



## **DUKASCOIN**

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# Introduction

Following its strategic decision to become a crypto friendly Swiss bank, Dukascopy Bank SA, Geneva (hereinafter referred to as the Bank) is pleased to introduce its own token called the Dukascoin. To the best of the Bank's knowledge, this is the first worldwide crypto-currency from a strictly regulated bank. It is definitely the first cryptocurrency from a Swiss Bank. The Bank ensures application of the highest AML, risk management and regulatory standards of the Swiss banking industry for operations on the crypto-currency market. The Dukascoin has created a new class of crypto currencies issued by strictly regulated banks which will stay segregated from cryptos issued by non-regulated entities and startups.

The initial purpose of the Dukascoin introduction is to reward new users of the Dukascopy Connect 911 messenger and the associated Multi-Currency Accounts (hereinafter referred to as MCA accounts) of the Bank. The Dukascoins, designed as a crypto means of payment, are issued in limited quantity to serve for both payment and speculation purposes.

An MCA account is a new type of account offered by Dukascopy Bank SA ([www.dukascopy.bank](http://www.dukascopy.bank)) intended to provide worldwide retail clientele with fast, cheap, secure, mobile and extremely user-friendly Swiss banking services embedded into a modern messenger. The Bank's objective is to attract clients who will benefit from unbeatable conditions for instant and free of charge transactions among themselves as well as excellent currency exchange rates and other banking services.

The Bank's mission is to bring innovation and digital technologies into a stable and strictly regulated Swiss banking industry for the benefit of the Bank's clients from around the World. The Bank started to offer MCA accounts for its clients one year before the launch of the Dukascoin project. After two years of the Dukascoin project's development, the Bank has managed to open more than 230'000 MCA accounts.

Dukascopy Bank SA provides its clients with a unique opportunity to receive, for free, the first ever tokens created by a Swiss bank and to gain capital if the price of these tokens rises.

Taking into consideration the limited emission of the Dukascoin combined with a distribution amongst a large number of MCA clients and the Bank's plan to pay the Rewards for Staking allocated in Dukascoins, it is expected that the Dukascoin will have a permanently strong demand with a limited supply. Thus, the value of the Dukascoin could have a long-term sustainable rise since clients will want to consolidate Dukascoins on the secondary market in order to receive a high reward from staking with a Swiss bank. However, the emission of Dukascoins will be deliberately distributed in small portions throughout new MCA account holders. Strategic investors should continuously buy Dukascoins from many MCA holders in order to retain a large amount of Dukascoins.

The Dukascopy Connect 911 messenger is a modern digital tool for the Dukascoin's expansion. Users of the messenger worldwide can instantly open MCA accounts right from their smartphones and become Dukascoin holders. Every MCA account holder is initially entitled to an equal portion of Dukascoins.

## About Dukascopy Bank SA

Dukascopy Bank SA ([www.dukascopy.com](http://www.dukascopy.com) and [www.dukascopy.bank](http://www.dukascopy.bank)) is a regulated Swiss bank. The Bank is under the supervision of the Swiss financial markets regulator: the FINMA (<https://www.finma.ch/en/>). Headquartered in Geneva, the Bank has representative offices in Hong Kong and Riga. The bank has regulated financial subsidiaries in EU and Japan.

Dukascopy was founded in 2004. Today Dukascopy Group is staffed with more than 300 highly qualified employees. Dukascopy Bank SA is known worldwide for being an innovative financial institution. Read more about the Bank in the world press:

([https://www.dukascopy.com/swiss/english/about/press\\_release/](https://www.dukascopy.com/swiss/english/about/press_release/)) .

Dukascopy Bank SA is a member of the Swiss Bankers Association:

<https://www.swissbanking.org/en/bankers-association/organization/members/> .

The Bank's independent auditor is KPMG Switzerland. Audited Financial Statements of Dukascopy Group are available via this link:

<https://www.dukascopy.com/swiss/english/about/financial-reports/> .

