

Appendix CRA-1

Whitepaper Template for Digital Tokens Offering



1. Front Cover of the Whitepaper

- (a) The registered name of the digital token issuer;
- (b) Terms of the digital token offer, including the description and amount of digital tokens offered, offering price, whether the digital tokens shall be listed on a crypto-asset exchange for trading in secondary market and where the tokens are to be traded, the type of market it will be traded on (exchange type order matching as in a conventional securities market or proprietary trading over-the counter);
- (c) Date of the CBB's approval;
- (d) Validity period of the whitepaper;
- (e) Name of the appointed digital token advisor;
- (f) Name of the licensed retail bank appointed for deposit of funds collected;
- (g) Subscription fee, if applicable;
- (h) General warning statement, written in capital letters, bold face with font size 12 and displayed prominently, as follows.

GENERAL WARNING

"INVESTMENT IN DIGITAL TOKENS ENTAILS RISKS OF A PARTIAL OR COMPLETE LOSS OF THE INVESTMENT. NO GUARANTEE IS GIVEN REGARDING THE LIQUIDITY OF THE DIGITAL TOKENS ACQUIRED IN THE OFFERING, THE EXISTENCE OF A SECONDARY MARKET FOR SAID TOKENS, THE VALUE OF THE TOKENS ACQUIRED IN THE OFFERING AND THE EXCHANGE VALUE OF SAID TOKENS IN LEGAL CURRENCY. THE TOKENS CONFER NO OTHER RIGHT THAN THOSE DESCRIBED IN THE WHITEPAPER.

A COPY OF THIS WHITEPAPER HAS BEEN SUBMITTED AND REGISTERED WITH THE CENTRAL BANK OF BAHRAIN (CBB). THE APPROVAL ISSUED BY THE CBB CONCERNS ONLY THE DIGITAL TOKEN OFFERING COVERED BY THIS WHITEPAPER. AS FROM THE END OF THE DIGITAL TOKEN OFFERING, THE CBB WILL NOT MONITOR THE DIGITAL TOKEN ISSUER OR ITS PROJECT. ANY COMMUNICATIONS SUBSEQUENT TO THE OFFERING AND RELATING THERETO WILL NOT BE REVIEWED BY THE CBB.

THE APPROVAL DOES NOT IMPLY THAT THE CBB HAS APPROVED THE APPROPRIATENESS OF THE DIGITAL TOKEN ISSUER'S PROJECT OR AUTHENTICATED THE FINANCIAL, ACCOUNTING AND TECHNICAL INFORMATION PRESENTED. MOREOVER, THE CBB HAS NOT CARRIED OUT ANY VERIFICATION OF THE SMART CONTRACTS LINKED TO THE DIGITAL TOKEN OFFERING AND HAS NOT VERIFIED WHETHER THESE SMART CONTRACTS ARE ADEQUATE IN RELATION TO THE CONTENT OF THE WHITEPAPER.



THE CBB ASSUME NO RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF THE STATEMENTS AND INFORMATION CONTAINED IN THIS 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.

THE INVESTOR IS INVITED TO READ SECTION-5 “RISK FACTORS” OF THE WHITEPAPER.”

2. Table of Contents

- (a) Below the table of contents, the following statement with respect to inclusion of any estimate, projections, forecasts, or forward looking statements should be stated in capital letters, bold face with font size 12 and displayed prominently.

THIS WHITEPAPER MAY CONTAIN FORWARD-LOOKING STATEMENTS AND INFORMATION RELATING TO, AMONG OTHER THINGS, THE COMPANY, ITS BUSINESS PLAN AND STRATEGY, AND ITS INDUSTRY. THESE FORWARD-LOOKING STATEMENTS ARE BASED ON THE BELIEFS OF, ASSUMPTIONS MADE BY, AND INFORMATION CURRENTLY AVAILABLE TO (*NAME OF THE DIGITAL TOKEN ISSUER*) AND ITS DIRECTORS.

