

DFP PRACTICE LTD

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Date: 15th January 2020
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**PRIVILEGED AND
CONFIDENTIAL**

Attn: Board of Directors

SUBJECT: OPINION RELATING TO DFP PRACTICE LTD (THE COMPANY) – TOKEN ISSUANCE

1. Background and scope of advice

- 1.1 We refer to the proposed token issuance project (**Issuance**) to be conducted by the Company (and/or its affiliates). We are informed that pursuant to the Issuance, contributors will exchange virtual currencies for a new virtual currency FinNexus Token (**FNX**), which is intended to be utilised on a platform to be developed and operated by the Company (or its affiliates). Further details in relation to the background are set out in Annex A.
- 1.2 We have been instructed to provide this advice solely on the question of whether the design of FNX would cause it to be considered a "security" for the purpose of the Securities and Futures Act (Chapter 289 of Singapore) (the **SFA**).
- 1.3 In connection with the Issuance, we have been provided with the draft whitepaper, which is a non-binding document that sets out, *inter alia*, the proposed design of FNX to be issued. We are informed that the version of the whitepaper which will be finally released will be in substantially the same form as that provided in Annex C.
- 1.4 For the purposes of this advice, we have relied only on the relevant facts and documents as informed to us in Annex A and Annex C and we have not considered any other issues other than that set out above. We have also not conducted any independent enquiries or due diligence in respect of the Issuance and the operation of the Company (or its affiliates).
- 1.5 This advice is based on Singapore law as at the date hereof, is limited to the matters expressly specified herein and must not be read as extending, by implication or otherwise, to any other matter. We have also not examined or expressed any views on, nor will we be deemed to have examined or expressed any views on, any regulatory requirements, restrictions or prohibitions (a) under the laws of any other jurisdictions that may be applicable, (b) in connection with the Company's (or its affiliates') activities, the platform, or the circumstances or conduct of the Issuance (other than that relating solely to the design of FNX) or the commercial aspects of any of the foregoing, or (c) any other secondary platform token, financial product token or asset-backed token which may be issued/created in connection with the operation of FinNexus. Please also note that our advice does not cover any other areas of law such as tax law, privacy and data protection laws, issues relating to the licensing of information technology, intellectual property, money laundering and countering the financing of terrorism, or regulatory advice (save as mentioned at paragraph 2 below), and we do not assume any responsibility to update this advice after the date hereof. You are advised to obtain legal advice from other jurisdictions as applicable. This advice should be read together with the annexes appended hereto, which form an integral part of this advice and will be governed by, and construed in accordance with, Singapore law.

- 1.6 The views expressed in this advice are solely our views as to the issues expressly dealt with in this advice. Our advice does not constitute an assurance, guarantee or warranty that the Singapore regulatory authorities or Singapore Courts would necessarily agree with the views stated in this advice or that any challenge would not be made or would necessarily fail. This advice is not intended to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed by any applicable law.
- 1.7 Further, it is assumed that (a) FNX and FinNexus, when developed, would meet their description in this advice and in the whitepaper, (b) there will be no material variations in FNX or FinNexus from their descriptions therein which would affect our advice, (c) all services offered on FinNexus will not be illegal and the necessary approvals and licences will be held by the Company, its relevant operating entities or affiliates in all applicable jurisdictions as necessary, and (d) any notifications that have to be provided to the relevant authorities will be undertaken as required.
- 1.8 As of the date hereof, to our knowledge there has been no court case, no formal notice or regulations published by the Monetary Authority of Singapore (the **MAS**) which directly address the issues raised in this advice, save for various releases and papers. Accordingly, the MAS or a court may reach an alternative conclusion different from the one provided in this advice.

2. Advice

- 2.1 A "utility token" is not a defined term under Singapore law. Solely considering the design of FNX as set out in Annex A and Annex C, we are of the view that, in itself, the design of FNX:
 - (a) would not cause the issuance of FNX to be considered an issuance of a debt instrument within the meaning of "debenture" under the SFA;
 - (b) would not cause the issuance of FNX to be considered the operation of a collective investment scheme;
 - (c) includes significant utility in the usage and operation of the "FinNexus" protocol; and
 - (d) accordingly would not cause FNX to be deemed a "security" for the purpose of the SFA.

- 2.2 Our detailed analysis is set out in Annex B.

3. Benefit of advice

Our advice herein is addressed solely to yourselves solely for your benefit, and may be relied on solely for the purpose of listing FNX on a virtual currency exchange. It is not to be relied upon by any other person or quoted or referred to in any public document or filed with any governmental authority or agency or disclosed in any way to any other person without our prior written consent.

* * *

Yours faithfully

Lex Advocatus

Lex Advocatus LLC
Encl: Annexes A to C

Annex A

Background

1. We understand that the Company is working on developing the "FinNexus" protocol (**FinNexus**), which is planned to be an infrastructure level application layer protocol for decentralized financial services which allows users (developers, service providers, and project participants) to easily interact with the blockchain.
2. The FinNexus gateway is used for information exchange and interaction between the FinNexus system and external distributed infrastructures such as public blockchains and layer two networks. FinNexus will gradually integrate SDKs of different public distributed ledgers and layer two networks, and abstract the common functions of these SDKs, such as account generation, putting assets on chain, transactions, contract triggering, and other common operations. Since each chain has different commands to manipulate those interactions, FinNexus Gateway will standardize those interactions to allow for easy integration and interaction between chains and services.
3. Pursuant to the Issuance, FNX will be issued in exchange for virtual currency from contributors. We are informed that FNX is a transferable representation of attributed functions specified in the protocol/code of FinNexus, and is designed to have the following functions with the ecosystem:
 - 3.1 FNX may only be utilised on FinNexus (when fully completed and deployed) as the medium of exchange for valuable services provided in the ecosystem on FinNexus and as the platform currency for payment for the use of its suite of protocol clusters. It is not intended to be a medium of exchange accepted by the public, or a section of the public, as payment for goods or services or for the discharge of a debt. For each exchange of services on FinNexus, the costs are to be quantified in FNX and paid to FinNexus and/or the other party providing the service.
 - 3.2 FNX would also provide the economic incentives which will be consumed to encourage participants to contribute and maintain the ecosystem on FinNexus. Providers of services / resources would require payment for the consumption of resources (i.e. "mining" on FinNexus) to maintain network integrity, and FNX will be used as the medium of exchange to quantify and pay the costs of the consumed resources. Further, it is mentioned that users of FinNexus and/or holders of FNX which did not actively participate in FinNexus will not receive any FNX incentives.
 - 3.3 FNX has the following specific features:
 - (a) In order to use FinNexus, users must pay fees. The fees are discounted if users use FNX to pay. 50% of the fees collected are used for FinNexus operations, 25% are used to incentivize ecosystem participants, and the remaining 25% are used to contribute to the buffer fund.
 - (b) 25% of the fees collected are used to incentivize ecosystem participants, including parties involved in asset trading and community developers. The role of incentives is to attract more participants to FinNexus, and to encourage developers to build develop different types of DeFi protocols and applications for different scenarios on FinNexus.
 - (c) FNX will be distributed to FinNexus participants and FNX users who will receive tokens as an incentive for actively using FNX during each inflation period.
 - (d) Certain service providers will be required to hold a certain amount of locked FNX as a deposit to ensure the security of their users' assets as well as guarantee of service standards.

- (e) With the development of community governance in FinNexus, FNX will be used for community governance, especially for voting on platform features or community related matters (for the avoidance of doubt, the right to vote is restricted solely to voting on features of FinNexus; the right to vote does not entitle FNX holders to vote on the operation and management of the Company or its affiliates, or their assets, and does not constitute any equity interest in any of the aforementioned entities).
 - 3.4 FNX is not intended to constitute securities in Singapore or any relevant jurisdiction, and will not entitle token holders to any promise of dividends, revenue, fees, profits or investment returns.
 - 3.5 FNX is non-refundable and cannot be exchanged for cash (or its equivalent value in any other virtual currency) or any payment obligation by the Company or any affiliate.
 - 3.6 FNX does not represent any shareholding, participation, right, title, or interest in the Company or any other company, enterprise or undertaking.
 - 3.7 FNX is not for speculative investment, and (although FNX may eventually be traded on virtual currency exchanges), there is no guarantee or representation of value or liquidity for FNX.
 - 3.8 FNX is not intended to be a representation of money (including electronic money), security, commodity, bond, debt instrument, unit in a collective investment scheme or any other kind of financial instrument or investment.
 - 3.9 There does not appear to be any buy-back or destruction mechanism planned for FNX.
- 4.** In order to safeguard against the risk of breaching securities laws:
- 4.1 the whitepaper expressly indicates that a potential user who is a citizen, national, resident (tax or otherwise), domiciliary and/or green card holder of a geographic area or country (a) where it is likely that the sale of FNX would be construed as the sale of a security (howsoever named), financial service or investment product and/or (b) where participation in token sales is prohibited by applicable law, decree, regulation, treaty, or administrative act (for example the United States of America and the People's Republic of China), would be prohibited from purchasing any FNX; and
 - 4.2 we understand that the project team will be requesting from the potential purchaser identify verification documents for the purpose of performing the relevant checks.
 - 5. FinNexus does not facilitate the transmission of fiat currency on behalf of its users or other third parties, nor does it assist with the conversion of FNX to fiat currency.
 - 6. The documents indicate that any conversion of FNX to fiat currency will be done on third party virtual currency exchanges. It is mentioned that to the extent a secondary market or exchange for trading FNX does develop, it would be run and operated wholly independently of the Company (or its affiliates), the sale of FNX and FinNexus. The Company will not create such secondary markets nor will it act as an exchange for FNX.
 - 7. From the documents provided, it appears that the sale of FNX were straightforward sale transactions on a spot and unmargined basis, and such sale transaction does not have any embedded features such as derivatives or repurchase options.
 - 8. FNX does not have any tangible or physical manifestation, and does not have any intrinsic value (nor does the Company or any other person make any representation or give any commitment as to its value).

Annex B

Analysis

1. There is no specific law or regulation in Singapore that provides specifically for regulation of virtual currencies or digital tokens as such. This has been confirmed in a statement (the August 2017 Statement) issued on 1 August 2017 ("MAS clarifies regulatory position on the offer of digital tokens in Singapore") by the MAS.
2. However, this cannot be taken to mean that virtual currencies and digital tokens are wholly unregulated in Singapore. As noted in the August 2017 Statement, digital tokens have evolved beyond just being a virtual currency, and depending on the features of a particular digital token, they may be subject to recharacterisation under Singapore's laws and consequently be subject to various regulatory regimes in Singapore, in particular under the SFA.

Meaning of "securities"

3. The SFA sets out at section 2(1) a definition of "securities" as follows:

"*securities*" means:

(a) *shares, units in a business trust or any instrument conferring or representing a legal or beneficial ownership interest in a corporation, partnership or limited liability partnership;*

(b) *debentures; or*

(c) *any other product or class of products as may be prescribed,*

but does not include:

(i) *any unit of a collective investment scheme;*

(ii) *any bill of exchange;*

(iii) *any certificate of deposit issued by a bank or finance company, whether situated in Singapore or elsewhere; or*

(iv) *such other product or class of products as may be prescribed."*

4. Pursuant to the Securities and Futures (Prescribed Securities) Regulations 2012, various real estate investment trust (REIT) related securities have also been prescribed as "securities" (which do not appear relevant for the purposes of this advice).

5. The definitions of the terms "shares", "debenture" and "collective investment scheme", which are referred to in the definitions of "securities", are relevant for the purpose of this analysis. The other categories of instruments / relationships which would be categorised as securities, such as rights, options or derivatives, contracts for difference, units in a business trust (or its derivative), or interests in partnerships, are not relevant for the purpose of this analysis and FNX would not constitute any of these.

Meaning of "debenture"

6. Section 2(1) of the SFA provides that:

"debenture" includes:

- (a) any debenture stock, bond, note and any other debt securities issued by or proposed to be issued by a corporation or any other entity, whether constituting a charge or not, on the assets of the issuer;
- (b) any debenture stock, bond, note and any other debt securities issued by or proposed to be issued by a trustee-manager of a business trust in its capacity as trustee-manager of the business trust, or a trustee of a real estate investment trust in its capacity as trustee of the real estate investment trust, whether constituting a charge or not, on the assets of the business trust or real estate investment trust; or
- (c) such other product or class of products as the Authority may prescribe,

but does not include:

- (i) a cheque, letter of credit, order for the payment of money or bill of exchange; or
- (ii) for the purposes of the application of this definition to a provision of [the SFA] in respect of which any regulations made thereunder provide that the word "debenture" does not include a prescribed document or a document included in a prescribed class of documents, that document or a document included in that class of documents, as the case may be;"

7. In addition, it should also be noted that under section 239(3) of the SFA, it is stated that:

"For the purposes of this Division [i.e. Division 1 of Part XIII]:

- (a) any invitation to a person to deposit money with or to lend money to an entity shall be deemed to be an offer of debentures of the entity; and
- (b) any document that is issued or intended or required to be issued by an entity acknowledging or evidencing or constituting an acknowledgment of the indebtedness of the entity in respect of any money that is or may be deposited with or lent to the entity in response to such an invitation shall be deemed to be a debenture."

8. Debentures have also been judicially defined to mean a document which either creates a debt or acknowledges it and may include any obligation, covenant, undertaking or guarantee to pay, or any acknowledgement thereof. It is key to note, however, that not all company debts qualify as debentures.