## The Airdrop concept

The Bank provides its clients the unique opportunity to receive, for free, the first ever tokens created by a Swiss bank and to gain capital when the price of these tokens rises.

The following factors may lead to an appreciation of Dukascoins:

- (i) Dukascoins are released in limited quantity. Limited supply inevitably leads to a rise in price (provided that demand exceeds supply)
- (ii) Holders of Dukascoins keeping their tokens can receive a Staking Reward paid in Dukascoins or in EUR from the Bank. The Staking Reward rate is based on the amount of Dukascoins held.
- (iii) The Bank facilitates the sale and purchase of Dukascoins via its own infrastructure. For this, the Bank has developed a bulletin board and secures the settlement of transactions between its clients as "cash against delivery".
- (iv) The Bank endeavors to arrange that reputable crypto brokers and crypto exchanges will trade Dukascoins.

The Dukascoin is unique because it is the first token created by a regulated Swiss bank. The Airdrop project is subject to strict regulatory control and complies with high banking standards. Regardless of the number of crypto-currencies that other banks may create, the Dukascoin will remain the first.

Dukascoins are offered for free to all holders of MCA accounts according to the rules described below.

The Bank distinguishes three groups of clients who are eligible to participate in the Airdrop:

- (i) New clients opening an MCA account;
- (ii) Existing clients who have an MCA account;
- (iii) Existing clients who introduce new prospects opening an MCA account (further called Referrers).

Dukascoins are released only upon the opening of a new MCA account. For each new MCA account, 20 Dukascoins are released by the Bank and distributed as follows:

- (i) Five Dukascoins to the new MCA client. Additional conditions for the usage of Dukascoins for a new client account may be applied and announced on the project's website [www.dukascoin.com](http://www.dukascoin.com);
- (ii) Five Dukascoins to the Referrer. If the MCA client has no Referrer, the Bank is considered to be the Referrer and receives five Dukascoins. Additional conditions for the Referrer's reward may be applied and announced on the project's website [www.dukascoin.com](http://www.dukascoin.com);
- (iii) Ten Dukascoins to the Bank (to cover costs related to clients onboarding, Dukascoins Staking Reward payments, regulatory environment, IT infrastructure, marketing or any other activities).

Explicit identification of a client during the account opening process absolutely excludes that any person would be able to get the initial portion of Dukascoins twice or more and excludes the risk of fraud on this level.

To ensure Dukascoin distribution transparency, the Bank publicly reports the number of MCA accounts and the number of released Dukascoins on a daily basis.

The Bank guarantees that the release of Dukascoins will happen as mentioned above. The compliance to this release rule is subject to an independent audit.

For MCA clients who opened their account before the Airdrop of Dukascoins, the Bank released 20 Dukascoins per MCA account according to following conditions:

- (i) An MCA account holder who did not benefit from the MCA promotional program received 5 Dukascoins and his/her Referrer, if any, received 5 Dukascoins as well. Ten Dukascoins were credited to the Bank. If the MCA client had no Referrer, the Bank was considered as the Referrer and additionally received 5 Dukascoins.
- (ii) If the Bank was not able to transfer 5 Dukascoins to an eligible MCA account holder (MCA account closed, blocked or under the cancellation procedure) the Bank released all 20 Dukascoins in favor of itself.

(iii) An MCA account holder and his/her Referrer who received 5 EUR pursuant to the MCA promotional program was offered the possibility to buy 5 Dukascoins at the price of 5 EUR during a period of one month starting from the date of the Airdrop. 10 Dukascoins were credited to the Bank. If the MCA client had no Referrer, the Bank additionally received 5 Dukascoins. All Dukascoins not purchased by MCA clients or by their Referrers pursuant to this offer were awarded to the Bank.

The Bank has the right to limit the number of referred clients per one Referrer. The current limit is published on the project website [www.dukascoin.com](http://www.dukascoin.com). A breach of the limit and special conditions of the referral reward will be subject to a dedicated agreement between the Bank and the Referrer.

The Bank does not assume any other obligations except for releasing Dukascoins as per the conditions set above.

