



White Paper

PLEASE NOTE, THAT THIS WHITE PAPER REPRESENTS A "WORK IN PROGRESS" AND IS SUBJECT TO FURTHER AMENDMENTS, CLARIFICATIONS, ASSUMPTIONS AND DISCLAIMERS PRIOR TO THE LAUNCH OF THE ITO, AS ANNOUNCED AT WWW.CYBERTRUST.IO. ACCORDINGLY, PLEASE ENSURE THAT YOU READ THE FINAL VERSION OF THE WHITE PAPER AT WWW.CYBERTRUST.IO PRIOR TO PARTICIPATE IN THE CABS TOKEN ALLOCATION.

ON A SEPARATE NOTE, WE RESERVE OUR RIGHT TO REFUSE TO ALLOCATE CABS TOKENS TO PERSONS THAT FAIL TO COMPLY WITH OUR KYC PROCEDURE AND/OR ARE PERSONS RESTRICTED TO HOLD THE CABS TOKENS, IN EACH CASE AT OUR REASONABLE DISCRETION. ACCORDINGLY, THE CABS TOKENS ARE SPECIFICALLY RESTRICTED FOR THE US RESIDENTS AND DOMICILED ENTITIES.



White Paper

A Gateway to Crypto Securitisation



We are institutionalising crypto markets by securitizing digital assets to build regulated, compliant financial instruments.



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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Despite the explosive growth that Bitcoin and other cryptocurrencies have experienced over the last several years, banks, family offices, pension and sovereign wealth funds and other institutional clients have all sat on the sidelines. Their reticence stems from several key inherited disadvantages: no titled/auditible ownership; clearing and settlement risks are abnormal; no process of judicial recovery; risk of theft via cyber security breach.

We have solved these four problems with a solution to bring institutional investor capital to crypto markets via crypto asset securitisation. We offer a legitimate and simple way to acquire and manage such digital assets within existing legal, tax, compliance and IT frameworks.

Our product will open new doors for investment and is the missing link in the evolution of the crypto economy since we are removing the current barriers between old investment markets and the crypto market. Using securitisation, crypto assets become derivative financial products: Global Crypto Notes, which are legitimate and transparent from a compliance and legal perspective. These crypto asset-backed derivatives can be placed on the books of an organisation, can be audited, are inheritable and offer clarity on tax impact, in addition to reducing counterparty risk for clearing and settlement of crypto assets via traditional institutional framework.

Banks do not have the necessary IT infrastructure to manage private key security for crypto assets. By converting cryptocurrencies into derivative financial products, existing constraints can be bypassed to foster instant adoption of cryptocurrencies. This will effectively lead to an influx of large pools of institutional fiat capital, which is currently prohibited from financing the blockchain revolution.

The extra benefits and properties of crypto asset-backed derivatives highlighted above allow them to be traded at a significant premium to the underlying crypto, and - based on comparable benchmarks - premiums can reach up to 100%. If we take the closest financial product to what we are offering (Grayscale's Bitcoin Investment Trust) as a benchmark, shares in their fund as of early October were traded at a 85-95% premium to the price of Bitcoin.

By informing the wider community about the large arbitrage (price difference between raw and legitimised crypto) that exists on markets currently and providing a way to exploit this arbitrage, we are looking to expand the crypto economy worldwide by providing anyone that wishes a chance to make the most of this opportunity. This is why we are offering a pre-sale of our securitisation service priced at 2-3% of the underlying crypto value via the initial offering of CABS tokens.

The fact that cryptocurrencies cannot be securitised without CABS means that CABS hold their own value. Their limited supply will ensure high demand.

We see great benefits to using a token generating event to raise capital, not only for ourselves as members of a developing community of crypto enthusiasts, but also in helping to grow the crypto economy by facilitating major capital inflow. As such, we are looking to expand the crypto economy and help it become the mega market that it has the potential to be.