Meaning of "collective investment scheme"

9. At present, the term "collective investment scheme" under the SFA means:

9.1 an arrangement in respect of any property:

- (a) under which the participants do not have day-to-day control over the management of the property, whether or not the participants have the right to be consulted or to give directions in respect of such management;
- (b) under which either or both of the following characteristics are present:
 - (i) the property is managed as a whole by or on behalf of a manager;
 - (ii) the contributions of the participants, and the profits or income out of which payments are to be made to the participants, are pooled; and
- (c) under which either or both of the following characteristics are present:

- (i) the effect of the arrangement is to enable the participants (whether by acquiring any right, interest, title or benefit in the property or any part of the property or otherwise): (A) to participate in or receive profits, income, or other payments or returns arising from the acquisition, holding, management, disposal, exercise, redemption or expiry of, any right, interest, title or benefit in the property or any part of the property; or (B) to receive sums paid out of such profits, income, or other payments or returns;
- (ii) the purpose, purported purpose or purported effect of the arrangement is to enable the participants (whether by acquiring any right, interest, title or benefit in the property or any part of the property or otherwise): (A) to participate in or receive profits, income, or other payments or returns arising from the acquisition, holding, management, disposal, exercise, redemption or expiry of, any right, interest, title or benefit in the property or any part of the property; or (B) to receive sums paid out of such profits, income, or other payments or returns,

whether or not: (AA) the arrangement provides for the participants to receive any benefit other than those set out in sub-paragraph 9.1(c)(iii)(A) or 9.1(c)(ii)(B) in the event that the purpose, purported purpose or purported effect is not realised; or (BB) the purpose, purported purpose or purported effect is realised; or

- 9.2 an arrangement which is an arrangement, or is of a class or description of arrangements, specified by the Authority as a collective investment scheme by notice published in the Gazette.
- 10. The following are not considered collective investment schemes under the SFA (each an Excluded Arrangement):
 - 10.1 an arrangement operated by a person otherwise than by way of business;
 - 10.2 an arrangement under which each of the participants carries on a business other than investment business and enters into the arrangement solely incidental to that other business;
 - 10.3 an arrangement under which each of the participants is a related corporation of the manager;
 - 10.4 an arrangement made by or on behalf of an entity solely for the benefit of persons, each of whom is:
 - (a) a bona fide director or equivalent person, a former director or equivalent person, a consultant, an adviser, an employee or a former employee of that entity or, where that entity is a corporation, a related corporation of that entity; or
 - (b) a spouse, widow or widower, or a child, adopted child or step-child below the age of 18 years, of such director or equivalent person, former director or equivalent person, employee or former employee;
 - 10.5 an arrangement made by or on behalf of 2 or more entities solely for the benefit of persons, each of whom is:
 - (a) a bona fide director or equivalent person, a former director or equivalent person, a consultant, an adviser, an employee or a former employee of any of those entities or, where any of those entities is a corporation, a related corporation of the entity which is a corporation; or
 - (b) a spouse, widow or widower, or a child, adopted child or step-child below the age of 18 years, of such director or equivalent person, former director or equivalent person, employee or former employee;
 - 10.6 a franchise;

- 10.7 an arrangement under which money received by an advocate and solicitor from his client, whether as a stakeholder or otherwise, acting in his professional capacity in the ordinary course of his practice, or under which money is received by a statutory body as a stakeholder in the carrying out of its statutory functions;
 - 10.8 an arrangement made by any co-operative society registered under the Co-operative Societies Act (Chapter 62 of Singapore) in accordance with the objects thereof solely for the benefit of its members;
 - 10.9 an arrangement made for the purposes of any chit fund permitted to operate under the Chit Funds Act (Chapter 39 of Singapore);
 - 10.10 an arrangement arising out of a life policy within the meaning of the Insurance Act (Chapter 142 of Singapore);
 - 10.11 a closed-end fund (see below) constituted either as an entity or a trust;
 - 10.12 an arrangement under which the whole amount of each participant's contribution is a deposit as defined in section 4B of the Banking Act (Chapter 19 of Singapore);
 - 10.13 an arrangement of which —
 - (a) the predominant purpose is to enable the participants to share in the use or enjoyment of the property or to make its use or enjoyment available gratuitously to others; and
 - (b) the property does not consist of any of the following:
 - (i) any currency of any country or territory;
 - (ii) any capital markets products;
 - (iii) any policy as defined in the First Schedule to the Insurance Act (Chapter 142 of Singapore);
 - (iv) any deposit as defined in section 4B of the Banking Act (Chapter 19 of Singapore);
 - (v) any credit facilities as defined in section 2(1) of the Banking Act (Chapter 19 of Singapore);
 - 10.14 an arrangement which is an arrangement, or is of a class or description of arrangements, specified by the Authority as not constituting a collective investment scheme by notice published in the Gazette.
- 11.** A "closed-end fund", as referred to above, means an arrangement referred to in sub-paragraphs 9.1 or 9.2 in the definition of "collective investment scheme" in paragraph 9 above, under which units that are issued are exclusively or primarily non-redeemable at the election of the holders of units.

Analysis

- 12.** At the outset, it is worthwhile to note that it does not appear to us that the design of FNX, in itself (as described in Annex A), results in any stocks or shares in the Company or its affiliates being issued or subscribed for.
- 13.** Besides the statutory provisions, statements made by the MAS in relation to the definitions of "debentures", "collective investment schemes" and "digital tokens" are instructive.
- 14.** In the August 2017 Statement, the MAS observed that:

"...the function of digital tokens has evolved beyond just being a virtual currency. For example, digital tokens may represent ownership or a security interest over an issuer's assets or property. Such tokens may therefore be considered an offer of shares or units in a collective investment scheme [including under the revised definition of a collective investment scheme proposed in the Enhanced Safeguards Consultation Paper] under the SFA. Digital tokens may also represent a debt owed by an issuer and be considered a debenture under the SFA." (emphasis added)

Further, in "A Guide to Digital Token Offerings" (last updated 30 November 2018), the MAS has stated that offers or issues of digital tokens may be regulated by the MAS if the digital tokens are capital markets products, citing the following as (non-exhaustive) examples of capital markets products that a digital token may constitute:

- (a) a share, where it confers or represents ownership interest in a corporation, represents liability of the token holder in the corporation, and represents mutual covenants with other token holders in the corporation *inter se*;
- (b) a debenture, where it constitutes or evidences the indebtedness of the issuer of the digital token in respect of any money that is or may be lent to the issuer by a token holder; or
- (c) a unit in a collective investment scheme, where it represents a right or interest in a collective investment scheme, or an option to acquire a right or interest in a CIS.

15. In the "Consultation Paper on Proposals to Enhance Regulatory Safeguards for Investors in the Capital Markets" issued by the MAS dated 21 July 2014 (the Enhanced Safeguards Consultation Paper), the MAS described debentures as:

"2.1 Debentures are debt securities regulated under the SFA. Broadly, debentures are instruments representing indebtedness. These are capital-raising instruments, under which the debenture issuer offers to pay interest in lieu of money borrowed for a certain period. These may be:

- (i) unsecured – backed by general creditworthiness of the debenture issuer; or
- (ii) secured – backed by assets, which the debenture holder would have legal claim to if the issuer defaults on its payment obligations under the debenture. Examples include asset-backed securities and collateralised debt obligations." (emphasis added).

16. In the Enhanced Safeguards Consultation Paper, the MAS contrasted debentures with buy-back arrangements, in particular, of non-financial assets, which are considered normal economic transactions, entered into in the ordinary course of business, examples of which include arrangements allowing consumers to trade-in products after use for a portion of the initial purchase price, or where the purchaser has the right to sell the product back to the seller at the prevailing market price in future.

17. The above was in the context of the (then proposed) regulation of buy-back arrangements involving precious metals (gold, silver and platinum). In its September 2015 response to the Enhanced Safeguards Consultation Paper, the MAS announced that the regulatory regime for debentures under the SFA (and Financial Advisers Act, Cap 110) would extend to arrangements which display the following characteristics as debentures:

17.1 Buy-back structure – Party A purchases gold, silver or platinum ("precious metal") from Party B for an agreed sum of money or money's worth, with Party B being under an obligation to re-purchase the precious metal back from Party A at a future time; and

- 17.2 Debenture effect – The purpose or effect of the arrangement is to enable Party A to receive a "financial benefit" from Party B. The main risk that Party A is exposed to is the credit risk of Party B, and not fluctuations in market value of the asset.
18. As to the requirement and interpretation of "financial benefit", it was stated in the Enhanced Safeguards Consultation Paper that the "right to receipt of a financial benefit must be agreed upon at the point in time that the parties enter into the arrangement, although the actual amount received may vary according to pre-determined factors" [including where the pre-determined factors move against Party A such that at the end of the transaction, Party A is in a net financial loss position]" (emphasis added). Examples provided by the MAS of commercial transactions where there would not be deemed to be a financial benefit would include trading contracts, storage contracts, consignment arrangements and sale and lease-back arrangements, whereas there would be a financial benefit where the effective re-purchase price that Party B agreed to pay for buy-back at the time the arrangement is entered into is higher than the initial purchase price that Party A paid for the asset.
19. The SFA refers to section 4(1) of the Companies Act (Chapter 50 of Singapore) in its definition of "share", namely being "share in the share capital of a corporation and includes stock except where a distinction between stocks and shares is expressed or implied". Typically, a share may be understood as a chose in action that gives its owner, the shareholder, a bundle of rights against the company that issued, and one of the most fundamental rights is the right to vote in affairs of the company. It has also been judicially noted that "a share is the interest of a shareholder in the company measured by a sum of money, for the purpose of liability in the first place, and of interest in the second, but also consisting of a series of mutual covenants entered into by all the shareholders inter se in accordance with s 16 of the Companies Act, 1862. The contract contained in the articles of association is one of the original incidents of the share. A share is not a sum of money settled in the way suggested, but is an interest measured by a sum of money and made up of various rights contained in the contract, including the right to a sum of money of a more or less amount."
20. In this regard, it is expressly stated that FNX does not represent any shareholding, participation, right, title, or interest in the Company or any other company, enterprise or undertaking. Once issued, it does not appear that holders of FNX incur any liability to the Company (or any other company, enterprise or undertaking), nor do they enter into mutual covenants, or agree to rights and obligations, with other FNX holders inter se. Consequently, it is unlikely that there would be any dealing in "securities" in the form of stocks or shares arising solely out of the design of FNX in itself.
21. As to whether FNX may be considered to be a debenture, FNX does not appear to be a "debenture" under the SFA for the following reasons:
- 21.1 in order for an instrument to be deemed a debenture some element of indebtedness is required, but this is not present in the material provided for review;
 - 21.2 FNX is non-refundable and FNX cannot be exchanged for cash (or its equivalent value in any other virtual currency) or any payment obligation by the Company or any affiliate;
 - 21.3 FNX is not a loan to the Company or any of its affiliates and there is no expectation of profit;
 - 21.4 FNX is not intended to represent a debt owed by the Company or any of its affiliates (and in this regard there does not appear to be any payment obligation on the part of the issuer, payment of coupon and/or invitation to deposit money with or to lend money to the Company or any of its affiliates);
 - 21.5 FNX may have no value and there is no guarantee or representation of value or liquidity for FNX; and

- 21.6 FNX may only be utilised on FinNexus (when fully completed and deployed) as a medium of exchange for valuable services provided in the ecosystem on FinNexus, and provide economic incentives which will encourage participants to contribute and maintain the ecosystem on FinNexus.
- 22.** For completeness, we would mention that FNX does not appear to constitute a buy-back arrangement (which inherently carry a higher risk of inviting regulation under Singapore securities laws for the reasons described at paragraphs 16 to 18 above) as FNX is non-refundable.

Analysis of the token issuer's activity under the definition of "collective investment scheme"

- 23.** In relation to collective investment schemes, in the Frequently Asked Questions Specific to Collective Investment Schemes issued by the MAS (the CIS FAQs) a collective investment scheme is an arrangement where money from investors is pooled together with a view to deriving profits or income from the scheme. The scheme may invest in all kinds of assets, be they financial, real estate, precious metals or commodities. Whether or not exotic schemes (such as commodity investment schemes and schemes which involve virtual currencies or some other digital token) fall within the scope of that definition depends on the structure of each scheme. Where money invested in the scheme and profits or income from it are pooled, the scheme would be subject to the MAS' approval process. If a commodity is sold directly and separately to individuals, such sales would not be subject to any regulation. Schemes whose objectives are not to generate profit or income but for consumption (e.g. time-sharing schemes and memberships in golf or country clubs) would not fall within the regulatory scope of collective investment schemes under the SFA.

In the Enhanced Safeguards Consultation Paper, the MAS further mentioned that it:

"...has observed a number of arrangements offered to retail investors that fall out of the statutory definition of a CIS [i.e. collective investment scheme], simply by offering investors direct interests in underlying physical assets. This is in spite of an arrangement providing that while investors obtain legal title of the asset, they will cede day-to-day control over management of their property to the scheme operator to be managed collectively with assets of other scheme participants, for the purpose of enabling them to participate in profits of the scheme (collectively-managed investment schemes)."

The key distinguishing characteristic of such schemes were that investors' contributions are not initially pooled. Apart from this, such collectively-managed investment schemes do not differ from regulated CIS..."

In this regard, MAS has also announced that the intention is to extend the scope of collective investment schemes to include schemes which are in substance similar to traditional regulated investment funds but do not pool investor's contributions.