### **Specific limited cases**

The Bank can apply the following methods to increase or decrease the number of Dukascoins in circulation.

To increase the number of Dukascoins in circulation, the Bank can grant additionally released Dukascoins to users of Dukascopy Connect 911 and clients of the Bank. To support liquidity of the token and to pay Coin Rewards, the Bank may occasionally release limited amounts of Dukascoins in its favour for further distribution. Such limited cases will be publicly announced on the Dukascoin.com website and included in the common statistics of released Dukascoins. Dukascoins released in such cases will be credited to a custody subaccount of the Bank's client or to the external wallet of the Dukascopy Connect 911 messenger's user or to the wallet of the Bank.

To decrease the number of Dukascoins in circulation, the Bank can reclassify their own Dukascoins from released to unreleased. The consequences will be the following: cancellation of legal ownership rights of the Bank to these Dukascoins, transfer of those Dukascoins to storage as unreleased Dukascoins and the corresponding decrease of the amount of Dukascoins circulating on the secondary market. Such reclassification will be publicly announced on the Dukascoin.com website and included in the common statistics of released Dukascoins.

The Bank may perform exceptional supplementary releases of Dukascoins to award the strategic partners of the Bank for significant contributions in the development of the Dukascoin project and extension of the scope of applications of the Dukascoin in the economy. Such exceptional releases will be publicly announced on the Dukascoin.com website and included in the common statistics of released Dukascoins.

## MCA account and Dukascopy Connect 911

An MCA account is a new type of account offered by the Bank to all retail clients around the globe, with just a few geographical exclusions. MCA accounts promoted via the MCA promotional program include a welcoming bonus. MCA accounts are accessible both via web-site and the mobile app Dukascopy Connect 911 messenger. MCA accounts have physical IBAN numbers and allow access to user friendly, cheap and secure mobile banking services including free instant payments, purchases on the Internet or in shops (contactless payments are also available), withdrawal of cash at ATMs via Visa and MasterCard in several currencies, investments without leverage.

The MCA account service integrated into the Dukascopy Connect 911 messenger is a modern mobile communication application for both financial and social activities used by people worldwide. Dukascopy Connect 911 messenger was designed to compete with well-known applications such as WhatsApp, Viber and Telegram, with the uniqueness of being fully integrated with banking services such as instant payments, currency exchange, payment cards, bank transfers and other Banking facilities. Dukascopy Connect 911 messenger plays a key role in the 24/7 MCA account opening process.

An MCA account is a Swiss bank account that can be opened online. Swiss banks are historically highly valued due to their stability and reliability.

Client deposits with the Bank are protected in the amount of CHF 100'000 per client. Deposit Protection is explained in detail on the website (<https://www.esisuisse.ch/en>).

## Competition landscape

Dukascopy Bank analyzed the current situation with similar kinds of offers in the Swiss banking industry and concluded that the closest competitor is Bank CLER AG from Basel, Switzerland, which proposes a similar kind of service, including availability of retail banking, mobile banking and a referral program. Bank CLER AG pays a bonus of CHF 50 to the client for opening an account and CHF 50 to the Referrer who attracted the client to the bank. Dukascopy Bank considers this service to be a close analogue to its own offer. The Bank replaces CHF 50 with 5 Dukascoins, considering 5 Dukascoins as an adequate remuneration corresponding to the CHF 50 offered by the closest competitor.

Banks which rely on the development of their retail client base through a remuneration program are usually guided by the idea that the client's efforts in opening an account develop the bank's infrastructure and thus should be rewarded. It is assumed that the client's remuneration should adequately compensate their time spent on opening an account. The Bank agrees with this approach and has introduced an innovation compatible to it. This innovation takes the following form: instead of CHF 50 clients are rewarded with 5 Dukascoins. This theoretical proportion may be respected by The Bank for a long-term strategical development of the Dukascoin project.

## Clients' Dukascoin custody

The Bank offers a custody service for Dukascoins.

