

**White Paper  
on issuance and listing of  
tradeable tokens representing currencies (TTRC)**

**September 2021**

## 1. GENERAL PROVISIONS

1.1. This White Paper provides general information on the digital tradeable tokens representing currencies as well as on the rights of the holders of these tokens which are determined upon issuance and listing of them and the conditions of exercise of the said rights.

1.2. The tokens described in this White Paper are issued and listed by Smart Market Trader LLC (“**Issuer**”).

1.3. The digital tokens described herein are the tradeable tokens representing currencies (“**TTRC**”).

1.4. **TTRC** are tokens representing currencies in which respect the Issuer is not obliged to buy out such tokens from their holders for the currencies represented by them as well as is not obliged to transfer the currencies represented by them in discharge of the obligation ensuing from these tokens. Under the general rule, TTRC will be placed and alienated (acquired) during their circulation period by the Issuer by exchanging them for tokens representing other currencies and previously placed (being placed) by the Issuer (including other TTRC)<sup>1</sup>. TTRC certify the rights of the holders of these tokens, provided for in this White Paper. TTRCs are tied to the value of a represent currency on a 1:1 valuation basis, making trading in TRR on the Trading Platform (as defined below) the same as exchanging or trading represented fiat currencies themselves.

1.5. The tickers (trade symbols) of the TTRCs are designated as follows: the ticker of the represented currency followed by a dot; followed by suffix “cxc”. For example, HKD.cxc is a token representing Hong Kong dollars and AUD.cxc is a token representing Australian dollars.

1.6. The ticker and other characteristics of TTRCs may be changed by the Issuer at its sole and absolute discretion (e.g., because of change

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<sup>1</sup> The type (types) of tokens representing other currencies, in exchange for which TTRC will be placed and alienated (acquired) during their circulation period, shall be determined by the Issuer at its sole and absolute discretion. This exchange shall be carried out on the basis of the exchange rate of the currency represented by the TTRC to the relevant currency provided for on the Trading Platform on the date this exchange is carried out. The said exchange rate shall be determined by the Issuer at its sole and absolute discretion and on the basis of the information possessed by the Issuer. If the agreement of the parties provides for placement of TTRC and (or) their alienation (acquisition) during their circulation period in return for the currencies different from those represented by the relevant TTRC, the above-mentioned exchange rate shall be applied, unless otherwise provided by this agreement.

of the ticker of the currencies represented by them), provided such changes do not contradict the applicable rules and regulations.

## 2. DISCLOSURES

2.1. The Issuer has its registered office at First Floor, First St. Vincent Bank Ltd Building, James Street, Kingstown, Saint Vincent and the Grenadines.

2.2. The Issuer is exposed to the following material risks when performing its activities: credit risk, country risk, market risk (including currency exchange risk), liquidity risk, operational risk (including cyber risk), reputational risk, regulatory risk and concentration risk.

2.3. The Issuer is an operator of an online trading platform hosted at <https://currency.com> or other domains or subdomains, as the case may be (“**Trading Platform**”).

2.3. The TTRCs issued by the Issuer are not generally accepted by other trading platforms or any other parties. It means that any other party except the Issuer is not obliged to honour any rights attached to the TTRCs.

2.4. The TTRCs issued hereunder allow their holders to carry out certain transactions within the Trading Platform, including deliverable transactions with tokenised exchange-traded assets<sup>2</sup>, the underlying assets of which are quoted in the currencies represented by TTRC<sup>3</sup>.

2.5. The funds acquired from selling of TTRCs will be used by the Issuer for performing its obligations towards its clients and other counter-parties; to carry out hedging of risks that arise in the activities of the Issuer; to carry out acquisition of liquidity by the Issuer.

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<sup>2</sup> For the purposes of this White Paper:

- a “tokenised exchange-traded asset” stands for a token, the value of which corresponds to the price of a certain asset (securities, commodities, or another underlying asset). It provides the right to the token’s holder to demand from the Issuer to acquire this token at the price that the said asset has at the moment of satisfying this demand;
- traditional financial instruments stand for the assets specified in the definition of the term “tokenised exchange-traded asset” above;
- “deliverable” transactions stand for the transactions that entail transfer of ownership to tokenised exchange-traded assets, but in no case the underlying assets.

<sup>3</sup> The expression of the price of the underlying assets in TTRC (in case of exchange of tokenised exchange-traded assets for TTRC) shall be carried out under the principle 1 TTRC = 1 unit of the represented currency.

2.6. TTRCs are issued on the Ethereum Classic blockchain (ERC-20 standard). The Issuer considers this blockchain to be reliable (resistant to technical errors, cyberattacks and sufficiently distributed).