- 24.** The above suggests that an arrangement would fall outside the scope of regulation if the factual matrix indicates that (a) there is no initial pooling of assets, or (b) there is no expectation of deriving profits or income from the scheme.
- 25.** From the various pronouncements from the MAS, it appears that the MAS is shifting its focus towards the fundamental purpose of transaction, and this should be analysed in detail. A "utility" token by itself, once issued, with genuine functionality and circulating on its network, would rarely be construed as a "security". In the present case, it does not appear that the design of FNX, in itself, would be construed as a collective investment scheme.
- 26.** For the following reasons, the management and control limbs of the definition of a collective investment scheme are not fulfilled:

- 26.1 there are no contributions or funds being "managed" by any party for the purpose of generating returns or other benefits (pooled or otherwise) to be paid to FNX holders;
 - 26.2 the whitepaper states that none of the Company and/or the team members shall be responsible for or liable for the value or liquidity of FNX;
 - 26.3 we understand that there is no promise by the Company or any of its affiliates to pool, manage any asset and/or return contributions to contributors to the project;
 - 26.4 there does not appear to be any economic benefit, beneficial interest or legal title conferred on contributors over any property, and FNX will not entitle token holders to any promise of dividends, fees, revenue, profits or investment returns;
 - 26.5 the nature of digital tokens is that they are inherently transferable to other parties, and the mere fact (or even any hope) that FNX may be resold at a price that is potentially higher than the original purchase price does not change the fact that the intention and goal of the token sale is so that FNX can be consumed/utilised by purchasers. In this regard, purchasers are required to acknowledge that they are purchasing FNX to participate in FinNexus and to obtain services on the ecosystem thereon;
 - 26.6 even if FNX holders are able to obtain additional FNX, this would not occur through the action or activities of any person or manager, but only through that token holder's participation in the ecosystem on FinNexus;
 - 26.7 given that a FNX holder is required to perform work each time before being entitled to the FNX incentives as described in Annex A, it does not appear to us that the FNX incentives would constitute any dividend, profit or investment return; and
 - 26.8 further, it is mentioned that users of FinNexus and/or holders of FNX which did not actively participate in FinNexus will not receive any FNX incentives.
- 27.** It should also be noted that the MAS has issued the "Response to Feedback Received – Proposals to Enhance Regulatory Safeguards for Investors in the Capital Markets" dated 22 September 2015 (the Response to the Enhanced Safeguards Consultation Paper). This is noteworthy because of its discussion of the meanings of the "management" and "control" limbs found in the definition of "collective investment scheme", which may be summarised as follows:
- 27.1 in relation to the "management" limb, whether there is management "as a whole" will depend on the investment objectives of the arrangements and the collective or individual nature of the arrangements made in order to produce the intended profits. Indications of whether there is collective management appear to be:
 - (a) whether the scheme operator is likely to look after the essential profit-generating activity under the instructions of, or at least in consultation with, individual owner/investors, or whether it may do so without having regard to individual investors' interests or preferences; and/or
 - (b) whether management on an individual basis is likely to be impracticable – e.g. even where returns are generated from ownership rights to specific property, the returns are generated as a result of the operators' management of activities collectively on the property as a whole; and

- 27.2 in relation to the "control" limb, the MAS is of the view that for investors to be considered as having day-to-day control, they should have direct and on-going power to decide on operational matters relating to management of the scheme property. The greater the extent of reliance on the particular scheme operator's professed expertise in managing the scheme property, the less likely it is that investors have effective day-to-day control. It is also significant that the MAS considers that "if expectations created between the parties in the arrangement are such that investors would not be involved in the day-to-day management of the property, having contractual rights to be consulted on or to give the manager direction from time to time will not be considered as effective day-to-day control" (emphasis added).
28. Based on our understanding of the token issuer's activities relating solely to the Issuance for FNX set out in Annex A, it appears that the element of pooling of contributions and profits, which is a factor affecting whether an arrangement to fall within the definition of a collective investment scheme, is not present for the following reasons:
- 28.1 the contributions are pooled but there is no promise of any profit or return on the contributions back to the contributors (i.e. FNX is non-refundable and FNX cannot be exchanged for cash or any payment obligation); and
- 28.2 the contributions will be held by a separate entity after the Issuance and contributors will have no economic or legal right over or beneficial interest in these contributions or the assets of that entity after the Issuance.
29. Our view is that the design of FNX, in itself, will not be considered the operation of a collective investment scheme, even under the expanded definition of the same. The relevant excerpts from the Response to the Enhanced Safeguards Consultation Paper are set out below:
- 29.1 the MAS' intent is to extend capital markets regulatory safeguards to investors in arrangements which are in substance made and managed on a collective basis and hence pose similar risks to investors as traditional collective investment schemes. In particular, the MAS has noted that a number of such schemes previously avoided regulation as a collective investment scheme by offering investors direct legal title to individual assets (i.e. no pooling of investors' contributions). Nonetheless, investors' assets are effectively managed collectively by a third party such that their payoff is the same as the payoff that they would have obtained had their contributions been pooled; and
- 29.2 the MAS is of the view that no pooling of investors' contributions or the profits of a scheme is necessary for a scheme to be caught as a collective investment scheme. Under the definition of "collective investment scheme", the "management" limb is an alternative to the "pooling" limb. The two limbs are to be assessed independently of each other, and the absence of the pooling of contributions or profits will not preclude a finding that there is management as a whole.
30. There is a potential residual risk that pursuant to the powers granted under section 2(1)(h) of the SFA, the MAS may prescribe virtual currencies / digital tokens to be "securities" for the purpose of the SFA. However, we would mention that as at the date hereof, there is no indication that the MAS intends to exercise its power to make such a declaration. Public statements released by the MAS have indicated that it would avoid taking such a broad brush approach towards the regulation of virtual currencies / digital tokens.
31. For completeness, we will briefly consider whether any of the Excluded Arrangements will apply to the design of FNX, in itself, such as to take it out of the scope of regulation. For the present fact pattern, the only Excluded Arrangement that appears relevant is that of a "closed-end fund" (as referred to in paragraph 11 of this Annex B). According to the CIS FAQs, closed-end funds such as venture capital funds and private equity funds would not fall to be regulated under the SFA.

32. The key characteristic of a closed-end fund is that units in such a collective investment scheme are not redeemable at the option of the investor. Closed-end funds typically take the form of investments in the shares of an investment company (such that the investor may not realise its investment until the shares have been redeemed) – for such closed-end funds though, because shares of a company are involved, this may trigger prospectus requirements under the SFA's regime in respect of offers of shares or debentures. One further important requirement is that the closed-end fund must be constituted as an entity or trust in order to qualify as an Excluded Arrangement.
33. It is unlikely that the investment arrangement offered (if applicable) may be deemed to be a closed-end fund because in the first place, for the reasons set out above, it is not likely that the design of FNX, in itself, will be considered the operation of a collective investment scheme. Further, we note that between the contributors and the entity holding the contributions, there is no contractual obligation which indicates that the contributors have any type of claim to the contributions after the token sale.
34. Considering the factors in their entirety, our view is that the design of FNX (as set out in Annex A), in itself, would not be considered the operation of a collective investment scheme, the management of which, or dealing of interests in which, would trigger an obligation to obtain a CMS licence.

Conclusion as to whether FNX would constitute a security under the SFA

35. Further, we set out below certain characteristics displayed by financial products which would satisfy the definition of "securities":
 - 35.1 the product provides the holder with ownership interest in a legal entity such as a private limited company or an unincorporated body such as a limited liability partnership;
 - 35.2 the product provides the holder with a payment of interest;
 - 35.3 the product provides the holder with an interest in underlying securities (including equity, shares or debentures);
 - 35.4 the product provides the holder with a direct or indirect exposure to underlying profits and/or losses, or assets and/or liabilities;
 - 35.5 the issuer (or any related company) has a legal obligation to repay the holder for his purchase of the product or the holder has a legal right to sell the product to the issuer (or any related company), such that the holder may potentially receive a "financial benefit"; or
 - 35.6 the product has a feature that allows the holder to convert a product into another token with characteristics set out above or otherwise grants the holder an option to purchase securities.
36. From the information provided to us, FNX does not appear to exhibit any of these characteristics described in this paragraph 35.
37. For the various reasons set out above in this Annex B, the design of FNX would, on balance, not cause FNX to be deemed a "security" under section 2(1) of the SFA.
37. It is however important to note that even if FNX would not be considered a security by design, it may be considered a security in the manner in which it was sold, described in marketing material, and/or how it is treated. Where FNX is eventually sold to and held by purchasers for investment purposes, there is an increased risk that FNX will be considered a security.

Exemptions

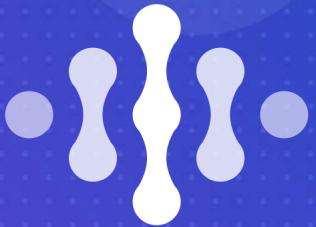
38. For completeness, we now turn to consider the various exemptions from the CMS licensing requirement.
39. While there is a general exemption available to financial institutions (e.g. banks) that are regulated by the MAS, specific exemptions also apply to certain categories of persons carrying on business in regulated activities.
40. Based on our understanding of the design of FNX (even if the Company or its affiliates were considered to be operating a collective investment scheme) the relevant entities at present would not qualify for any of these exemptions. In the context of an Issuance, the Company is unlikely to engage a financial institution to handle the Issuance and we understand that the Company has no plans to do so.
41. Presently, there are no specific exemptions or exclusions under the SFA for activities relating to virtual currencies or for companies dealing with virtual currencies (except to the extent that such activities do not fall within the scope of any of the regulated activities). It is unclear if any new exemptions will be introduced, but it is likely that it will be some time before such exemptions would come into effect (if at all).

Other considerations

42. The MAS has indicated that whilst certain digital tokens may not be within the regulatory purview of the MAS, the issuance of such tokens may nonetheless be subject to other legislation regarding anti-money laundering (AML) and counter-terrorism financing (CTF), and in particular the following:
 - 42.1 obligations to report suspicious transactions with the Suspicious Transaction Reporting Office, Commercial Affairs Department of the Singapore Police Force pursuant to the provisions of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Chapter 65A of Singapore);
 - 42.2 prohibitions from dealing with or providing financial services to designated individuals and entities pursuant to the Terrorism (Suppression of Financing) Act (Chapter 325 of Singapore), as well as various regulations giving effect to United Nations Security Council Resolutions.
43. Do note that the aforesaid measures and guidelines are not exhaustive. The Company should refer to other relevant MAS Notices and Guidelines to ensure compliance with AML/CTF measures as appropriate.

Annex C

Documents



FinNexus White Paper

Finance Evolved

—
2019

• Legal Disclaimers



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The information set out in the Whitepaper and the Website is for community discussion only and is not legally binding. No person is bound to enter into any contract or binding legal commitment in relation to the acquisition of FNX, and no virtual currency or other form of payment is to be accepted on the basis of the Whitepaper or the Website. The agreement for sale and purchase of FNX and/or continued holding of FNX shall be governed by a separate set of Terms and Conditions or Token Purchase Agreement (as the case may be) setting out the terms of such purchase and/or continued holding of FNX (the Terms and Conditions), which shall be separately provided to you or made available on the Website. The Terms and Conditions Documentation must be read together with the Whitepaper. In the event of any inconsistencies between the Terms and Conditions and the Whitepaper or the Website, the Terms and Conditions shall prevail.

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• Legal Disclaimers



Features of FNX: In particular, it is highlighted that FNX:

- a) does not have any tangible or physical manifestation, and does not have any intrinsic value (nor does any person make any representation or give any commitment as to its value);
- b) is non-refundable and cannot be exchanged for cash (or its equivalent value in any other virtual currency) or any payment obligation by the Company, the Distributor or any of their respective affiliates;
- c) does not represent or confer on the token holder any right of any form with respect to the Company, the Distributor (or any of their respective affiliates), or its revenues or assets, including without limitation any right to receive future dividends, revenue, shares, ownership right or stake, share or security, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property or licence rights), right to receive accounts, financial statements or other financial data, the right to requisition or participate in shareholder meetings, the right to nominate a director, or other financial or legal rights or equivalent rights, or intellectual property rights or any other form of participation in or relating to FinNexus, the Company, the Distributor and/or their service providers;
- d) is not intended to represent any rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss;
- e) is not intended to be a representation of money (including electronic money), security, commodity, bond, debt instrument, unit in a collective investment scheme or any other kind of financial instrument or investment;
- f) is not a loan to the Company, the Distributor or any of their respective affiliates, is not intended to represent a debt owed by the Company, the Distributor or any of their respective affiliates, and there is no expectation of profit;
- g) does not provide the token holder with any ownership or other interest in the Company, the Distributor or any of their respective affiliates; and the contributions in the token sale will be held by the Distributor (or their respective affiliate) after the token sale, and contributors will have no economic or legal right over or beneficial interest in these contributions or the assets of that entity after the token sale. To the extent a secondary market or exchange for trading FNX does develop, it would be run and operated wholly independently of the Company, the Distributor, the sale of FNX and FinNexus. Neither the Company nor the Distributor will create such secondary markets nor will either entity act as an exchange for FNX.