WHEN USED IN THE WHITEPAPER, THE WORDS “ESTIMATE,” “PROJECT,” “BELIEVE,” “ANTICIPATE,” “INTEND,” “EXPECT” AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. THESE STATEMENTS REFLECT (*NAME OF THE DIGITAL TOKEN ISSUER*) AND ITS DIRECTORS CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE OUR ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTAINED IN THE FORWARD-LOOKING STATEMENTS.

INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE ON WHICH THEY ARE MADE. WE DO NOT UNDERTAKE ANY OBLIGATION TO REVISE OR UPDATE THESE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER SUCH DATE OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

3. Information Regarding the Digital Token Issuer

- (a) Company description, and in particular: certificate of incorporation, memorandum and article of association, share ownership structure, background, business activity and financial statements.



- (b) Information on the digital token issuer's Board or Directors, Senior Management and other functionaries in charge of the project. 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 in the digital token issuer's 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.
- (c) Shareholders and their current shareholding details.
- (d) Description of any interest, including conflicting ones that is material to the offer, providing detail of the persons involved and the nature of the interest.
- (e) Governance principles of the company.
- (f) Appointment of an external auditor: name and profile of the appointed external auditor.
- (g) Appointment of a digital token advisor: name and profile of the appointed digital token advisor.

4. Digital Token Issuer's Project Details

- (a) Detailed description of the digital token issuer's project, and in particular: product or service supplied, technology, market, customers and/or users, and legal and regulatory aspects specific to the market or to the issuer's project.
- (b) Decision-making and governance mechanisms of the project.
- (c) Subscribers for whom the digital token offering is intended and any restrictions.
- (d) The project's business plan, and in particular: objectives, execution and project phases, and where applicable resources already allocated to the project.
- (e) Funding requirements for project development and where applicable financing already obtained.
- (f) Expenses related to the digital token offering.
- (g) Allocation of the funds collected during the digital token offering.

5. Rights and Obligations attached to the Digital Tokens Offered

- (a) Detailed description of the following aspects:
- (i) Functions, rights and obligations attached to the digital token;
 - (ii) Project operating expenses borne by the subscriber, in particular expenses related to the distributed ledger technology on which the tokens are registered;
 - (iii) Where applicable, divisibility of the tokens;
 - (iv) Where applicable, description of other tokens already issued;
 - (v) Where applicable, repurchase plan of the tokens.
- (b) Rules and conditions for the use and functioning of the digital tokens;



- (c) Description of the distributed ledger technology on which the digital tokens will be registered and, where applicable, the distributed ledger technology onto which the issuer plans to migrate the tokens subsequent to the offering;
- (d) Timeline for use of the digital tokens;
- (e) Methods of transmission of the digital tokens and the issuer's intention to list the digital tokens on a trading platform;
- (f) Description of the general procedures for accounting for the digital tokens offered in the issue, depending on the type of rights attached to said tokens.

6. Risk Factors

The digital token issuer shall provide a description of the main risk factors specific to the project, the digital tokens and the digital token offering. The digital token issuer shall categorize these risks according to their type and to the following classification and, where applicable, to describe the measures taken to prevent these risks. The risks described by the digital token issuer shall include at least the following:

(a) Economic risks

- (i) Risk of partial or complete loss of the investment;
- (ii) Currency exchange risk, including conversion to any foreign currency, borne by the subscriber;
- (iii) Risk related to valuation of the digital tokens;
- (iv) Risk of lack of liquidity for the digital tokens;
 - The investor may not be able to sell the digital tokens on the trading platform due to circumstances such as low liquidity, high price volatility and halting or termination of trading.
 - In the event of termination of trading of the digital tokens on the trading platform, the digital token issuer will not be obligated to buy the digital tokens.
- (v) Risk due to the lack of secondary market.

(b) Technological risks

- (i) Risk of errors or security flaws allowing hacking or theft of the issuer's data;
- (ii) Risk of loss or theft of the medium storing the subscriber's private key;
- (iii) Risks related to the asset monitoring and safeguarding system;
- (iv) Risks related to the distributed ledger technology on which the tokens are registered and the platforms on which the tokens can be exchanged.

