

Appendix C

Stablecoin Whitepaper Template

1. Table of Contents
2. Executive Summary including the General Warning Statement

GENERAL WARNING

A COPY OF THIS WHITEPAPER HAS BEEN SUBMITTED AND REGISTERED WITH THE CENTRAL BANK OF BAHRAIN (CBB). THE APPROVAL ISSUED BY THE CBB DOES NOT IMPLY THAT THE CBB HAS APPROVED THE SUITABILITY AND APPROPRIATENESS OF THE STABLECOIN AND THE ISSUER OR AUTHENTICATED THE FINANCIAL, ACCOUNTING AND TECHNICAL INFORMATION PRESENTED.

THE CENTRAL BANK OF BAHRAIN ASSUME NO RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF THE DOCUMENT AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS DOCUMENT.

3. Information about the Licensee

- (a) Name:
- (b) Legal form:
- (c) Registered address and head office:
- (d) Date of CBB's approval of the whitepaper:
- (e) Name and address of parent company, where applicable:
- (f) Business activity of the licensee and, where applicable, of its parent company:
- (g) Information about the Board of Directors and Senior Management. The information, at a minimum, must contain:
 - (i) Name, age and citizenship.
 - (ii) Past work experience, field of expertise, educational and professional qualification.
 - (iii) Position held or will hold within the company; and term of the office, if applicable.
 - (iv) Other companies where the concerned person is currently holding or in the past 5 years held directorship, senior management position or owns and/or controls 10% or more as a shareholder; and
 - (v) Whether the concerned person is a party to current debt recovery litigation or has been involved previously in any bankruptcy, fraud, money laundering, financial crimes or other serious criminal proceedings including being subject to any adverse finding or disqualification by a regulator or other competent body, in Bahrain or other jurisdictions. If so, disclose circumstances.
- (h) Shareholders and their current shareholding details.
- (i) Description of any interest, including conflicting ones that is material to the offering of stablecoin, providing detail of the persons involved and the nature of the interest.
- (j) Detailed description of governance arrangement.
- (k) Appointment of an external auditor: name and profile of the appointed external auditor.

4. Information about the Stablecoin

- (a) Name and abbreviation of the stablecoin:
- (b) The reference currency backing (pegged to) the stablecoin:
- (c) A description of the characteristics of the stablecoin:
- (d) A description of the role, responsibilities, and accountability of any third party entities referred to in Paragraph SIO-5.3.2(h).

5. Information about the offer to public

- (a) The total number of stablecoins to be offered to the public.
- (b) Where applicable, the minimum and maximum target subscription levels set for the offer, whether oversubscriptions are accepted, if yes, how oversubscription will be allocated.
- (c) For time-limited offer, the subscription period during which the offer to the public is open.
- (d) Information regarding the process of refund including the timeline within which the refunds shall be completed where the offer fails to achieve the minimum target subscription level.
- (e) Details pertaining to collection of subscription money:
 - (i) detailed description of the procedures for collection and management of the funds collected from subscribers.
 - (ii) bank account details dedicated specifically for receiving funds from subscribers.

- (f) Information about the redemption process including the timeline for redemption and any conditions attached with the redemption request.
- (a) Whether the stablecoin shall be admitted for trading, if yes, name of the crypto-asset platform on which the stablecoin shall be traded and how clients can access the trading platform and the costs involved.
- (b) Information on the method and time schedule to credit the purchased stablecoins into the account of the buying clients.
- (c) Expenses related to the offering of stablecoin.
- (d) Potential conflicts of interest of the persons involved in the offering or admission to trading, arising in relation to the offering or admission to trading.

6. Information on the rights and obligations attached to the stablecoin

- (a) A description of the characteristics and functionality of the stablecoin being offered or admitted for trading, including information about when the functionalities are planned to apply.
- (b) A description of the rights and obligations, if any, that the holder of the stablecoin has, including the permanent right of direct redemption at par value as well as the procedure and conditions for the exercise of those rights.
- (c) A description of the conditions under which the rights and obligations may be modified.
- (d) A description on the rights of the clients when the stablecoin issuer is not able to fulfil its obligation, including insolvency.
- (e) Where applicable, information on the future offers to the public of the stablecoin and the number of stablecoin retained by the stablecoin issuer itself.
- (f) Where admission to trading is not sought, information on how and where the stablecoin can be purchased or sold after the offer to the public.
- (g) Any restrictions on the transferability of the stablecoin that is being offered or admitted to trading.
- (h) Where applicable, information on the arrangements put in place by the licensee to ensure the liquidity of the stablecoin, including the name of the entities in charge of ensuring such liquidity.
- (i) The contact details for submitting complaints and description of the complaints-handling procedures and the dispute resolution mechanism established by the licensee.

7. Information on the underlying technology

- (a) Information on the technology used, including distributed ledger technology, as well as protocols and technical standards used, allowing for the holding, storing and transfer of stablecoins.
- (b) Information about the technical requirements that the purchaser has to fulfil to gain control over the stablecoin.
- (c) The consensus mechanism, where applicable.
- (d) Incentive mechanisms to secure transactions and any fees applicable.
- (e) Where the stablecoin is transferred and stored using distributed ledger technology that is operated by a third-party entity, a detailed description of the functioning of such distributed ledger technology.
- (f) Information on the audit outcome of the technology used, if such an audit was conducted.

8. Information on the risks

- (a) The risks related to the reserve assets when the stablecoin issuer is not able to fulfil its obligations.
- (b) A description of the risks associated with the stablecoin issuer.
- (c) A description of the risks associated with the offer to the public of the stablecoin or its admission to trading.
- (d) A description of the risks associated with the stablecoin, in particular with regard to the reserve assets.
- (e) A description of the risks associated with the technology used as well as mitigation measures, if any.

9. Information on the reserve assets

- (a) A detailed description of the mechanism aimed at aligning the value of the reserve assets with the par value of the stablecoins in circulation, including legal and technical aspects.
- (b) A detailed description of the reserve assets and their composition.
- (c) A description of the mechanisms through which stablecoins are issued and redeemed.
- (d) A description of the investment policy for reserve assets.
- (e) A description of the custody arrangements for the reserve assets, including their segregation, and the name of service providers providing custody of stablecoin on behalf of clients, licensed banks and other financial institutions appointed as custodians of the reserve assets.

10. Glossary of defined terms and abbreviations

- (a) Description of definitions and abbreviations referred to in the whitepaper.

11. Applicable law and competent courts

- (a) Description of the legal system applicable to the licensee
- (b) Indication of the competent courts in case of dispute

12. Declaration of the persons responsible

- (a) Provide in a box frame the following declaration which should be legible, bold face and placed prominently:

THE DIRECTORS OF THE COMPANY, WHOSE NAMES APPEAR HEREIN, ACCEPT FULL RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS WHITEPAPER. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS, WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE, THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND CONTAINS NO OMISSIONS LIKELY TO AFFECT THE IMPORTANCE AND COMPLETENESS OF THE DOCUMENT.

Directors Name

- I. _____
- II. _____
- III. _____
- IV. _____
- V. _____

(b) The abovementioned declaration must be duly signed by each of the licensee's Board of Directors. In cases where one or more of the Directors cannot provide their signature on such statement, the licensee is required to provide to the CBB and disclose hereunder the actual reasons and justification.