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- a) in any decision to purchase any FNX, you have shall not rely on any statement set out in the Whitepaper or the Website;
- b) you will and shall at your own expense ensure compliance with all laws, regulatory requirements and restrictions applicable to you (as the case may be);
- c) you acknowledge, understand and agree that FNX may have no value, there is no guarantee or representation of value or liquidity for FNX, and FNX is not an investment product including for any speculative investment;
- d) none of the Company, the Distributor, their respective affiliates, and/or the FinNexus Team members shall be responsible for or liable for the value of FNX, the transferability and/or liquidity of FNX and/or the availability of any market for FNX through third parties or otherwise; and
- e) you acknowledge, understand and agree that you are not eligible to purchase any FNX if you are a citizen, national, resident (tax or otherwise), domiciliary and/or green card holder of a geographic area or country (i) where it is likely that the sale of FNX would be construed as the sale of a security (howsoever named), financial service or investment product and/or (ii) where participation in token sales is prohibited by applicable law, decree, regulation, treaty, or administrative act (including without limitation the United States of America, Canada, New Zealand, People's Republic of China (but not including the special administrative regions of Hong Kong and Macau, and the territory of Taiwan), Thailand, and the Socialist Republic of Vietnam); and to this effect you agree to provide all such identify verification document when requested in order for the relevant checks to be carried out.

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• Background & Philosophy:

In the past year, the crypto markets have declined, driven widely by the fall in price of Bitcoin. With the fiat prices of BTC, ETH, and other major cryptocurrencies falling by 80% or more, the decline has been dramatic. However, this decline does not mean that crypto is dead. In fact, even traditional markets such as Wall Street go through similar cycles of (if not quite so dramatic) rise and decline. From the ashes of each recession, new businesses emerge, and the economy continues to grow and develop. Every downturn ends in a rebirth, and these periods afford opportunities to those willing to take them.

In the world of blockchain, it is no different. While fintech innovation often stirs up controversy (the newly announced Facebook Libra being the most notable recent example), it continues to play an important role in our lives. We expect its impact will only grow larger with time. Declining markets are an opportunity for blockchain advocates to better reflect on and deal with the pain points and defects that have been holding back adoption. It is the time to begin exploring new paths. We believe that there are three key pain points which have been holding back adoption of blockchain decentralized finance, or DeFi, and we propose FinNexus as the solution.



Three DeFi Pain Points:

Diversity

As Nobel laureate James Tobin once said when asked to summarize his approach to risk, the best advice for any person is “don’t put all your eggs in one basket.” This idea was mirrored by the emphasis Harry Markowitz placed on the importance of diversity in his work on risk and portfolio theory which underlie modern portfolio management strategies today. While there has been an explosion of crypto tokens over the last several years, the vast majority of them share similar profiles: high volatility, high return potential, high risk, and a high BTC price correlation. Market participants, for their part, have differing appetites for risk at different times. At present, the lack of product variety suitable for differing risk profiles is keeping many participants out of the market who might otherwise be happy to participate. Especially with the recent bear market, many existing participants saw only one option, to leave, which further exacerbated the market’s decline.

Fundamental Value

If innovation, belief, and risk are the seeds of business, value is the crop which grows from these seeds. Traditional industries directly produce value, the Internet enhances value by increasing the efficiency of connection, and modern finance amplifies value through the flow of capital. Value is the root and the foundation stone for all business.

The same is true in the short history of the crypto economy. Bitcoin, for example, serves as both a store of value and a value exchange mechanism. Exchanges and OTC dealers provide value by providing liquidity, and mining pools provide the basic security and operational infrastructure for the entire blockchain network. These entities not only create or magnify value within the crypto economy, but also become the biggest beneficiaries. Whether the tokens generated from the business model come with business value is the one of the key factors in deciding the success of a project in the crypto economy.

• Background & Philosophy:



Though decentralized blockchain technology has set down roots in many fields, the marriage with traditional finance and blockchain based asset diversification is still in the early stages. To what extent should crypto assets be included in one's portfolio and how should we combine traditional financial instruments and methodologies with the blockchain technology are questions that lie at the core of the FinNexus value proposition.

Convenience

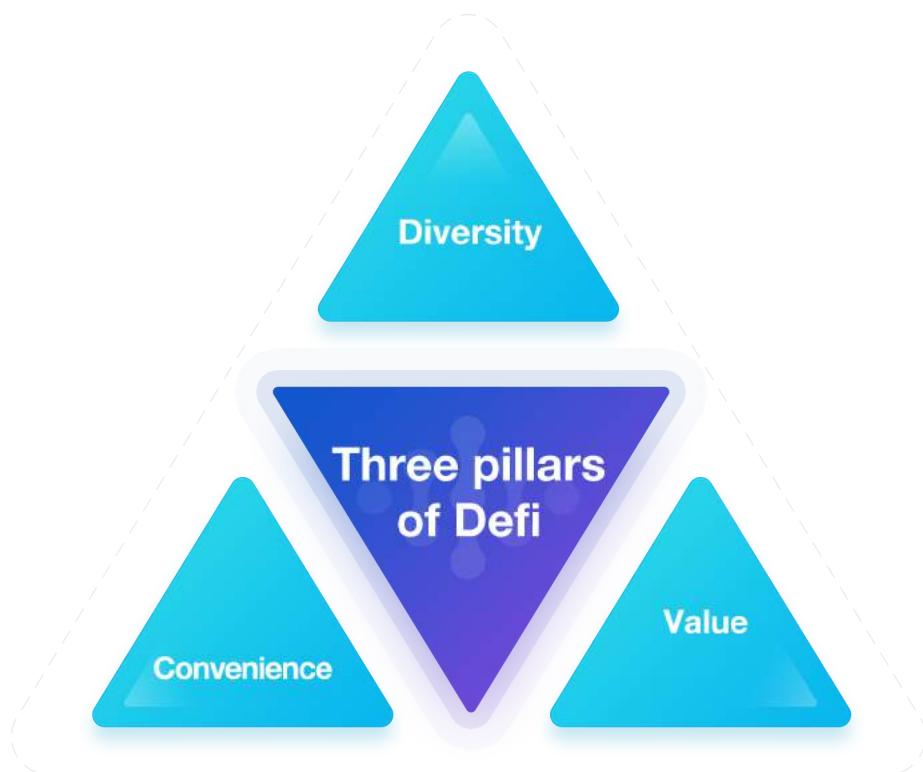
The blockchain applications of today share the same problems of email and other applications from the early Internet era. At the time, many users were turned off by email's then unfamiliar and complex usage, and many simply didn't understand its usefulness. Blockchain based applications today face similar challenges. Interfaces are cumbersome and difficult to navigate, requiring an investment of time and mental effort on the part of the user before they are accessible. Something as seemingly simple as using cash to purchase cryptocurrency, and then using that cryptocurrency to purchase another digital asset can be overwhelmingly complex for users. This is especially the case when assets are spread across many different exchanges and sale portals. Before they can reach any real level of adoption, DeFi applications must become as user friendly as their traditional counterparts.

Most would much rather buy a house than build their own. While there exist the intrepid few who are willing and able to put in the time and effort needed to build their own house, the vast majority of us would much rather just buy. Currently, investing in crypto is much more like building your own house than it is like buying a pre-made one. Users need to manage multiple exchanges, ICO mechanisms, private keys, hardware and software wallets, and more if they wish to access a diverse range of crypto assets. While there are many innovative and useful crypto projects out there such as MakerDAO, dydx, and more, users must mix and match and deal with many different systems and interfaces to meet their unique needs. This fragmentation has kept away many users who are otherwise interested in crypto but lack the time or ability or even just the patience to navigate this complex ecosystem.

• Background & Philosophy:

The DeFi trilemma

We believe that diversity, value, and convenience are the three major pain points for crypto investors. By addressing the three issues stated above, investing in the crypto economy can become more like buying a house than building your own. Value is the foundation, while diversity and convenience are the scaffolding that allow user requirements to be met. With those issues addressed, the crypto economy will be healthier, and adoption will increase. Similar to the scalability trilemma of decentralization, scalability, and security introduced by Vitalik Buterin, the DeFi trilemma of diversity, fundamental value, and convenience represent the major challenges which must be overcome for the industry to move forward. Addressing the DeFi trilemma will form the foundation for future business and technological revolution. Our perspective is that any successful DeFi project must adequately resolve this trilemma. The design and operation of the FinNexus project will focus on these three aspects. We believe that these simple but universal requirements are the foundation for promoting business progress and technological revolution in the decentralized finance industry.

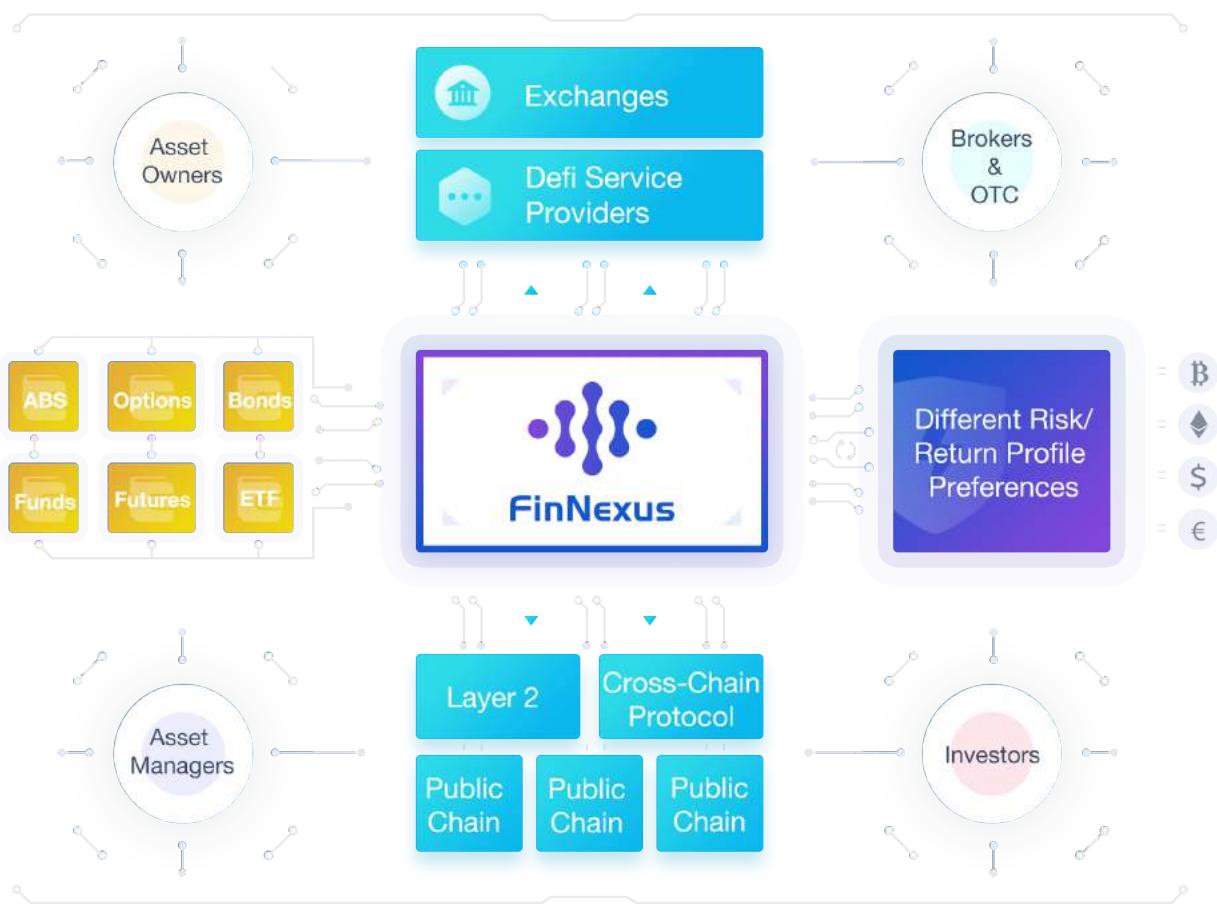


(Stable Triangle)

• FinNexus Objectives And Definition • FinNexus

In the crypto economy, there exist a number of different connectivity needs. The need for connectivity between assets and blockchains, between users and blockchains, and between different service providers and their users. Currently these connections are ad hoc, unsystematic, and highly inconvenient. Instead, the connections should be unified, user-friendly, and generalizable. FinNexus is a general protocol aiming at providing those connections.

Here ‘connection’ refers not only to technological connections, but also business connections. Therefore, FinNexus is not just a technological protocol, but also a business protocol. Moreover, FinNexus is not just one protocol, but in fact a collection of multiple protocols which together compose the FinNexus ecosystem.



By connecting to FinNexus:

1. It will be easier for participants to look for, manage and acquire blockchain-based assets.

(Connection between users and blockchains)

2. It will be easier for asset owners to conveniently offer on-chain assets.

(Connection between assets and blockchains)

3. It will be easier for OTC platforms, brokers and exchanges to find users and provide them services.

(Connection among service providers and their users)

4. All the participants above can use FinNexus in an open, transparent and equal way, so as to fulfill the requirements of diversity, convenience and value.

• Detailed Description of FinNexus



Three Connections

1. Connection between users and blockchains: FinNexus is an application layer protocol. Blockchains are low-level systems, which, like databases, would not generally involve direct interaction with users. Instead, users employ tools such as wallets or browsers to interact with the blockchain. Most of these cases are currently limited to very basic interactions. For complex scenarios, interactions are not intuitive and user friendly.

FinNexus is an application layer protocol for decentralized financial services which allows users (developers, service providers, and project participants) to easily interact with the blockchain. FinNexus is focused on interactions related to financial services. The application layer protocol connects users at one end and connects various public chains and second layer networks on the other end. The FinNexus protocol removes much of the friction commonly encountered when using blockchain based protocols by unifying and standardizing many different services under the parent FinNexus protocol.