TOKEN ALLOCATION



TOKEN ALLOCATION

Terms of the ITO

Pre-ITO Dates	29 November 2017 to 3 December 2017
ITO Dates	5 December 2017 to 5 January 2018
Closed Round	30 October 2017 to 10 November 2017 with possible extension
Token Type	ERC-20 standard-based Ethereum token supporting up to 8 decimal places
Token Ticker	CABS ('Crypto Asset Backed Securitisation' Token)
Website Link	https://ico.cybertrust.io ('Initial CABS Offering')
Full ITO Terms	http://www.cybertrust.io (White Paper)
Total Token Cap	600,000 tokens
Initial Allocation Cap¹	Tokens allocated x 150% (= maximum 900,000)
ITO Total Quantity	500,000 tokens (3-hour Soft Cap: 350,000)
Base Price	0.6 ETH (\approx 0.024 BTC, 182 USD), equivalent to a ~2.4% securitisation premium
Accepted Currencies	Bitcoin (BTC), Ethereum (ETH), Bitcoin Cash (BCC/BCH), Ethereum Classic (ETC) By arrangement: USD Tether (USDT), Swiss Francs (CHF) and Euros (EUR)
Reserve	All net funds ² exceeding 35 million CHF equivalent
Token Buyback Price	50 USD (in ETH equivalent) or 0.2 ETH, whichever is less ³
Benchmark	Grayscale Bitcoin Investment Trust (BIT) shares, OTC securities quoted on the OTCQX exchange. Net asset value of 1 GBTC share = 0.0923 BTC. Grayscale BIT Securitisation premium for 1 BTC in Aug - Oct 2017 had a range of 1,474 - 5,950 USD (0.26-1.1 BTC). The premium as of 3 Nov 2017 was approximately 3,100 USD.
Token Use	1 CABS Token entitles the holder to securitise 1 BTC or equivalent quantities of selected other cryptocurrencies such as Ethereum or Bitcoin Cash, e.g.:

$$\left\{ \begin{array}{ccc} 1 \text{ BTC} & + & 1 \text{ CABS} \\ 25 \text{ ETH} & + & 1 \text{ CABS} \end{array} \right. = \begin{array}{l} 1 \text{ Securitised BTC} \\ 25 \text{ Securitised ETH} \end{array} \right\}$$

¹ Starting in January 2018 additionally up to 8,000 CABS Tokens may be minted each month at the discretion of CyberTrust.

² Net funds are defined as gross funds received minus 5%, to be published within 2 weeks of the ITO completion. Reserve value will be published regularly.

³ The reserve will be used to purchase tokens on the market at this price level. Tokens will not be purchased back directly from ITO participants and/or on a mandatory basis.

Allocation Process

In order to avoid problems encountered in previous oversubscribed token offerings, CyberTrust will employ the following procedure for the pre-ITO, ITO (Initial Token Offering) and reserve rounds (if applicable): To participate, go to <https://ico.cybertrust.io>.

- ◆ In order to register, participants need to provide a valid email address and username. After confirming their email address, participants can obtain user-specific deposit addresses. Deposited funds may also be withdrawn again in whole or in part. For security purposes users wishing to withdraw more than 10 ETH equivalent will need to setup two-factor authentication.
- ◆ Each round will start and close (if not oversubscribed prior to close) at 1pm UTC on the dates specified. During the first three hours of each token allocation, round participants may use their deposited funds to place bids for tokens; however, token allocation will not begin until the end of the 3-hour period. If the round is not oversubscribed, then all remaining tokens will be available on a first come first serve basis.
- ◆ Should the round be oversubscribed, bidders will receive tokens proportional to the size of their bid. The exact timing of the bid placement within the first three hours is irrelevant.
- ◆ The minimum bid size during the ITO is 1 CABS Token, however fractional bids (e.g. 1.54 CABS) are permitted. For earlier rounds higher minimums apply.
- ◆ If the number of subscribed tokens in the first 3 hours of the ITO exceeds the soft cap of 350,000 tokens, then the allocation of the remaining 150,000 tokens will be postponed to the reserve rounds.
- ◆ If participants bid for over 75,000 tokens in the initial 3 hours of the first reserve round, the remaining 75,000 tokens will be reserved for the second reserve round one week later.
- ◆ Depending on the round and the number of tokens bid for, volume bonuses will be applicable.
- ◆ Participants who provide an invitation code will be credited with an additional bonus of 0.5%.
- ◆ If the ITO total quantity cap is not yet reached, further rounds may be added. Quantity caps and Base Price indicated in the table below for each round may also be adjusted prior to the start of each relevant round subject to the results of the previous round(s). However, quantities to be allocated in any particular round will not be changed during the round itself⁴. Please note that prior to the actual allocation, CyberTrust reserves the right to amend any terms and conditions described here.

