, DD unlocks access to a decentralized lending, borrowing, and trading space, liberating users from existing constraints.

7.5. Other Chain Integrations

Diment transcends the limitations of individual blockchains and unlocks the transformative potential of cross-chain value transfers through a sophisticated integration with diverse blockchain networks.

8. Risk Factors

8.1. The "bank run" event, a potential liquidity risk

In the case of a "bank run," which occurs when a large number of depositors rush to withdraw their funds from the custodian institution due to concerns about its solvency or stability, we remain committed to our obligations as a company, providing transparency and trust to our investors. We are always prepared to respond effectively, thanks to our risk management mechanisms:

Our liquidity pool serves as an over-collateralization for our stored diamond value and our liquid assets reserve ratio of 20% is much larger than the one set by the Fed for the majority of US banks.[6] Besides that, our DD Company Wallet operates to cover DD acquisitions, potential token-burning events, or staking. Both mechanisms also serve as buffers to absorb rapid changes or actions that may introduce certain risks to our stored values or necessitate a high number of

[6] *https://www.federalreserve.gov/monetarypolicy/reservereq.htm*

redemptions claimed by users. As an additional measure for risk absorption, our company will reinvest to provide needed liquidity for certain situations.

We acknowledge that our diamond reserve may appear less liquid compared to our dollar reserve. However, thanks to Diment's strong network within the diamond industry and collaborations with reputable diamond trading firms, we can enhance the liquidity of diamonds, making them nearly as readily tradable as cash. This means that during periods of extreme redemption, Diment can initiate a gradual liquidation of the diamond reserve to meet its commitments to its investors.

Consequently, our company will implement token-burning events to rebalance the token supply and fulfill its commitments to the market.

8.2. Operational Risks

Stablecoins and other crypto assets are exposed to operational risks, including fraud and cyber risks. These risks arise from a variety of factors, including the complex nature of the cryptocurrency ecosystem, reliance on third-party service providers such as exchanges and custodians, as well as the lack of effective solutions for the loss or theft of crypto assets. To mitigate these risks, we implement various strategies for enhanced security measures to protect against cyber threats and apply robust due diligence processes when working with third-party service providers.

8.3. Regulatory standards

To match regulatory standards, our top priority is to maintain strong cooperation and communication with regulatory authorities. Our commitment to proactively communicate with regulatory authorities serves as the guiding principle in this dynamic environment where we strive to deliver an innovative stablecoin solution while maintaining the highest compliance standards. In addition to that, our experienced legal team will maintain our policies and procedures to stay updated.

4

SPECIAL PRODUCT FEATURES

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1. Staking of Diment Dollar

General process: Staking is the process of locking Diment Dollars (DD) in DD wallets for a certain period without spending or transferring them. The locked DD tokens are rewarded at variable rates during the locked period.

Special Add-on: DD Staker will be additionally rewarded in case our diamond reserve's value appreciates. This mechanism serves as a protection against inflation for our users.

2. Diment Mobile Application

The Diment mobile application will not only serve as a mobile vault of the user's DD, but will also display their balance, as well as offer possibilities to send, receive, acquire, redeem, and stake them. Additionally, future announcements will be shown as well.

5

CONCLUSION

CONCLUSION

In the intersection of technology and tradition, Diment's groundbreaking innovation is dissolving the barriers between once-disparate industries. With a pioneering spirit, we fuse the sophistication of cutting-edge financial technology with the solidity of the diamond industry's tangible assets.

Introducing the Diment Dollar, a transformational Stablecoin that shatters existing paradigms. When Diment Dollars are minted, their backing reserve value is already audited, ensuring a seamless production process that yields a really valuable digital asset. As the world's first value-secured Stablecoin, Diment Dollar is poised to revolutionize the Crypto landscape, redefining fundamental processes like Minting, Redemption, Staking, and Burning.

We stand at the dawn of the Diment Dollar era, poised to rewrite the rules of the game.

Thank you for your attention, and stay tuned as we usher in this exciting new frontier.

The era of the Diment Dollar has begun - Where Crypto Meets Diamonds!