• Detailed Description of FinNexus



2. Connection between assets and blockchains:

FinNexus is an asset channel for the blockchain world. Assets need to flow between the traditional economy and the crypto economy, between different entities in the crypto economy, and between different chains. These types of flows are impeded not only by technological barriers but also by commercial and legal barriers. FinNexus aims therefore to provide not only technological connections, but also legal and business connections. By setting up these connections at business, legal, and technological levels, FinNexus aims to establish asset channels which allow for the frictionless flow of assets.

By building these qualified asset channels, FinNexus aims to satisfy the demand for asset diversity by enabling the flow of a wide variety of assets including both native crypto assets, traditional assets, and hybrid traditional/crypto assets. This will give users around the world access to a wide range of products with diverse risk profiles.

In addition to reducing friction and providing a more convenient experience, these channels will also greatly increase asset liquidity. Liquidity will attract more users to participate in the crypto economy and lead to a virtuous cycle where the addition of more users improves the experience for everyone.



(DeFi Eco Asset Channel)



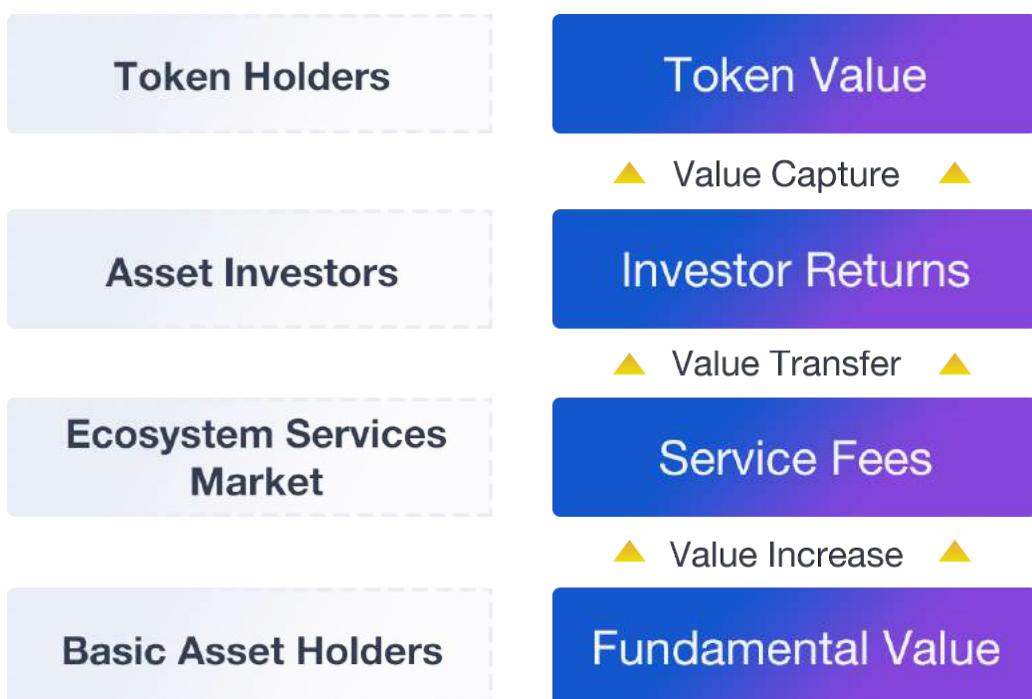
FinNexus White Paper

• Detailed Description of FinNexus



3. Connection among different service providers:

FinNexus connects service providers with their users and also allows for collaboration between service providers. The development of the crypto industry will inevitably expand into more and more subdivisions. The trend of multiple service providers being involved in an asset's lifecycle is becoming more and more obvious, leading to an increase in situations requiring collaboration between several or many different service providers. However, collaboration currently still relies entirely on traditional trust-based systems since trustless blockchain-based infrastructure is still not mature enough for many real-world use cases. FinNexus aims to provide a transparent, standardized, and trustless means of collaboration between different service providers in order to allow providers to work together in a secure and efficient way. FinNexus will connect settlement services, trading platforms, brokerage, and a wide range of other service providers.



(Cooperative DeFi Ecosystem & Value Channel)

• Structure of FinNexus

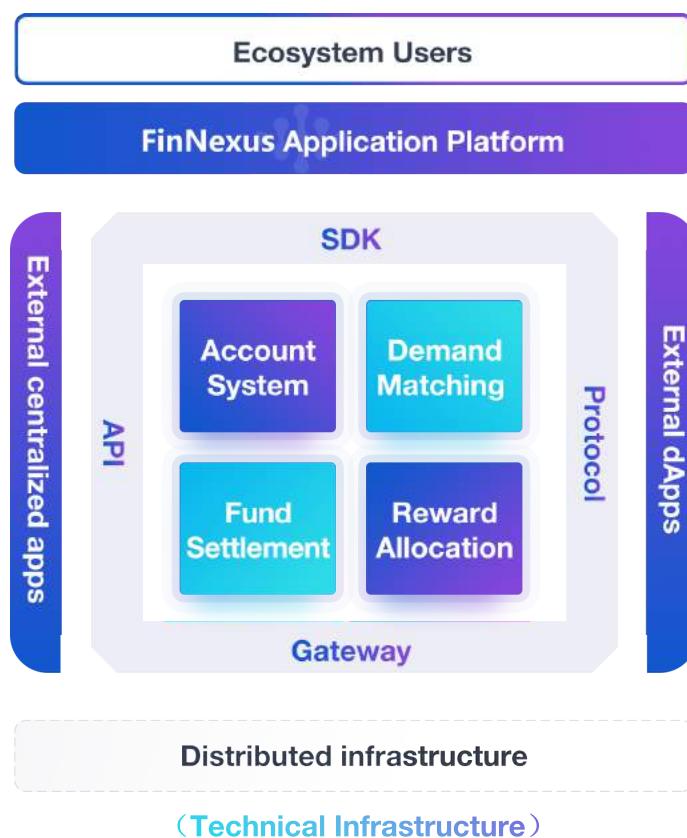


| FinNexus can be divided into three parts.

The first part is a technological connection layer, which will serve as the hub for information transmission. This layer allows for information to flow in and out of FinNexus through different hubs.

The second part is the rule layer for the formal definition of DeFi use case logics, which allows for standardized collaboration among different participants in the ecosystem. This layer will initially have a core set of rules available for use and will be open to the public for extension.

The third part is the external system layer, which refers to all the external systems related to the DeFi ecosystem. Rather than building DeFi applications and systems ourselves from scratch, FinNexus intends to connect various DeFi related applications and systems together to form a rich DeFi ecosystem.



Connection Layer (Information Hub)

Gateway:

The FinNexus gateway is used for information exchange and interaction between the FinNexus system and external distributed infrastructures such as public blockchains and layer two networks. FinNexus will gradually integrate SDKs of different public distributed ledgers and layer two networks, and abstract the common functions of these SDKs, such as account generation, putting assets on chain, transactions, contract triggering, and other common operations. Since each chain has different commands to manipulate those interactions, FinNexus Gateway will standardize those interactions to allow for easy integration and interaction between chains and services.

API:

FinNexus has two sets of APIs. One set are the standard APIs for external applications. The standard APIs will be encapsulated in FinNexus and can be called by other components and interact with external applications which include but are not limited to exchanges, lending platforms, OTC platforms, etc. The other set are the APIs provided by FinNexus itself. Those APIs are used for ecosystem partners to access FinNexus.

SDK:

FinNexus will provide a standard SDK for developers to build FinNexus based dApps.

Protocol:

The connection layer will implement a communication protocol for standardized information sharing within FinNexus and with external systems.

Functional Layer

Account System:

There are two types of account systems in FinNexus: 1) the traditional account system and 2) the blockchain account system. These two systems separately meet the requirements of users and application scenarios. The traditional account system has KYC functions embedded which ensure compliance when dealing with users and services from different regions. In the blockchain account system FinNexus will use the latest blockchain account management technology to achieve complex account management scenarios. These technologies include but are not limited to sMPC, threshold secret sharing, Schnorr signatures, and others.

Structure of FinNexus



The blockchain account system will also be integrated with hardware solutions for a more secure and flexible account management approach.

Demand Matching System Services:

Demand matching system services are part of the core mechanisms that will support the function of FinNexus as a channel for asset exchange. The platform will offer a variety of different demand matching systems suitable for a wide array of different application scenarios. The demand matching systems provided natively in FinNexus are all non-continuous bidding systems, so they are suitable for P2P trading of high value assets, secondary markets, and other non-continuous bidding markets. In cases where continuous bidding is required, FinNexus will connect with external trading platforms through its connection layer in order to provide such demand matching functions.

Fund Settlement System:

FinNexus will adopt a variety of different mechanisms for settlement. In some cases, FinNexus will clear and settle funds through smart contracts on a public chain. In some other scenarios that cannot be implemented through smart contracts, FinNexus will clear and settle funds using FinNexus's standardized protocols. For fiat settlement FinNexus will cooperate with institutions with legal licenses in their respective regions.

Reward Distribution System:

Within its collaborative financial services ecosystem, FinNexus will often require the function of rewards distribution in exchange for contributions or work performed.

FinNexus will develop a standardized rewards distribution model which allows for unique rewards distribution schemes to be defined according to the requirements of different scenarios. Participants can determine their own reward distribution schemes, and FinNexus will then automatically calculate and distribute rewards through the system.

External System

Distributed Infrastructure:

As a decentralized financial platform, the most important external systems for FinNexus to connect with are various public chains and layer two networks including cross-chain protocols, the Lightning Network, Plasma, and others. FinNexus aims to be applicable in a wide range of different application scenarios and to emphasize user experience in its implementation. FinNexus will make the blockchain user experience more accessible and friendly to the ordinary user by acting as a unified hub for various distributed ledger networks.

dApps (Decentralized applications):

FinNexus will connect various dApps, including decentralized exchanges, decentralized stable coins, decentralized OTC platforms, decentralized lending platforms, oracles, and many more.

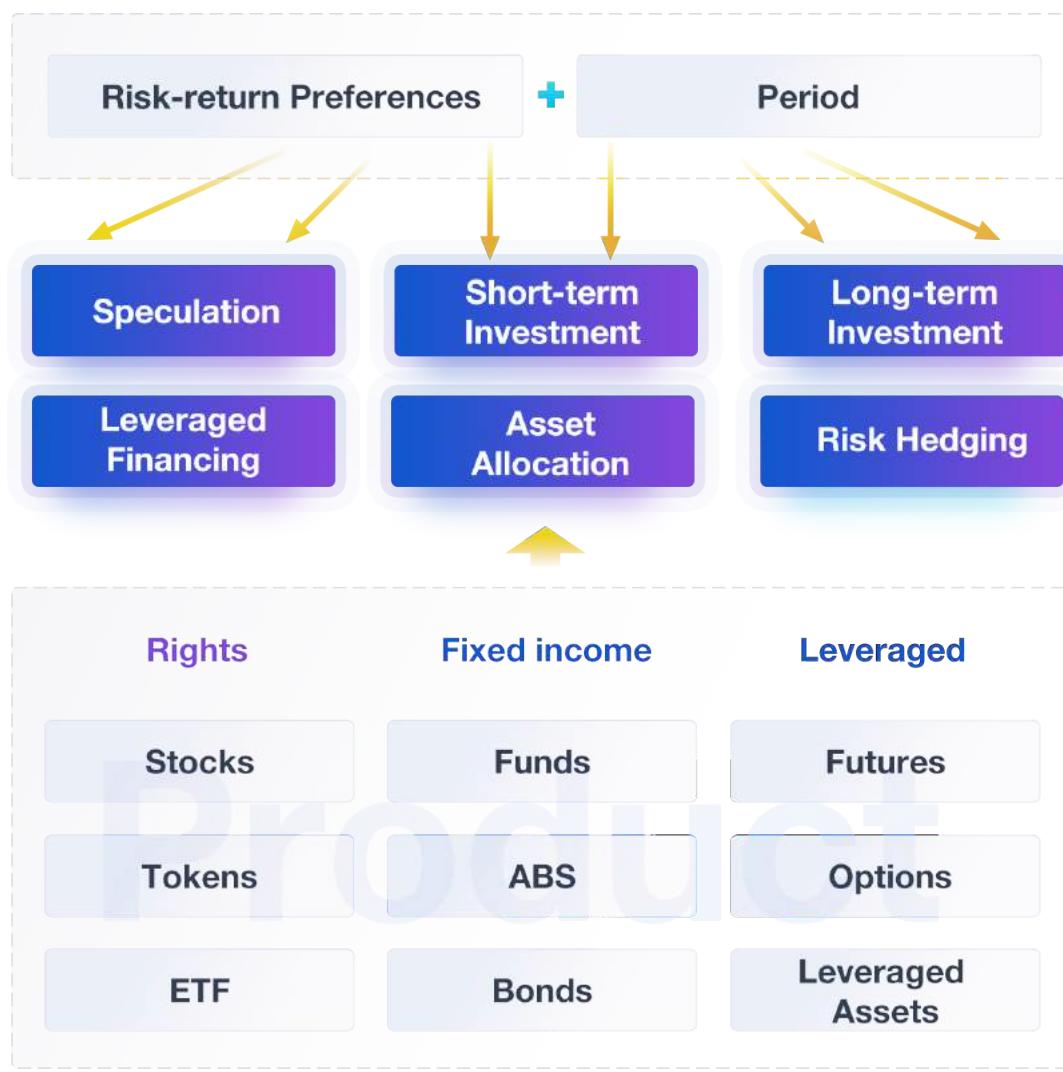
Centralized apps:

While the essence of FinNexus is distributed ledger technology, centralized applications will undoubtedly also play an important role in the DeFi ecosystem. This means it is essential for FinNexus to be able to integrate seamlessly with centralized applications in addition to dApps. These applications will include exchanges, OTC platforms, lending platforms, identity services, and others.