As soon as a new client opens an MCA account with the Bank, 5 Dukascoins are accrued and credited to their custody subaccount. A custody subaccount is a type of bank account nominated in Dukascoins associated with the MCA account of the client. Clients are able to transfer Dukascoins from their custody subaccount to their external crypto wallet in the blockchain at any moment.

A client having referred a new to the Bank will receive a bonus for said referral, provided that the new client meets incoming deposit turnover requirements.

Clients are also allowed to deposit Dukascoins from their external crypto wallets to their MCA accounts.

The Bank provides online reporting, allowing clients to see how many Dukascoins they hold as well as any movements of Dukascoins to and from their custody subaccount.

Inside the Bank, clients are allowed to transfer Dukascoins between each other free of charge through their custody subaccounts. Holders of a custody subaccount have to accept that Dukascoins may be credited to their custody account by third parties (e.g. another client) without prior notice.

The same custody subaccount is used to buy/sell Dukascoins from/to other customers. The Bank secures the settlement of such transactions.

## The Dukascoin as a means of payment

There are two types of payments using Dukascoins – Internal (between custody subaccounts) and External.

Transfers between MCA clients inside of the Bank are instant and free of charge.

Transfers between addresses in the blockchain outside of the Bank work as follows: Dukascoins withdrawn by clients to their external crypto wallets circulate in accordance with the common blockchain technology rules independent from the Bank.

The Bank will accept Dukascoins as a means of payment from its clients to settle payments related to the use of the Bank's services. The Bank freely determines the exchange rate of Dukascoins it accepts as payment.

## The Coin Reward paid for Staking in Dukascoins

The Bank may pay a Coin Reward for fixed term Staking in Dukascoins. The coin reward is paid on the client's MCA account at the end of the Staking term. The Bank may manage and limit the minimum and/or maximum size, term and rate of the offered coin reward at its own discretion and at any time.

Up-to-date information regarding rates, terms, storage types, minimum and maximum amounts of the Stakes are always available on the project's web-site page via the link: <https://www.dukascoin.com>

The Bank may extend or stop its Coin Reward program at any time this is considered reasonable without affecting previously gathered Stakes. Each Stake is considered as a separate contract. Two Stake amounts cannot be summed up without cancelling each other out.

If a client requests to cancel a Staking in Dukascoins before the maturity date, the client may be charged a penalty of 5% of the Stake amount and will not be entitled to the Coin Reward on that particular Stake.

The Coin Reward will be paid out in Dukascoins. The Bank will pay the reward from the Bank's own Dukascoins, i.e. released in favor of the Bank or obtained on the secondary market.

## The Fiat Reward paid for Staking in Dukascoins

The Bank may pay a Fiat Reward for fixed term Staking in Dukascoins. The Fiat Reward will be paid at the end of the Staking's term. The Bank may manage and limit the maximum and minimum size, term and rate of the offered fiat reward at its own discretion and at any time.

The standard Fiat Reward rate of a stake may differ depending on the term and storage type of the stake (internal with the Bank or external in Blockchain). An up-to-date information regarding rates, terms, storage types, minimum and maximum amounts of the Stakes are always available on the project's web-site page via the link: <https://www.dukascoin.com/>

The Bank may extend or stop its Fiat Reward program at any time without affecting previously allocated Stakes.

Each Stake is considered as a separate contract. Two Stake amounts cannot be summed up without cancelling each other out. To obtain a guarantee that a Staking will be accepted by the Bank, any client may declare their intention in advance, request a letter of confirmation and clarify the terms and conditions with the Bank.

If a client requests to cancel a Staking in Dukascoins before the maturity date, the client may be charged a penalty of 5% of the allocated amount in Dukascoins and will not be entitled to the Fiat Reward for that particular Stake. Additional conditions may be announced at a later date.

The Fiat Reward payout is in EUR.

## Marketplace and liquidity model

The Bank organizes and supports the infrastructure for clients, enabling them to make public or private offers to buy or to sell Dukascoins at their chosen price.

For public offers, the Bank has developed a bulletin board where all offers will be published and available for acceptance. Offers can be placed and taken only by MCA account holders.

