

# SAFEBOX

## FAQ

## 1. Why would my firm consider a fixed-term BTC yield at ~1.5%?

Because no other structure allows you to earn **BTC-denominated yield while maintaining full custody of your assets.**

Every alternative requires transferring withdrawal rights to a counterparty and taking borrower, platform, or rehypothecation risk. For most institutions, that disqualifies the product before yield is even considered.

**Safebox** is the only model that:

- Preserves custody
- Introduces no credit exposure
- Pays yield in native BTC
- Fits into existing governance and compliance frameworks

For institutions restricted from using custodial yield options, the comparison is not **1.5% vs 4%** - it is **1.5% vs 0%**.

## 2. What is the primary risk in Safebox?

The mechanism that enforces the fixed term must behave correctly, but the locking logic is intentionally simple and has been **independently audited by [Offbeat Security](#).**

Your team can also test it with small allocations to verify behavior before committing larger amounts.

**Safebox** avoids the dominant risks present in other yield products:

- No borrower defaults
- No counterparty solvency risk
- No liquidity spirals
- No smart-contract lending exposures
- No wrapped-asset or bridge risk

**Your BTC remains under your control at all times.**

### 3. Could anything go wrong with the technology holding the BTC?

The only meaningful failure mode would be a flaw in the time-based enforcement mechanism.

This risk is mitigated by:

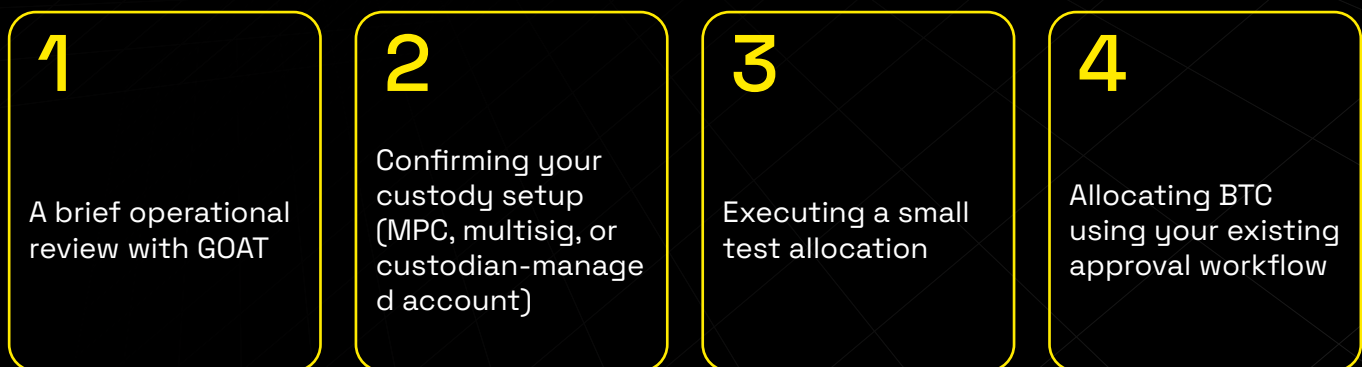
- A fully independent audit by [Offbeat Security](#)
- The simplicity of the structure (no complex contract logic)
- The ability to run repeated test allocations
- Full transparency of the system's behavior

If the logic is correct, the asset is secure. If it is incorrect, incorrect behavior can be detected before any material exposure.

### 4. How complex is onboarding?

Onboarding is designed to integrate directly into your existing custody operations.

The process is:



No new systems, custodians, or infrastructure are required.

## 5. What is required during the term?

Nothing.

There are:

- No margin calls
- No liquidation conditions
- No ongoing management requirements
- No borrower monitoring

You simply record the maturity date as you would with any fixed-term position.

## 6. What happens at maturity?

When the term ends:

- Your custody system releases the funds using your standard approval workflow
- You withdraw principal plus the BTC-denominated yield accrued during the period

GOAT Network has no ability to hold withdrawals.

## 7. Where does the yield actually come from?

Yield in **Safebox** is generated from protocol-level revenue on GOAT Network. As the network processes transactions and settlement flows, a portion of that economic activity is allocated to **Safebox** participants. Yield is paid in BTC and distributed according to transparent, predefined rules within the protocol.

Yield comes from **protocol-level economics** on GOAT Network, consisting of:

1

**Protocol reserves** allocated to support early-term yield

2

**Internal capital efficiency:** when BTC is locked, equivalent capital (goatBTC) inside the protocol can be deployed in internal systems that generate returns higher than the **Safebox** rate



This makes the 1.5% BTC yield sustainable without requiring lending, leverage, or borrower exposure.

It is **not** interest from third parties. It **is** a controlled distribution supported by protocol mechanics.

## 8. Is the yield sustainable?

Yes - for two reasons:

- Early-term returns are supported by reserves
- Over time, transactional and internal economic activity inside GOAT reduces reliance on reserves

## 9. Does Safebox require me to change how I custody BTC?

No. Your custody model remains entirely intact.

**Safebox** requires:

- No private key sharing
- No new wallets
- No new approval systems
- No third-party delegation of fund control

You retain full withdrawal authority during and after the term.

## 10. How do we evaluate compliance classification?

Because you do not transfer custody or create borrower exposure, **Safebox** generally avoids the regulatory considerations associated with:

- Lending
- Deposits
- Custodial yield programs

However, classification depends on your jurisdiction and internal compliance interpretation. **Safebox** provides a clear, auditable structure that supports compliance reviews.

## 11. How do we know Safebox is production-ready?

**Safebox** adheres to an audit-first, minimal-logic design. The structure is:

- Independently audited by [Offbeat Security](#)
- Transparent and verifiable
- Testable with small allocations
- Operationally simple
- Fully observable on-chain

Institutions are encouraged to test the entire lifecycle before committing capital.

## 12. Why choose Safebox over doing nothing?

Doing nothing yields 0%.

For institutions that cannot transfer custody to earn yield, **Safebox** is the only product that offers:

- BTC-denominated yield
- Zero borrower exposure
- Zero custodial transfer
- Integration with existing governance policies

If your mandate requires custody preservation, **Safebox** is the only yield structure available.

## 13. Why choose Safebox over other yield providers?

Because **Safebox** is the only option that offers:

- Real BTC yield
- While BTC stays in your custody
- With no borrower
- No credit risk
- No exchange dependence
- No wrapped assets
- No leverage
- Independently audited structure

Every competitor requires giving up control of the asset. **Safebox** does not.

## 14. What is the maximum scale of Safebox?

**Safebox** is not constrained by borrower demand or liquidity pools.

Because yield is supported by protocol economics, **Safebox** can scale with BTC deposits without introducing systemic lending risk.

Institutional scale is a design objective, not a limitation.



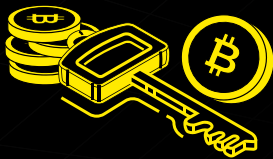
## 15. Can we perform due diligence?

Yes. Your team can perform the same validation and lifecycle testing we use internally.

**Safebox** provides:

- Full audit reports: [hackmd.io/FITaszPCR5qVuRx2AjxWWWg](https://hackmd.io/FITaszPCR5qVuRx2AjxWWWg)
- Technical documentation: [docs.goat.network/users/safebox](https://docs.goat.network/users/safebox)
- Economic model summaries: [goat.network/btc-sustainable-yield-network-economics](https://goat.network/btc-sustainable-yield-network-economics)
- On-chain verification methods: [explorer.goat.network](https://explorer.goat.network)
- Test allocation guidelines: [safebox.goat.network](https://safebox.goat.network)





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