• FinNexus Application Scenarios



The application scenarios involved in FinNexus are essentially similar to traditional financial application scenarios. From a demand perspective, those scenarios are derived from different risk-return preferences over different periods of time. The usage in these scenarios are different kinds of financial products, including asset management, financial derivatives, etc. In order to achieve different risk-return preferences, FinNexus generates different business operations based on different products for the participants.



(Application Scenarios)

Some readers may wonder, aren't there already a wide variety of different DeFi products being offered by service providers? When basic user requirements are examined case by case, this is in fact the case. However, the majority of DeFi use cases are actually composed of multiple basic user requirements, which currently can only be met through a complex series of interactions with multiple service providers.

The goal of FinNexus is to aggregate a wide array of different services on one platform so that user requirements can be met in a unified and streamlined way, greatly simplifying and improving the user experience. To help readers better understand how FinNexus will aggregate services, several application scenarios are described below:

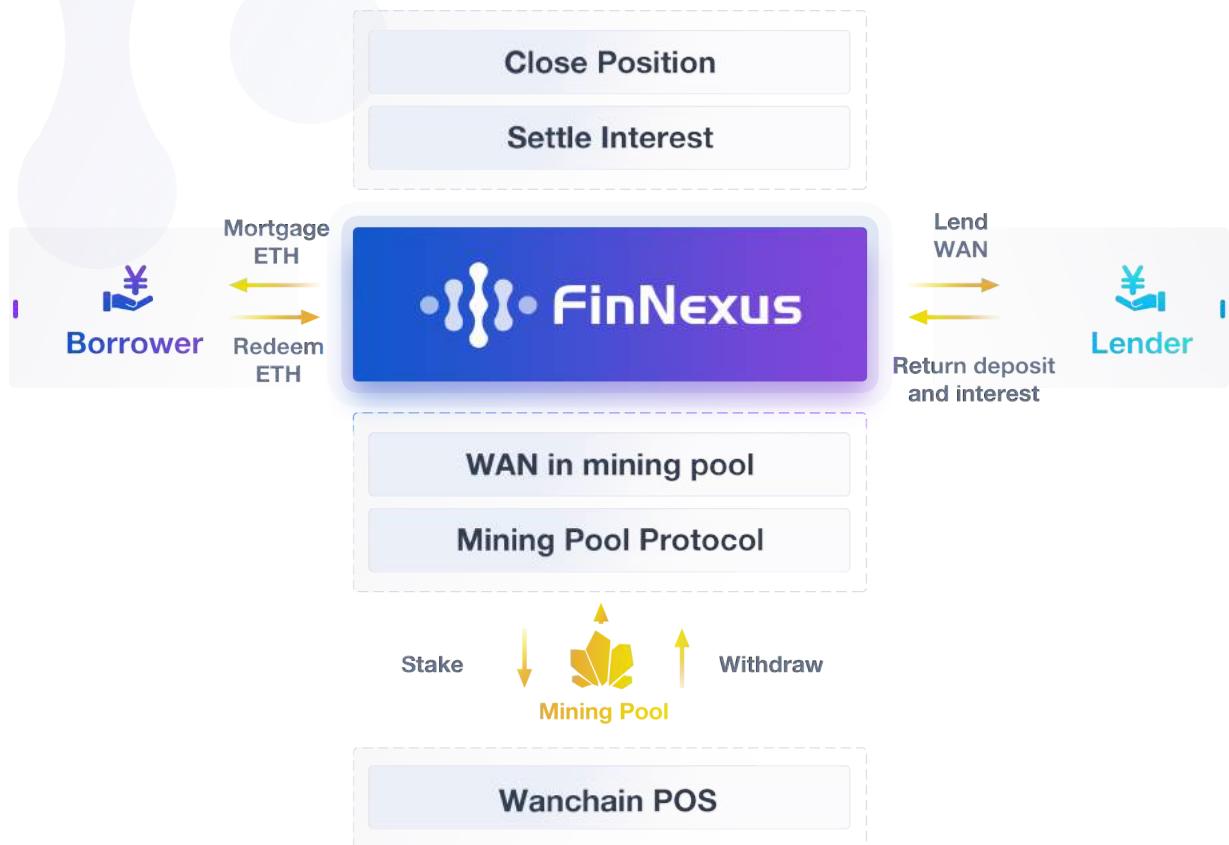
Participation in PoS Pools Through Lending on Cryptocurrencies (Scenarios for Cryptocurrency Product)

In this scenario Bob holds BTC, is interested in participate in Wanchain's PoS pool, and does not want to sell his BTC for WAN. At this time, Bob's demand is to borrow WAN using his BTC as collateral, and to allocate the borrowed WAN into the Wanchain pool node to participate in mining. In the current situation, the entire process is very cumbersome, users need to switch between multiple different platforms and wallets. Bob is likely to give up this idea if his demand is not very strong.

Through FinNexus, however Bob's needs can be met much more easily. Bob must simply initiate the transaction, and FinNexus will handle everything behind the scenes. The platform will find a corresponding lender for Bob to borrow WAN and will then directly transfer the WAN to Wanchain's PoS pool through FinNexus's public chain interface.

In this scenario, what was a complex multi-step process instead turns into a one click transaction. In this way, Bob completes his entire transaction in one step, the lender earns his corresponding interest, the mine pool node gains more users from FinNexus, and Wanchain's total stake increases. In this way, FinNexus can enrich the entire crypto ecosystem.

• FinNexus Application Scenarios



Participation In Quantitative Trading Products Through Lending on Cryptocurrencies

(Scenarios for Quantitative Trading Products)

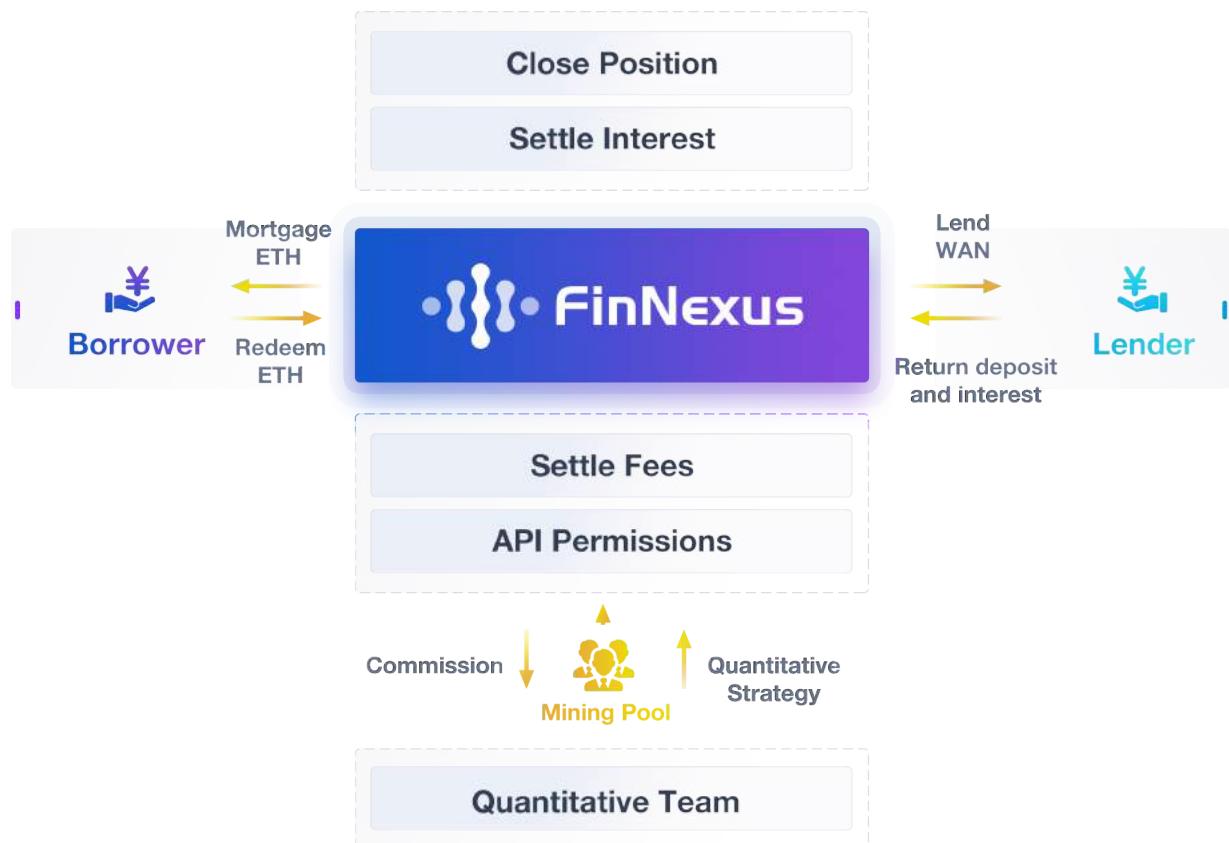
In this application scenario, Bob wishes to purchase a high yield quantitative cryptocurrency trading product using BTC. However, he lacks sufficient funds, so he also requires a loan. Given the current crypto financial ecosystem, this process would require multiple steps, and both Bob and the lender providing him with the loan will have concerns about their financial security.

• FinNexus Application Scenarios



This scenario becomes greatly simplified when performed via FinNexus's interface. Through FinNexus, the cryptocurrency exchange's account rights including deposit, withdrawal, and transaction rights can all be separately controlled. Based on this fine-grained control of rights, FinNexus will manage the above scenario. Bob will retain the right to withdraw his principal, the lender retains the right to withdraw the loaned funds, and the quantitative trading team retains trading rights of both accounts. Throughout the process, the borrower, the lender, and the asset management party are controlled in a decentralized manner, ensuring transparency. FinNexus also fills the role of providing information to all parties involved.

In this scenario, for Bob, FinNexus can complete the borrowing and investment needs in one step, the lender is able to easily find borrowers, the quantitative trading team is able to manage more assets, and the exchange is able to increase its trading volume, bringing benefit to all involved.



Stable Return Assets

(Scenarios for Asset Management Products)

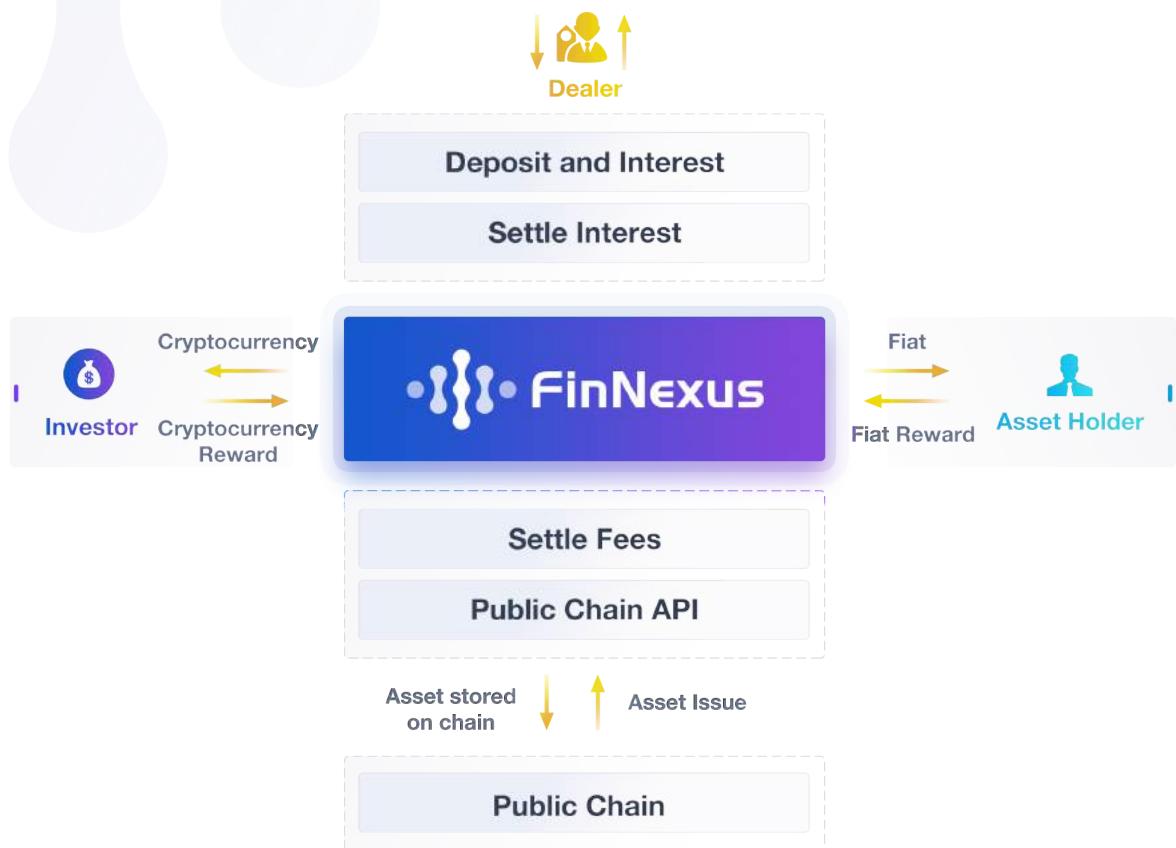
Stablecoins are currently the primary method for mitigating the risks associated with volatile prices within the cryptocurrency ecosystem. While the concept of stablecoins, especially those backed by the US dollar, has been frequently questioned, stablecoins are still a vital and irreplaceable part of the crypto economy. In general, all cryptocurrency holders have a requirement for converting their high risk / high potential reward cryptocurrencies to a lower risk asset. Are there any other options besides stable coins? Is it possible to have a low risk asset which also offers some level of return?