### **3. THE RIGHTS OF THE TTRC HOLDERS**

3.1. The TTRCs issued hereunder confer the following rights of their respective holders:

3.1.1. to demand from the Issuer to acquire the TTRC in exchange for tokens representing other currencies and being placed by the Issuer<sup>4</sup>. This exchange shall be carried out based on the exchange rate of the currency represented by the TTRC to the relevant currency provided for on the Trading Platform on the date this exchange is carried out. The said exchange rate shall be determined by the Issuer at its sole and absolute discretion and on the basis of the information possessed by the Issuer;

3.1.2. to demand from the Issuer to perform the obligation ensuing from the TTRC, which represents transfer of ownership to tokens representing other currencies and being placed by the Issuer<sup>5</sup> in the amount based on the exchange rate of the currency represented by the TTRC to the relevant currency provided for on the Trading Platform on the date the transfer of ownership is carried out. The said exchange rate shall be determined by the Issuer at its sole and absolute discretion and on the basis of the information possessed by the Issuer.

3.2. The right provided for in sub-clause 3.1.1 of this White Paper shall be exercised by TTRC holders during the circulation period of the TTRC.

The right provided for in sub-clause 3.1.2 of this White Paper shall be exercised by TTRC holders on the date of performance of the obligation ensuing from the TTRC<sup>6</sup> or in case of early performance of this obligation by the Issuer. If the right at hand is exercised it expires and the relevant TTRC are deducted from the balance of their holders.

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<sup>4</sup> The types of tokens representing other currencies, in exchange for which the TTRC will be acquired from their holders shall be determined by the Issuer at its sole and absolute discretion.

<sup>5</sup> The type (types) of tokens representing other currencies, ownership to which will be transferred to the holders of the TTRC, shall be determined by the Issuer at its sole and absolute discretion.

<sup>6</sup> For the purposes of this White Paper, performance of the obligation ensuing from TTRC shall mean satisfaction of the demand provided for in sub-clause 3.1.2 of this White Paper.

The Issuer shall be entitled to ensure the exercise of the said right of TTRC holders automatically.

3.3. The demand provided for in sub-clause 3.1.1 of this White Paper shall be raised by TTRC holders by submitting to the Issuer the relevant order through the Trading Platform.

The demand provided for in sub-clause 3.1.2 of this White Paper shall be raised by TTRC holders by submitting to the Issuer the relevant application outside the Trading Platform. In this case, the TTRC subject to the said demand is raised, to satisfy this demand, must be accounted for the holder of the TTRC on their account on the Trading Platform.

Other issues raising out of the demands provided for in clause 3.1 of this White Paper shall be governed by the agreement between the Issuer and the holder of the TTRC.

3.4. In case of replacement of the currency represented by the TTRC with another currency introduced into circulation in the relevant country, the Issuer shall be entitled to replace the relevant TTRC with the TTRC representing the new currency.

3.5. The demands provided for in clause 3.1 of this White Paper may not be fully or partially satisfied due to freezing of funds and/or taking other measures necessary to prevent money laundering, financing of terrorist or proliferation of weapons of mass destruction (including any situation in which the holder of the TTRC has alienated them to other persons outside the Trading Platform).

3.6. In the event that the holder of the TTRC violates the provisions of this White Paper, the Issuer shall not be obliged to satisfy the demands provided for in Section 3 of this White Paper.

3.7. The circulation period of the TTRC shall be equal to the period from the date on which the listing of the tokens is started till the date of performance of the obligation ensuing from the TTRC. The date of performance of the obligation ensuing from TTRC shall be September 5, 2031. Early performance of the obligation ensuing from TTRC shall be possible.

After satisfying the demand provided for in sub-clause 3.1.1 or in sub-clause 3.1.2 of this White Paper or after acquisition of the TTRC by the Issuer, the Issuer shall be entitled to burn (liquidate) the relevant TTRC.

3.8. The Issuer may acquire TTRC up to the date of performance of the obligation ensuing from them (during the circulation period of the TTRC) with the possibility of their subsequent alienation (for example, by means of their sale or exchange) by the Issuer (or in order to burn them). Acquisition of these tokens (if it takes place) shall be carried out on demand (or on the basis of an irrevocable offer) of the TTRC holders and, in general, in exchange for tokens representing other currencies and being placed (previously placed) by the Issuer (including other TTRC).

3.9. TTRC, which are not fully paid for by their holders as well as the ownership to them (if partial payment for the TTRC is permitted by the Issuer), shall not be transferred by them to other persons; such a transfer will not be possible from a technical point of view (unless otherwise permitted by the Issuer).

3.10. TTRCs shall not be transferred by their holders to persons which do not have an account on the Trading Platform, unless expressly permitted by the Issuer.

3.11. The Company shall be entitled to establish restrictions in respect of transfer of the TTRC in parts.