⁴ Tokens remaining undemanded after all rounds will be burnt.

#	Dates (2017)	Minimum Bid (CABS)	Base Price ⁵ (ETH)	Effective Securitisation Premium ⁶	Volume Bonuses ⁷
Closed Round: 50,000 tokens + bonuses					
1	30 Oct – 10 Nov	20,000	0.5	1.5%	30% (If frozen: 45%)
		5,000	0.5	1.6%	25% (If frozen: 45%)
		2,000	0.5	1.7%	20% (If frozen: 40%)
		500	0.5	1.7%	20% (If frozen: 35%)
Pre-ITO: 50,000 tokens + bonuses					
2	27 Nov – 1 Dec	10	0.6	2.0-2.2%	10/15/20% for 10+/200+/500+
ITO: 500,000 tokens + bonuses					
3	5 Dec – 5 Jan	1	0.6	2.1-2.4%	5/10/15% for 200+/500+/2000+
Reserve Rounds (<i>if applicable</i>) Up to 150,000 tokens + bonuses					
4	12 Dec – 5 Jan	1	0.7	2.5-2.9%	5/10/15% for 200+/500+/2000+
5	19 Dec – 5 Jan	1	0.8	2.8-3.3%	

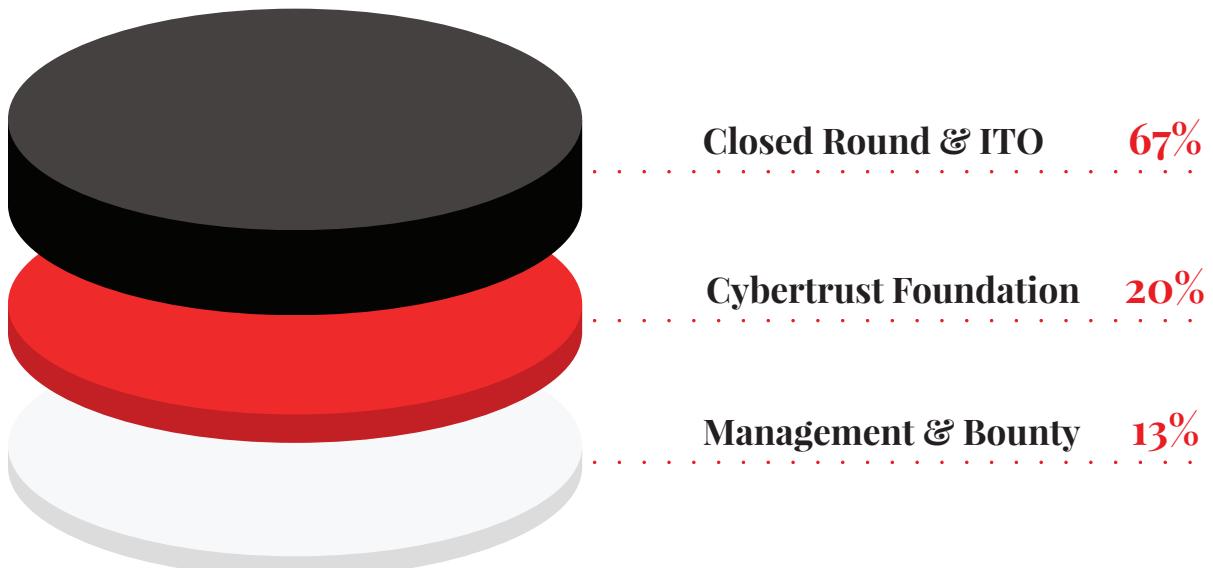
Bonus/Reserve CABS Tokens

For every CABS Token allocated during the ITO, 0.2 additional CABS Tokens will be allocated to team members, early supporters, partners, agents, advisors and bounty participants. At the same time, 0.3 additional CABS Tokens will be allocated to the token reserve. Bonuses will be paid out of this reserve. Some of these bonuses will be time locked.