Private offers will be also added to the bulletin board but remain visible only to the intended client(s). The latter also are notified via the Dukascopy Connect 911 messenger if there is a private offer placed for them.

The Bank secures the settlement of transactions via the bulletin board. The Bank is checking all announced transactions for exchange between fiat currencies and Dukascoins through technological means in order to avoid any fraudulent activity and to ensure the execution of the deals. Offers placed on the bulletin board are available to be taken by an MCA account holder without further confirmation from the client who had placed the offer.

The Bank does not provide any automation for matching opposite offers, does not ensure FIFO or guarantee the execution at best price. Every MCA account holder has the freedom to choose manually an offer on the bulletin board.

There are two types of orders available: Fill-or-Kill and Partial Execution. Fill-Or-Kill orders are those, which are executed only if the full order amount is taken. Partial Execution allows part of the offered amount to be taken.

Clients are also able to determine two order expiration types: Good Till Cancel (without predetermined expiration time) or Good Till Expiration (with determined expiration time).

In the future, it may be possible to express offers in different fiat currencies.

Every new client receiving the initially released five Dukascoins on their newly opened MCA account has the right to sell them to other MCA clients. MCA account holders interested in purchasing them have the right to make an offer to the new client. The Bank itself may also make its own offer. Additional conditions for the usage of the Dukascoins for the new client's account may be applied and announced on the project website [www.dukascoin.com](http://www.dukascoin.com)

To stimulate the liquidity on the internal marketplace, the Bank periodically pays bonuses to the selected marketplace liquidity providers – namely Fat Catz. Conditions of that selection are published on the Dukascoin website ([www.dukascoin.com](http://www.dukascoin.com)). Those conditions are subject to change and all amendments will be publicly available.

Clients selling Dukascoins pay a commission. The commission rate is subject to change at the Bank's discretion. The information about rate and conditions of the charge will be published in advance on the Dukascoin website ([www.dukascoin.com](http://www.dukascoin.com)). The commission charged is accumulated to award the Fat Catz mentioned above. The collected amount of bonuses to be distributed among selected liquidity providers is announced on the Dukascoin website.

The Bank itself does not receive such bonuses to avoid conflicts of interests.

Dukascoin's Fat Catz is a prestigious group of our crypto-community members. They enjoy significant additional income and other non-financial benefits.

The Bank endeavors to regulate Fat Catz constitution rules with the idea of promoting those who make the most important contributions to the development of the Dukascoin marketplace.

The Bank is free to choose whether to provide or consume liquidity of Dukascoins on third party independent exchanges as well as on the internal marketplace.

## Technology

The Dukascoin crypto token smart contract is based on the Ethereum blockchain technology. If a better blockchain technology appears on the market, the Bank may adopt it as a replacement for Ethereum.

The contract specifications are the following:

- (i) Blockchain technology: Ethereum
- (ii) Standard: ERC20
- (iii) Name: Dukascoin  
(the trademark DUKAS is registered in Switzerland under the №725155. Registration date: December 13, 2018)
- (iv) Symbol: DUK+
- (v) Total supply: 20'000'000'000
- (vi) Number of decimals: 4
- (vii) Smallest fraction of a Dukascoin: 0.0001

## Smart Contract Initiation

At the moment of smart contract initiation, 20 billion Dukascoin crypto tokens were digitally created and transferred to a “Cold” wallet managed via multi-signatures. Any hardware or seeds protecting private keys to addresses of “Cold” wallets are stored in a vault of trusted third party banks, which provide the necessary security. Handling of the means stored in safe boxes is executed according to a highly secured procedure.

**IMPORTANT NOTE:** The Bank has no right to use any crypto tokens, which were not released in accordance with the process described in the White Paper. Thus, 20 billion tokens initially issued and existing in the blockchain cannot be used by any party, including the Bank, before their release. No one entity or individual has ownership rights over them and the Bank will only be managing further release.

## Risks mitigation measures

Before the launch, all smart contracts passed an independent security audit. All tokens were created and distributed to a “Cold” wallet before the public announcement of the Airdrop in accordance with the “Smart Contract Initiation” paragraph.

