

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:

1

A brief operational review with GOAT

2

Confirming your custody setup (MPC, multisig, or custodian-managed account)

3

Executing a small test allocation

4

Allocating BTC using your existing approval workflow

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.

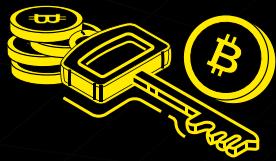


15. Can we perform due diligence?

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

Safebox provides:

- Full audit reports: hackmd.io/FITaszPCR5qVuRx2AjxWWg
- Technical documentation: docs.goat.network/users/safebox
- Economic model summaries: goat.network/btc-sustainable-yield-network-economics
- On-chain verification methods: explorer.goat.network
- Test allocation guidelines: safebox.goat.network



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