⁵ Prices in ETH for rounds 2-5 were adjusted on 2 Nov 2018 to reflect the change in the ETH/BTC exchange rate. CyberTrust reserves the right to adjust the base price during a round if the market value of 1 ETH falls below BTC 0.037.

⁶ Implied approximate securitisation premium (cost) which will vary slightly depending on the bonus tier obtained. Frozen token bonus tiers are not considered here.

⁷ Closed round participants who opt to freeze tokens will receive an additional 15-20% bonus as detailed above. In this case all tokens will be frozen. Tokens will be unfrozen as soon as the Platform becomes available, or in March/April 2018, whichever occurs earlier. Half of these frozen tokens will be unfrozen sometime during the month of March 2018, and half in the month of April. The volume bonus tier is based on the total quantity bid for, not the number of tokens actually allocated. Example: An ITO participant bids for 2000 tokens but only receives 1200. In this case the applicable volume bonus would be $1200 \times 15\% = 180$ CABS Tokens. If applicable, the 0.5% invitation bonus would be 6 additional CABS Tokens.



Reserve & Token Buyback

The main purpose of the reserve is to protect CABS Token holders from force-majeure circumstances (including any CABS Token value fluctuations) following the ITO. The reserve will be among other things used to protect the token price by purchasing CABS Tokens. All net funds raised exceeding 35 million CHF equivalent will be used as a reserve until 31 December 2018 or until an ISIN for CABS Token-linked Global Crypto Notes or equivalent has been issued and the same are traded and settled via Clearstream Banking S.A., whichever is later. After the above date CyberTrust may at its discretion expand the use of these funds as working capital for securitisation pools and to other areas. The precise percentages held in each currency may vary at CyberTrust's discretion.

Timeline

Platform launch is planned for Q2 2018. By that time an ISIN for the BTC Global Crypto Note should be issued, traded and settled via Clearstream Banking S.A.

MARKET DEMAND

MARKET DEMAND

Market Overview

Products that are currently available on the market and provide exposure to Cryptocurrencies have major disadvantages compared to CyberTrust's solution. They are either not credit remote and, therefore, expose investors to the credit risk of the issuer (e.g. notes issued by private banks to its clients) or provide indirect exposure to underlying assets, which exposes investors to valuation and liquidity risks (e.g. units of crypto funds or shares in companies which hold crypto assets).

For instance, Grayscale BIT⁸ created earlier this year has issued 1.87 million shares and has currently a total value of approximately US\$1.3 billion. As of early October 2017, GBTC shares were traded with a premium of 85-95% over the value of the underlying BTC, i.e. at 185-195% premium to the current price of BTC. The premium as of 3 November 2017 was approximately US\$3,100.

While Grayscale BIT offers the kind of the titled, auditable ownership which institutional markets demand, it only does so for BTC.⁹ Bitcoin Investment Trust currently has a market cap of US\$1.4 billion and an additional US\$1 billion is registered for placement.

Despite its 49% share of the total Cryptocurrency market BTC is consistently the lowest yielding asset amongst the top 10 Cryptocurrencies. For example, while BTC has risen over 300% in value in 2017 year-to-date, its nimbler nephew ETH racked up gains of over 3000%.

Although Grayscale BIT does have a U.S. based clearing, nevertheless, it cannot easily respond to market needs being a closed-end fund.¹⁰

These limitations were removed by CyberTrust via creating the CABS Tokens which would allow its holders the following key opportunities:

- ◆ Enjoy the priority rights on getting a discounted securitisation premium (cost);
- ◆ As priority members of the Platform participate in meeting the demand for securitised BTC, ETH, BCC/BCH and other Cryptocurrencies that will be subsequently added to the Platform, which opportunities are described in more detail below.

⁸ <https://grayscale.co/bitcoin-investment-trust/>

⁹ Grayscale also has an ETC fund; however, at this point that fund is not yet publicly traded.

¹⁰ A closed-end fund is a collective investment model based on issuing a fixed number of shares which are not redeemable from the fund. Unlike open-end funds, new shares in a closed-end fund are not created by managers to meet demand from investors. For more details please go to: https://en.wikipedia.org/wiki/Closed-end_fund.