There are a number of possible assets that will be available through FinNexus that meet this profile. A hybrid traditional / crypto bond is just one example. A traditional bond may have an annual return of 3%-5%. This bond can be legally tokenized through an STO, and its tokens will be issued on a public chain via the FinNexus technical protocol.

In this scenario, our user Bob discovers the asset through FinNexus and decided to use some of his BTC to purchase the asset. Because it is a dollar-denominated asset, the issuer of the token needs to receive US dollars. Through FinNexus's OTC interface, Bob's BTC will be converted to USD and the bond issuer will directly receive the corresponding USD. When the bond expires, Bob will receive his principal plus returns in the equivalent amount of BTC which will be converted through the same FinNexus interface. The entire process is managed behind the scenes by the FinNexus protocol.

In the above scenario, Bob benefits by having access to an asset with stable returns, as well as the convenience of the simplified process. The asset issuer completes all transactions conveniently through FinNexus, and the OTC service provider gains additional business.

• FinNexus Application Scenarios



Risk Hedging with Options

(Scenarios for Derivatives)

In the process of converting between crypto and fiat currency, the issue of controlling volatility often surfaces. This problem affects many cryptocurrency users. For example, cryptocurrency miners must pay for their electricity in cash. Expat workers might wish to send remittances back to their home countries.

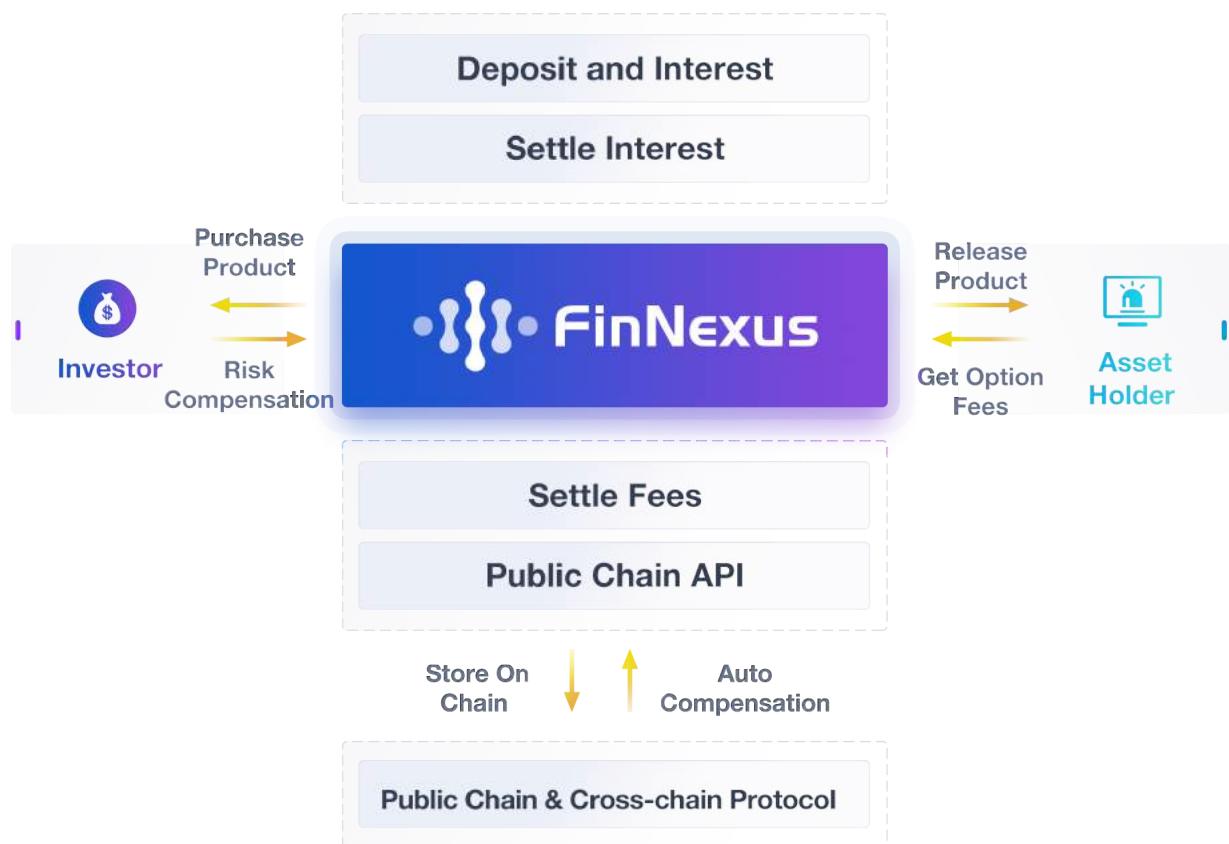
In the case of individuals sending remittances back to their home country using BTC, for example, the options for mitigating volatility are very limited. For these users, the best option is to hedge against the price of the cryptocurrency they are using for their remittance. This is a complex operation for users under the current state of the cryptocurrency ecosystem which requires a sophisticated understanding of hedging strategies.

• FinNexus Application Scenarios



Typically, a well-paid team of finance professionals is used to devise such a strategy. But FinNexus aims to standardize such products through technological protocols. Users with hedging requirements only need to select the corresponding amount, duration, and currency type on FinNexus and pay a small fee denominated in FNX token. By this process, the user is able to convert between BTC and fiat currency in a manner which protects them from price volatility. If the price of Bitcoin falls, the user will get the compensation for the corresponding price difference from users of the FinNexus platform.

In the above scenario, the user is able to mitigate their risk, the hedging provider obtains more business, and the off-exchange and foreign currency dealers obtain more trading volume. That's the type of win-win-win scenario that FNX can facilitate.

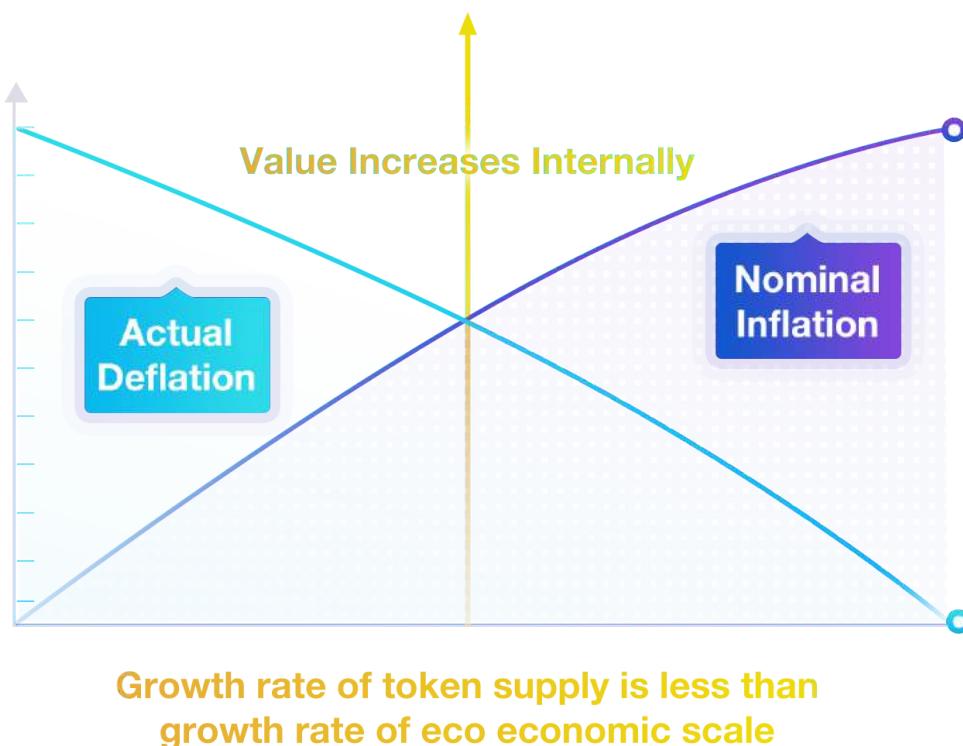


Rationale

One of the most important reasons for the success of Bitcoin (BTC) is its economic model. In essence, Bitcoin was designed by Satoshi Nakamoto to be inflationary in the short term, but deflationary over time. The ingenuity of this model is that short term inflation, i.e., mining incentives in the form of block rewards, are economic incentives for the operators of the Bitcoin network, while the long-term deflation contributes to the strength of Bitcoin's value.

Bitcoin's deflationary nature has contributed to its use as a store of value, and its increasing acceptance as a store of value has strengthened the value of the token itself, leading to a virtuous cycle where use drives value and value drives use.

FinNexus will follow a similar model of short term inflation combined with long term deflation. The actual level of inflation will depend on the level of use of the FinNexus platform as measured by the 'fee scale'. The 'fee scale' is an indicator derived from fee data which will be used as a measure of activity on the platform. The level of inflation will increase or decrease according to the fee scale so that inflation is on pace with the platform usage. The difference between the FinNexus model and the BTC model is that while BTC's inflation was set in stone from the first block, FinNexus's inflation will be automatically adjusted according to the usage of the platform.



FinNexus (FNX) Token:

The native digital cryptographically-secured utility token of FinNexus, FinNexus Token (**FNX**) is a transferable representation of attributed functions specified in the protocol/code of FinNexus, designed to play a major role in the functioning of the ecosystem on FinNexus, and intended to be used solely as the primary utility token on the platform. FNX is a non-refundable functional utility token which will be used as the medium of exchange between participants on FinNexus as the platform currency for payment for the use of its suite of protocol clusters. The goal of introducing FNX is to provide a convenient and secure mode of payment and settlement between participants who interact within the ecosystem on FinNexus, and it is not, and not intended to be, a medium of exchange accepted by the public (or a section of the public) as payment for goods or services or for the discharge of a debt. FNX does not in any way represent any shareholding, participation, right, title, or interest in the Foundation, the Distributor, their respective affiliates, or any other company, enterprise or undertaking, nor will FNX entitle token holders to any promise of fees, dividends, revenue, profits or investment returns, and are not intended to constitute securities in Singapore or any relevant jurisdiction. FNX may only be utilised on FinNexus, and ownership of FNX carries no rights, express or implied, other than the right to use FNX as a means to enable usage of and interaction within FinNexus. FNX would also provide the economic incentives which will be consumed to encourage participants to contribute and maintain the ecosystem on FinNexus. Providers of services / resources would require payment for the consumption of resources (i.e. "mining" on FinNexus) to maintain network integrity, and FNX will be used as the medium of exchange to quantify and pay the costs of the consumed resources. FNX is an integral and indispensable part of FinNexus, because without FNX, there would be no incentive for users to expend resources to participate in activities or provide services for the benefit of the entire ecosystem on FinNexus.

Fees:

In order to use FinNexus, users must pay fees. The fees are discounted if users use FNX to pay. 50% of the fees collected are used for FinNexus operations, 25% are used to incentivize ecosystem participants, and the remaining 25% are used to contribute to the

• FinNexus Economic Model



Fee incentives:

25% of the fees collected are used to incentivize ecosystem participants, including parties involved in asset trading and community developers. The role of incentives is to attract more participants to FinNexus, and to encourage developers to build different types of DeFi protocols and applications for different scenarios on FinNexus.

Inflation:

Inflation will be generated by the issuance of new FNX at set intervals known as ‘inflation periods’. FNX will be distributed to FinNexus participants and FNX users who will receive tokens as an incentive for actively using FNX during each inflation period. Users of FinNexus and/or holders of FNX which did not actively participate will not receive any FNX incentives.

Security Deposit:

Certain service providers will be required to hold a certain amount of locked FNX as a deposit to ensure the security of their users’ assets as well as guarantee of service standards.

Voting:

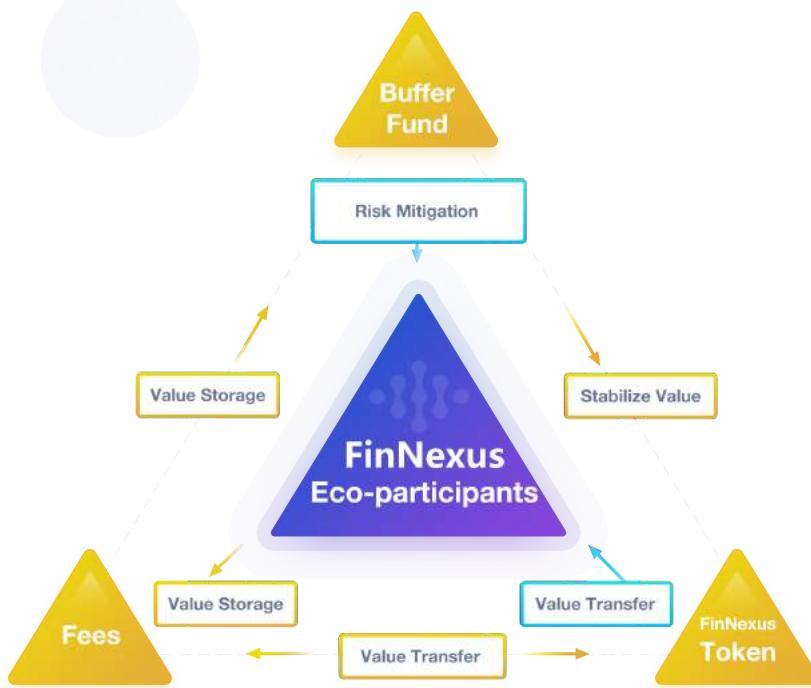
With the development of community governance in FinNexus, FNX will be used for community governance, especially for voting on platform features or community related matters (for the avoidance of doubt, the right to vote is restricted solely to voting on features of FinNexus; the right to vote does not entitle FNX holders to vote on the operation and management of the Foundation, the Distributor or their respective affiliates, or their assets, and does not constitute any equity interest in any of the aforementioned entities).