The storage concept applied by the Bank implements highest security standards. The principles of storage are the following:

- (i) the hardware devices keeping private keys to addresses, which are able to manage multi-signature smart-contract wallets, PIN-codes and paper Recovery Seeds are kept in safe boxes at reliable third party banks;
- (ii) the security of the internet connection of “Hot” wallets is ensured by the Bank's common IT security system;
- (iii) a specific distribution of access rights to private address keys through hardware devices are created;
- (iv) the segregation of Dukascoins owned by clients and by the Bank is provided;
- (v) 4 to 6 eyes principle for the creation of transactions is applied;
- (vi) one time addresses for receiving Dukascoins from clients are created;
- (vii) clients are informed in real time about the amount of their Dukascoins in custody through online reporting.

To mitigate regulatory risks and risks related to money laundering, all clients operating with Dukascoins within the Bank are subject to regular AML/KYC procedures of the Bank. The Bank will not accept any transfers of Dukascoins involving non-identified third parties. Any client willing to withdraw Dukascoins to an external wallet has to confirm that they are the only ultimate beneficial owner of that wallet. The Bank continually improves the screening of operations with Dukascoins according to the industry’s best practices.

The Bank duly tests third party service providers selected for cooperation in order to find and apply the highest professional standards.

## Independent audit

The Bank is subject to regular external (KPMG) and internal (PKF Certificate) audits in financial, regulatory, IT, organizational and other aspects.

In addition to existing audits, the Bank will, on a regular basis, arrange audit missions to verify the accuracy of Dukascoins release. Those audits will ensure that all opened and active accounts are in compliance with regulations and in accordance with the Airdrop concept. Any specific limited cases described in the section “Airdrop concept” will be audited as well.

## The Bank’s management restrictions

To exclude a conflict of interest, members of the Executive Committee of the Bank and members of their families are not allowed to own more than a limited amount of Dukascoins. Currently this limit is set to 50 000 Dukascoins per person at any moment in time. Other employees of the Bank have no limitations in this regard. Those limitations are subject to possible change by a special decision of the Bank’s management during project development. Notification about change of the Bank’s management and employees’ restrictions will always be published on the project’s web-site ([www.dukascoin.com](http://www.dukascoin.com)).

## Limitation of liability

The current version of the White Paper, as a mere presentation of the Dukascoin project, is not a contract and has no legal effect.

The Bank expressly rejects any claims, which would be based on this White Paper.

The Bank only accepts financial liability through written contracts signed by it or issued by it such as terms & conditions ruling a business relation with a third party.

Consequently, readers of the White Paper and holders of Dukascoins cannot raise any claims against the Bank pursuant to this White Paper.

Within the Bank's infrastructure, holding, trading, transferring and use of Dukascoins is subject to applicable General Terms & Conditions.

If a client transfers their Dukascoins to a third party outside the Bank's infrastructure, Dukascoins become held, transferred and used in the frame of relations to which the Bank is not a party. The holder shall solely and fully assume any and all possible responsibilities and liabilities concerning third parties.

## Miscellaneous

The Bank has the right to change the current version of the White Paper without prior notice. In case of discrepancy between the text of the White Paper and the contents of the project's web-site, information published on the web-site [www.dukascoin.com](http://www.dukascoin.com) is considered as up-to-date and should be used as the project services guideline.

All possible applicable fees, rates and commissions are publicly announced on the Bank's website (<https://www.dukascoin.com>).

Due to regulatory, cross border and other risks, the Bank may exclude certain groups of clients (for example residents or citizens of particular countries) from Dukascoins release rules. In such cases, Dukascoins will remain unreleased and no parties such as the Referrer or the Bank will receive Dukascoins. Any policy concerning this should be publicly announced by the Bank.

The Bank has the right to suspend and restart the release of Dukascoins at any moment. Previously released Dukascoins will not be affected by this decision and will continue to circulate in accordance with the conditions of the White Paper.