Market Demand

In 2016, Vitalik Buterin, the creator of the Ethereum blockchain, met with the Chairman & CEO of the largest banking group in Central Europe. This meeting led to the CEO showing an interest in blockchain technology, particularly in Ethereum. He was contemplating a substantial institutional investment into the Ethereum ecosystem. Three quarters later, after a 40-times explosion in the value of Ethereum tokens, the deal remained unfinished. Simply put, legal requirements, accounting restrictions, tax regulations, due diligence and the like made the investment deal unrealistic for any large institutional investor.

The key problems were the following:

- ◆ Cryptocurrency DOES NOT have titled/auditable OWNERSHIP;
- ◆ CLEARING and SETTLEMENT RISKS are abnormal;
- ◆ There is NO process of JUDICIAL RECOVERY in case something goes wrong; and
- ◆ The RISK OF THEFT via cyber security breach.

CyberTrust invented a solution that is able to address these issues. Specifically, CyberTrust has created the Global Crypto Notes (GCN) each having a registered International Securities Identification Number (ISIN) so that the owners of a GCN will have the following advantages (as compared to the currently available solutions):

HOW is it currently done?

WHAT solution is offered by CyberTrust?

ISSUE 1: No titled / auditable ownership rights or security claim on crypto

Crypto assets are not identifiable within fiat systems.

GCNs have an ISIN and therefore:

Crypto assets do not have titled rights usable by institutional investors.

GCNs have a titled security claim to the underlying crypto asset.

Crypto assets cannot be audited at least by the Big Four accounting firms.

GCNs can be audited by the Big Four accounting firms.

Crypto assets cannot be used as collateral within standard commercial bank frameworks.

GCNs can be used as a collateral within a regulated financial framework.

ISSUE 2: Risks related to clearing & settlement

All crypto trading is done via OTC or crypto exchanges like Bitfinex, Kraken, etc.

GCNs will be cleared & settled via Clearstream Banking S.A., not through crypto exchanges. This means that any bank around the world, within t+3 can get all titled rights transferred to the custody of their clients.

Both OTC and/or crypto exchange channels carry significant settlement and clearing risks.

ISSUE 3: Judicial enforcement & recovery

Blockchain transactions are final and irrevocable regardless of what your legal contract states.

Crypto is not governed by any sovereign. While this may be desirable for some investors, it is fatal for ALL financial institutions.

HOW is it currently done?

The underlying assets for GCN are OFF-CHAIN. Within the custody period, GCN ownership can be frozen by Luxembourg courts.

GCNs are subject to Luxembourg sovereign governance.

WHAT solution is offered by CyberTrust?

ISSUE 4: Theft Risks

Substantial risks exist while holding crypto assets. Holding may be made via:

Various PC/smartphone/online-web browser crypto wallets without independent hardware. Even though some may hold multi-million-dollar accounts, this is something that does not work for institutional investors.

Held in the custody of exchanges. Loss due to hacking is an ever-present risk.

Specialised Hardware Devices. However, your data can be destroyed by degaussing, reducing your investment to zero. And if the device has a recovery passphrase, that can also be stolen or compromised.

Paper Wallet. Pieces of paper which document the keys/process for re-creating access to your Cryptocurrency can be damaged, destroyed, lost or stolen.

Licensed depository has legal obligation and financial responsibility for safekeeping clients' assets.

All underlying GCNs are safely stored via specialised third party Cold Vault storage. Our provider uses a state of the art, best in the class sophisticated technical solution. They rent specially equipped facilities in multiple locations around the world for storage and cyber security protection.

Insurance on Hot Wallet transactions when moving crypto in and out of GCN custody.

Solution

CyberTrust has invested resources, time, and energy into creating a solution for the challenges described above and CyberTrust comes up with the following solution:

Turn Cryptocurrency into a secured claim

- ◆ Create Global Crypto Notes (GCN), so that each owner of a GCN will have legal claim to the underlying crypto assets (e.g. BTC, ETH, BCC/BCH).
- ◆ Incorporate three Special Purpose Vehicles (SPV): one each for BTC, ETH and BCC/BCH, which will issue the relevant GCNs.