Sincerely,

The Diment Team

6

GLOSSARY

GLOSSARY

Stablecoin: A stablecoin, a prominent variant of cryptocurrency, is meticulously designed to maintain a consistent value by anchoring it to a specified reference asset. This anchor can take the form of widely recognized entities, including fiat currencies like the US Dollar or Euro, tangible and precious commodities such as gold or silver, or even existing cryptocurrencies with established value.

Smart Contracts: At its core, a smart contract is a self-executing computer program that automates, verifies, and enforces the terms of an agreement between multiple parties. Built on blockchain technology, a smart contract operates without the need for intermediaries, ensuring transparency, security, and reliability in the execution of predefined actions once certain conditions are met.

Proof of Reserves: The intricate mechanism through which the originator of an asset-backed decentralized digital token validates, through cryptographic and mathematical means, the absolute assurance that every single token ever issued stands in complete alignment with a reserved counterpart, thereby establishing an unassailable link between these tokens and the tangible underlying asset they represent.

Cryptocurrency System: A cryptocurrency, also known as crypto-currency or simply crypto[a], represents a groundbreaking digital form of money meticulously engineered to operate as a seamless medium of exchange across a computer network, free from any dependency on a centralized entity.

Settlement: Settlement entails the meticulous fulfillment of a binding commitment, serving as the definitive discharge of an IOU (I Owe You) that could have traversed hands among participants within a network.

Transaction: A token transaction is a digital exchange or transfer of tokens, representing value or rights, within a blockchain or decentralized network.

Token: The term "token" technically means the same as "cryptocurrency" or "crypto asset". However, it has acquired increasingly more specific meanings depending on the context. The term token primarily refers to cryptocurrencies other than Bitcoin and Ethereum. Furthermore, the term token is secondly used to describe specific digital assets that run on another

cryptocurrency blockchain, as many decentralized finance (DeFi) tokens do.

Protocol: Protocols are important rules and guidelines that form the underlying infrastructure to enable the secure, transparent, and efficient exchange of digital assets, while at the same time guiding and developing the cryptocurrency ecosystem and protecting the security and data integrity of users.

Crypto Asset: A "crypto asset" is a type of digital or virtual asset that uses cryptography to secure and verify its transactions

Decentralized Finance (DeFi): It's an umbrella term for the part of the crypto universe that is geared toward building a new, internet-native financial system, using blockchains to replace traditional intermediaries and trust mechanisms.

Ethereum: Ethereum is a platform that is an evolved form of blockchain technology. In particular, it enables the development of smart contracts and decentralized applications.

Arbitrum: Arbitrum is an effective response to the scalability issues of the Ethereum ecosystem. It was developed as a second-layer solution built on top of Ethereum's main blockchain. Its purpose is to increase the capacity of the Ethereum network, increase transaction speed, and reduce transaction fees.

Tron: TRON is a decentralized, blockchain-based operating system with smart contract functionality, proof-of-stake principles as its consensus algorithm, and a cryptocurrency native to the system, known as Tronix (TRX).

Polygon: Polygon (formerly Matic Network) is a blockchain platform that aims to create a multi-chain blockchain system compatible with Ethereum. As with Ethereum, it uses a proof-of-stake consensus mechanism for processing transactions on-chain.

BNB Smart Chain: BNB Smart Chain, formerly Binance Smart Chain, is an Ethereum Virtual Machine (EVM) compatible blockchain platform capable of general-purpose smart contract execution. It is a base layer, or Layer 1 (L1), which is part of the BNB Chain ecosystem of blockchains that is developed with the support of cryptocurrency exchange Binance. It is known for its fast transaction time and low transaction cost.

Avalanche: Avalanche is a decentralized, open-source proof of stake blockchain with smart contract functionality.

Asset-Backed: Any cryptocurrency whose value is anchored to a tangible real-world asset, essentially making it a digital representation of that asset, is referred to as an "asset-backed" token. This stands in contrast to "utility-backed" cryptocurrencies, which derive their value from the utility or functionality they provide within a specific blockchain ecosystem.

Know Your Customer (KYC): Refers to the process of verifying and documenting users' identities and personal information. Additionally, the expression is also employed to allude to the regulations stipulated by banking institutions and anti-money laundering frameworks that oversee and regulate these particular undertakings.

Digital Currency: Digital currency is a type of currency that is used digitally instead of traditional physical coins or banknotes. It is used in other transfer transactions such as buying and selling, and payment through digital devices.