Buffer Fund:

For the Buffer Fund, please see the details below.



• FinNexus Economic Model



Issuance Process and Future Issuance Plan

500,000,000

Initial Sale

Team

Operation

Variable
Issuance

30%

25%

30%

15%

There are two stages of FNX issuance: initial issuance and future issuances through inflation.

Initial issuance

The FNX total supply is 500,000,000. 30% of the total supply will be issued during the initial sale, 25% will be reserved for the team and founding members, 30% reserved for operations, and the remaining 15% is reserved for the inflation pool.

Dynamic Inflation

According to our design, future issuance will occur during regular inflation periods. The factors which determine the quantity of FNX issued during inflation periods include both the ‘fee scale’ (an indicator related to the average volume of fees in the preceding period) and the average price of FNX. New issuances will be halted if the fee scale growth stops or decreases.

The tokens reserved for the team will be locked for one year. Over the following 30 months, the tokens will be unlocked in stages. If the fee scale decreases in any inflation period, the rate of tokens unlocked in that period will decrease by 50%.

The FNX dynamic inflation pool is capped at 75,000,000. If the current number of additional issuance is less than or equal to 0 according to the following rules, the additional issuance will be stopped in the current period. The dynamic inflation issuance follows the following rules:

$U_{i,t}$: the total volume of transactions for the i^{th} financial asset class traded in FinNexus during the t-cycle

$R_{i,t}$: the transaction rate of the i^{th} financial asset class traded in FinNexus during the t-cycle

i: Defi financial products of the i-class of the current transaction

$n(t)$: is the total number of all financial assets in the FinNexus during the t period

FNXPrice_t : for the weighted average price of FNX in period t, from the open market price

α : **The transaction frequency of FNX.** In the beginning since there is no historic data for reference, the parameter will be set to a number below 0.1. After operations have begun, we will collect the data and determine the α in the later periods based on historical transaction data.

• FinNexus Economic Model



F_t : is the total transaction fees in FinNexus in the t^{th} cycle, and the formula is:

$$F_t = \sum_{i=1}^{n(t)} U_{i,t} R_{i,t}$$

dF_t : The ratio of the total transaction fee for the t^{th} period compared to the $t-1^{\text{th}}$ period is calculated as:

$$\Delta F_t = \frac{F_t}{F_{t-1}} = \frac{\sum_{i=1}^{n(t)} U_{i,t} R_{i,t}}{\sum_{i=1}^{n(t-1)} U_{i,t-1} R_{i,t-1}}$$

Since the transaction volume between individual adjacent periods may vary greatly, especially in the early stages of FinNexus, and transaction volume is used in part to determine the fee scale parameter which is used in turn to determine the dynamic inflation rate, we will use the geometric mean volume taken over a period of multiple intervals rather than a single interval at a time in order to smooth out the fluctuations between periods.

e: consecutive cycles of the t period selected in order to calculate the average rate of change

$\Delta FNCIssueAmount_t$: The amount of increase in FNX during the next period: the formula is

$$\Delta FNCIssueAmount_t = \alpha \times \frac{[(dF_t \times dF_{t-1} \times dF_{t-2} \times \dots \times dF_{t-e})^{\frac{1}{e+1}} - 1] \times F_{t-e-1}}{FNXPrice_t}$$

Through the above-mentioned issuance and other additional parameters, the entire supply of FNX will be thus limited by the scale of the FinNexus economy, in order to maximize the value captured by each FNX in the FinNexus ecosystem.

Buffer Fund

25% of FinNexus fees will be used for the buffer fund. The main role of the buffer fund is for asset insurance. The buffer fund will be used to compensate user losses when an uncontrollable factor causes FinNexus users to lose their assets. The buffer fund will be managed by professionals for value preservation (for the avoidance of doubt, FNX token holders have no rights to the assets of the buffer fund).

• FinNexus Development Plan And Roadmap



Development Plan:

FinNexus has ambitious goals. But we have a very practical approach to reaching them step by step. We do not intend to launch with every intended feature already implemented, but rather we plan to gradually implement features in a series of stages. Our initial goal is to offer a diversified set of crypto assets to users, and from that basic functionality gradually implement the rest of our stated goals.

Phase 1: Diversified Crypto Asset Platform

FinNexus is a diversified crypto asset platform suitable for different application scenarios. The primary goal of FinNexus is to directly address user demands and provide users with fundamental technological and business protocols.

In terms of the business logic of Phase 1, the first priority is to implement the fundamental tools and systems to support the basic application scenarios described above. FinNexus will actively recruit more participants and partners to jointly implement the tools and systems to support a variety of application scenarios. Participants will be incentivized to join using a portion of the operations fund, and participants will be able to continually earn profit in the form of service fees charged for the tools they implement on FinNexus. In addition to recruiting partners who can provide assets, tools, and applications, FinNexus will also recruit compliance agencies and licensed financial services agencies to join the platform so as to improve the business protocols at the legal compliance level. Acquiring a wide range of assets and attracting and keeping users are the key issues at this phase. We will onboard a wide range of different types of crypto and hybrid traditional / crypto assets in order to provide crypto users with a rich choice of products with various risk / return profiles. This diversity of digital assets will attract users from the crypto world and the traditional world to the FinNexus ecosystem.

FinNexus will be a technological connection between mainstream public chains, centralized exchanges, decentralized exchanges and other applications. By establishing these connections, entities with different asset demands can easily issue, operate, trade, purchase and redeem these assets. FinNexus will establish a system of fund settlement, risk control, fee allocation, and other modules so as to serve the scenarios in Phase 1.

• FinNexus Development Plan And Roadmap



Phase 2: Collaborative Peer-to-peer Protocol

FinNexus will gradually improve its technical and business protocols. The overarching goal is to become an open and collaborative protocol that allows for emergent use cases and application scenarios.

In terms of business, FinNexus will work with legitimate compliance agencies in different regions and obtain corresponding licenses so as to clear the obstacles of compliance for ecosystem development. By carefully adhering to the legal regulations of each relevant business jurisdiction, FinNexus will attract more business partners, assets, and users to the FinNexus platform.

FinNexus will continually work to improve the openness of its technical protocols, the completeness of its standards, the richness of its application scenarios, and the decentralization of its implementation so that developers will be able to use FinNexus to create their own powerful ecosystem applications.

Phase 3: Self-evolving distributed community for self-governance

With the improvement of the underlying blockchain protocol and the development of community governance, the ultimate goal of FinNexus is to become a fully decentralized open collaborative financial protocol, and a distributed self-evolving business community with open governance.

• FinNexus Development Plan And Roadmap



Roadmap:

According to the three phases of our development plan, the initial roadmap of FinNexus is as follows:

09.2018	FinNexus officially starts, including pre-planning, finding core members of the FinNexus team, negotiating with fund partners, etc.
03.2019	Prepare the white paper and announcement plans.
06.2019	Release the white paper. Go live with the website and officially begin interactions with the market.
Q1 2020	FinNexus (V 1.0) goes live. The first batch of assets go online.
Q3 2020	FinNexus (V 2.0) goes live. The second batch of assets go online.
Q4 2020	Deliver a functional middleware protocol layer and open parts of our APIs to the public. The third batch of assets go online.
Q4 2021	Complete Phase 1. The functional protocol layer will be articulated into protocol clusters which exist both at the middleware layer and the application layer. More APIs will be opened to the public. At this point, we expect to have a global asset platform that can connect both blockchain-to-blockchain (cross-chain) and blockchain-to-legacy systems (comprehensive interoperability). At this point, we hope to significantly expand our partnerships and integrate multiple large-scale users using our protocol clusters in their own apps, Dapps, platforms and products.
2022	Standardize the middleware protocol clusters and improve connections at each individual layer. A P2P protocol network is initially formed. FinNexus transitions from asset platform to asset channel.
2024	Complete Phase 2. Phase 3 begins as we attempt to fully decentralize the P2P open sharing protocol network and develop an effective community governance model for the entire ecosystem.

* Our roadmap is subject to constant change. Please consult our website for the most recent version.



• FinNexus Team and Founding Partners



Founding Partners

| The FinNexus project was initiated by two major founding partners, Wanchain and SuperAtom.



Wanchain is one of the foremost projects in the blockchain industry. Wanchain has developed advanced public chain technologies such as privacy protection, a cross-chain protocol, an original proof of stake consensus mechanism, and much more. In particular, Wanchain's cross-chain protocol plays an important role in the foundational layer of FinNexus and will be used for complex application scenarios. Wanchain will provide comprehensive technical support for the FinNexus project.



SuperAtom is a fintech company that has been incubated by Cheetah Mobile (NYSE: CMCM) since January 2018. SuperAtom has a number of locally licensed Fintech companies covering the regions of the United States, Taiwan, Southeast Asia, and more. It owns a crypto exchange with many qualified financial assets. SuperAtom will continuously provide FinNexus with qualified financial assets, thereby increasing the types of assets available in FinNexus and the crypto world. Initially, FinNexus and Superatom will collaborate to tokenize traditional financial projects in Southeast Asia that provide stable returns via STOs and other structures. The intent is to create a new kind of "Yu'e Bao" (a famous Chinese financial management product with the largest assets under management in the world) for the crypto economy.

• FinNexus Team and Founding Partners



Team Members



| **Boris Yang** Founder & CEO

Boris holds degrees in finance and law from Beijing's University of International Business and Economics. He is a former Vice President at Wanglu Tech, co-founder of Wanchain, and the main designer of Wanchain's technology stack. In 2015, he entered the blockchain industry with a concentration on product design and business operations. He has many years of experience in internet startups and is a serial entrepreneur.



| **Bob Chen** Co-founder & CTO

Bob graduated from Harbin Institute of Technology and is an expert in internet and blockchain technology. As a technical leader, he has worked for internet giants such as Alibaba and Qihoo 360. After entering the blockchain industry, he led a team to develop an asset management wallet. His expertise is in high-concurrency applications, blockchain asset security management, and high-frequency quantitative trading.



| **Ryan Tian** Financial Specialist

Ryan earned his master's degree in financial engineering from York University. He has worked in the financial industry for more than 10 years. He worked in the banking department of a well-known securities company and was responsible for sponsorship of listed companies. His expertise is in securities products, specializing in finance and risk control.



| **Jack Tung** Regulatory Compliance Specialist

Jack graduated from Nanyang Technological University. He has more than 10 years of experience in asset management services for companies and high net worth individuals. He is a senior Fintech consultant, specializing in framework design for asset management compliance, and architecture design for financial enterprise compliance.

• FinNexus Team and Founding Partners



| Nicholas Krapels Strategy Advisor

Nicholas is a China-based American writer, educator, and entrepreneur. He works in global financial services as China Managing Director at DarcMatter and Blockchain Lead at Konstellation. He teaches graduate courses in business, strategy, & entrepreneurship at Tongji University and SKEMA Business School. His research focuses on innovative monetary policy.



| Noah Maizels Global Marketing Consultant

Noah is a Johns Hopkins University graduate, bilingual Mandarin & English marketing professional with more than seven years experience in the China market. He has been a crypto watcher since 2011 and joined the industry in 2017. He specializes in producing easy to read and understand content about complex fintech products.



| Veer Singh Community Manager

Veer is a graduate in Aeronautical Engineering. He is an experienced community manager and has worked with multiple blockchain projects in the past. He currently works as a Community Manager for Band Protocol and is the Editor/BD for blog.goodaudience.com.

• FinNexus Team and Founding Partners

Steering Committee



| FinNexus establishes its steering committee with members who are each specialists in their respective fields. These industry leaders are from blockchain, mobile internet, finance, law, etc.



| **Jack Lu**

Jack is a leading figure in the blockchain industry. He is co-founder of Factom and founder & CEO of Wanchain. In 2013, he entered the blockchain industry and led the projects Factom and Wanchain to achieve multiple technical innovations in areas such as privacy protection, cross-chain protocol, and new consensus mechanisms.



| **Scarlet Xiao**

Scarlet is a board member and Vice President of Cheetah Mobile and Chairman of the Board at SuperAtom. She worked as a public relations director at Qihoo 360 and as a communication manager of Yahoo China. From 2008-2010, she worked as a senior manager of the Enterprise Marketing Department at Baidu. Since October 2010, she has been the Vice President of Cheetah Mobile and is responsible for business development, marketing and commercial products.



| **Eason Zhang**

Eason is the founding partner of River Capital and a lifelong member of the China Youth Angel Investor Leader Association. He has invested over 60 companies in the science and technology industry and has many years of experience in the Internet industry focusing on product technology and market operations. He Has been the Head of the Product Technology Department at Sohu, the Vice President of China Mobile 12580, and the President of the HNA Group's Internet Business.



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