¹¹ <https://xapo.com>

¹² <https://en.wikipedia.org/wiki/Clearstream>, <http://www.clearstream.com/clearstream-en>

- ◆ Register the ISIN for each GCN.
- ◆ Store all the GCN underlying Cryptocurrencies in a specialised cold vault secure facility provided by Xapo¹¹ to secure the private keys, including insurance on all hot wallet transactions.
- ◆ Clear and settle all GCNs within Clearstream Banking S.A.,¹² known as the “bank of banks”, to permit safe and regulatory compliant trade clearing.
- ◆ Audit the SPVs financials by Ernst & Young S.A., starting Q2 2018. The SPV administrator is a licensed Luxembourg entity Creatrust S.A.¹³

Create a token to fuel the securitisation process

Unlike Grayscale BIT, which is limited to two Cryptocurrencies only (BTC and ETC) and constitutes a closed-end fund, CyberTrust offers a key innovation: a token usable to increase the securitisation volume as needed to essentially securitise crypto “on-the-fly” – the CABS (‘crypto asset-backed securitisation’) Token©.

Receive custody and brokerage licenses

We are submitting applications for custody licenses to hold the GCNs created by the SPVs. Receiving this license will mean the creation of the CyberTrust asset management division, regulated and licensed in Luxembourg and will provide CyberTrust with the right to hold the crypto derivative assets and their further transfer into the custody of other banks.

Moreover, CyberTrust will initially apply for a brokerage license in Luxembourg to offer its clients brokerage services for their crypto asset-backed derivatives. The granting of this license to CyberTrust will provide the company with the right to offer brokerage services to clients for their legitimate crypto assets.

Accordingly, CyberTrust will become a crypto asset custody, trading and securitisation platform powered by the banks with the corresponding licenses and fully regulated within the jurisdiction of Luxembourg.

CyberTrust will then apply for the necessary licensing to operate within US, UK and Swiss jurisdictions.

¹³ <https://www.creatrust.com>, Address: 89E, Parc d'Activités – L-8308 Capellen - G.D. Luxembourg

Why CABS?

The CABS Token serves three roles:

- ◆ permits accredited investors to securitise major Cryptocurrencies at a ~2.4% premium (cost) to securitise 1 BTC, as opposed to paying a 50% to 100% premium to Grayscale BIT;
- ◆ provides the broader public a priority on the size of this premium;
- ◆ forms the basis for a community which would be interested to create and promote new synthetic and derivative crypto products.

PRODUCT & PLATFORM



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PRODUCT & PLATFORM

Securitisation – How it Works?

The CyberTrust CABS Token will be issued as a standard ERC20 token on the Ethereum blockchain supported by all ERC20-compliant wallets.¹⁴ Let's walk through an example of BTC securitisation process. Your steps will be:

Step 1. Open Account with CyberTrust

- ◆ Comply successfully with our KYC & AML requirements
- ◆ Configure your safety settings

Step 2. Deposit your Cryptocurrency

- ◆ Deposit the Cryptocurrency, which should be the underlying asset for the desired GCNs, e.g. BTC, ETH and/or BCC/BCH
- ◆ You can also use CyberTrust as just custody for your Cryptocurrency (especially useful for those who just invest in Cryptocurrencies and are not actively trading them)

Step 3. Join the securitisation

- ◆ By providing the CABS Tokens you can join an open Securitisation Pool (if available) with the deposited Cryptocurrency, or wait for an announcement of an upcoming Securitisation Pool
- ◆ Indicate how many Cryptocurrency you want to securitise, provided that 1 CABS Token entitles you to securitise 1 BTC or equivalent quantities of other selected and deposited Cryptocurrencies
- ◆ As the Securitisation Pool closes and e.g. the BTC GCNs are issued and credited to your account in exchange for the indicated amount of BTC and the relevant amount of CABS Tokens, BTC becomes the underlying claim for your BTC GCN

¹⁴ As a point of clarity, note that the use of an Ethereum-based token should not be misunderstood to imply that the CABS Token will be allocated in exchange for ETH only or that the CABS Token can only be used to securitise ETH.