(c) Risks related to the project

- (i) Risk of failure at launch or of technical and operational development of the project;
- (ii) Risk of a substantial change in the project and in the rights attached to the tokens;
- (iii) Risk due to the lack of regular communication by the issuer concerning its project or any event which could have an impact on the project;
- (iv) Risks due to the lack of visibility concerning the regulations applicable to the token offering in all the jurisdictions in which the tokens will be offered, and the tax treatment applicable to the token subscribers.



7. Characteristics of the Digital Token Offering

- (a) Number of tokens to be issued and already issued where applicable;
- (b) Planned amount of the issue: targeted amount and the minimum amount allowing the project to be carried out (soft cap);
- (c) Token issue price and explanation of the principles used to establish the price;
- (d) Currencies accepted and exchange rate with the digital token;
- (e) Allocation structure of digital tokens already issued and to be issued by category of holder;
- (f) Where applicable, description of the stages preceding the offering (pre-offering issue and private sale). For each of these stages, the digital token issuer shall indicate the digital token issue price, the preferential conditions of issue and the number of digital tokens allocated;
- (g) Digital token subscription procedures;
- (h) Information regarding the post-offering period:
 - (i) Intentions of the digital token issuer regarding dilution of the token holders post-offering;
 - (ii) Conditions under which the digital token issuer can buy back and cancel tokens;
 - (iii) Description of any commitments (e.g. lock-up of the digital tokens) made by the digital token issuer or anyone coming into possession of the digital tokens;
 - (iv) The schedule of release of funds to the issuer;
 - (v) Intentions of the digital token issuer to disclose any element that may affect the value of the digital tokens and the periodicity which the issuer will report periodically on the use of the funds collected as part of the offering.

8. The technical procedures of the token issue

- (a) Description of the technical specifications, and in particular: description of the distributed ledger technology protocol, technical architecture if the offering contains several smart contracts, and any standards used; and
- (b) Insertion of an internet link to the smart contract protocol allowing automatic execution of token issuance accompanied by comments describing the parameters of the smart contract and the objective of each function.

9. Custody and refunding of the funds collected

- (a) Monitoring and safeguarding of the funds collected:
 - (i) Detailed description of the procedures for collection, management and management of the funds collected;
 - (ii) Bank account details, dedicated specifically to the offering, for receiving funds from subscribers.
- (b) Detailed description of the subscriber refund process:
 - (i) Trigger events and conditions, particularly in cases of failing to achieve the soft cap;
 - (ii) Conditions of refund.

10. Systems to establish the identity of subscribers, anti-money laundering and security systems

- (a) Description of the mechanisms for establishing the identity of the subscribers and anti-money laundering mechanisms;



(b) Description of the systems established for cybersecurity and detection of technical malfunctions.

11. Expected Digital Token Offering Timetable

Date of CBB approval	dd/mm/yyyy
Announcement of the digital token offering and dissemination of the whitepaper to investors (at least 5 calendar days before the opening date of the offer period).	dd/mm/yyyy
Offering Period (minimum of 10 days and Maximum of 1 month).	From dd/mm/yyyy To dd/mm/yyyy
Closing Date of the Offering Period (at least 10 calendar days from the Opening Date of the Offering Period).	dd/mm/yyyy
Final date to exercise cooling off right (minimum of 2 business days from the date of close of the issue).	dd/mm/yyyy
Date of refund of investors money where the issue fails to reach the soft cap limit.	dd/mm/yyyy
Date of refund of excess subscription amount to investors in the event of oversubscription of the issue.	dd/mm/yyyy
Allotment Date (within 6 calendar days from the Closing Date of the Offering Period).	dd/mm/yyyy
Where applicable, commencement of Trading on a licensed crypto-asset exchange (within a maximum 15 calendar days from the Closing Date of the Offering Period).	dd/mm/yyyy

11. Glossary of the Defined Terms and Abbreviations

(a) All definitions and abbreviations referred to in the whitepaper shall be stipulated in this Section.

12. Applicable law and competent courts

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

13. 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	Signature
1.	
2.	
3.	
4.	
5.	
(b) The abovementioned declaration shall be duly signed by each of the digital token issuer's Board of Directors. In cases where one or more of the Directors cannot provide their signature on such statement, the digital token issuer is required to provide to the CBB and disclose hereunder the actual reasons and justification.	