Further optional steps with BTC GCN in your account

- ◆ You can hold BTC GCN as a store of value investment with the open-ended option to redeem your GCN and get the underlying BTC back
- ◆ BTC GCN can be sold on the financial market for fiat currency
- ◆ We can (at our discretion) buy your BTC GCN and wire out fiat or buy BTC at the spot market and send you back BTC
- ◆ If you are a qualified investor then you can use your BTC GCN to move BTC GCN out your CyberTrust account to your other broker account and trade as usual or to construct further financial products

We expect significant demand for crypto derivatives to evolve over time. The crypto securitisation model will be instrumental in the development and proliferation of structured products and crypto derivatives, such as Facebook equity denominated in BTC, Apple debt denominated in ETH, T-bills in BTC terms, etc. Futures and options on crypto assets based on GCNs will have a titled link to the underlying assets, thus fueling demand from institutional investors.

The global market for derivatives is estimated at five hundred (500) trillion US\$. We estimate that crypto derivatives can capture at least a 1% of this market, which implies the equivalent of US\$5 trillion of underlying crypto derivatives within five years.

Token Use

The right to convert one BTC into one BTC Global Crypto Note

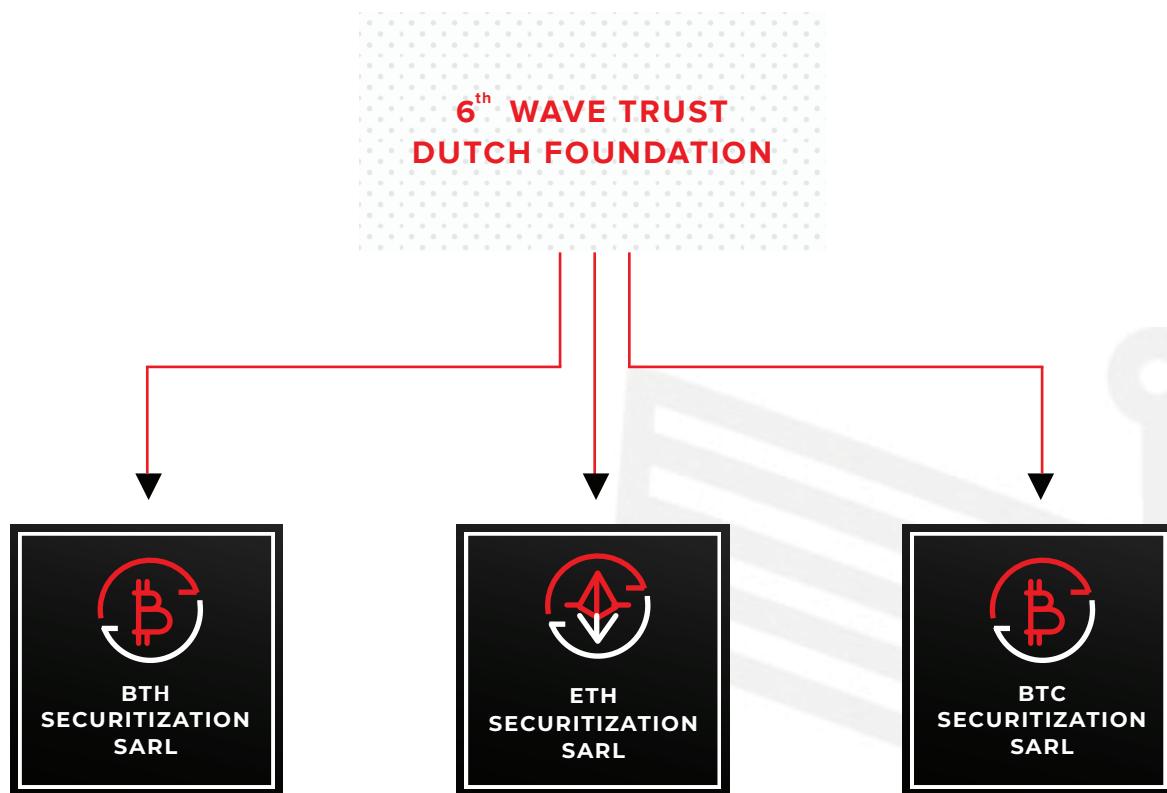
Owners of CABS Tokens will have EXCLUSIVE RIGHT to convert their BTC into BTC GCN using our Platform. One CABS Token will be required in order to securitise 1 BTC.

The right to convert ETH and BCC/BCH into Global Crypto Notes at prices linked to BTC

CABS Token holders will also have the right to convert ETH and BCC/BCH into the corresponding GCNs. The number of CABS Tokens required will be calculated pro-rata depending on the relevant exchange rate with BTC as quoted by Bitfinex. The precise reference exchange may be changed at a later time at the sole discretion of CyberTrust.¹⁵

¹⁵ For example: if on the given date and time stamp the price of BTC = US\$4000 while the price of ETH = US\$400, then 0.1 CABS Tokens will be required to securitise 1 ETH.

Securitisation Structure



- ◆ Bankruptcy remote, special purpose vehicles
- ◆ No debt, no operational activity
- ◆ Sole purpose is to hold underlying crypto assets and issue “claim rights” that 100% reserved by underlying asset



- ◆ Provides physical safety. All crypto assets are stored in a hyper-secure, underground, ex-military bunker in Switzerland
- ◆ Provides technological safety via COLD VAULT: offline storage via XAPO

Technology

CyberTrust will act as a traditional custodial bank for crypto assets in addition to offering brokerage services for the sale of Global Crypto Notes on OTC markets and major market places. In this respect CyberTrust's approach is based on technologies and methods which have been in use by large financial institutes for decades. This includes various technologies and solutions such as:

- ◆ in-memory data grids (IMDG)¹⁶ for scalability and performance;
- ◆ network isolation for safety of private keys and sensitive data;
- ◆ neural networks & machine learning for fraud and breach detection;
- ◆ high client account security with features like multi-factor authorisation by SMS/voice/video and trusted addresses; and
- ◆ convenient integration with existing financial market infrastructure: gateways to clearing and settlements (e.g. Clearstream Banking S.A.), gateways for market making at OTC¹⁷ market places (i.e. NASD Bulletin Board and others), etc.

As fully automated securitisation of Cryptocurrencies will go live in Q2 2018, additional services are expected to come online: forwards/futures, other derivative and structured synthetic products. These will be made available for corporate and private customers via various channels, including various online, mobile services and APIs.¹⁸

The basis for CyberTrust services is a custodial solution for cryptocurrencies. To protect deposited crypto from being leaked or stolen, all incoming transfers come to one-time/short-time accounts. Private keys of these accounts are generated inside a secure network and are exposed to blockchain nodes briefly to transfer crypto out.

To limit exposure in case of a smart-contract breach, the secure network will not immediately release private keys. Instead, most withdrawals are intentionally delayed, while urgent withdrawals (which will be a premium service) are handled from an insured “hot reserve”.

Additionally, clients will be provided with a “deep storage” feature where all related private keys are stored on detached hardware with strictly controlled data exchange and mechanically enforced isolation.

Every Cryptocurrency type supported by CyberTrust will have one separate legally registered crypto SPV. All securities (GCNs) issued by one particular SPV will have the same nominal value (type and amount of underlying crypto units). To reduce registration overheads and provide immediate use of CABS Tokens, a GCN issue must be registered in larger pools and in advance.

¹⁶ <http://whatis.techtarget.com/definition/in-memory-data-grid>

¹⁷ [https://en.wikipedia.org/wiki/Over-the-counter_\(finance\)](https://en.wikipedia.org/wiki/Over-the-counter_(finance))

¹⁸ https://en.wikipedia.org/wiki/Application_programming_interface

Product Development & Use of Funds

Expansion Goals. All net funds received during the ITO will go towards further development of CABS Tokens, GCNs and the Platform in Luxembourg, UK and Swiss jurisdictions. Besides the current Luxembourg office, CyberTrust plans to add the following offices: Zurich (institutional sales), London (trading & research), Tallinn (IT/Blockchain) and Shanghai (trading desk, sales). CyberTrust intends to set legal and technical standards for crypto custodial services. This process secures crypto assets and provides titled ownership of crypto asset-backed securities with all necessary legal, tax, KYC, AML and regulatory features. As a consequence, these securities then provide access to liquid traditional markets with a significant reduction in trading settlement and clearing risks.

Minimum required. The minimum funds in the amount of CHF 5 million are required for the IT system development, Ethereum front-end, front and back office automation. If sufficient funds are not received, all will be returned to the ITO participants.

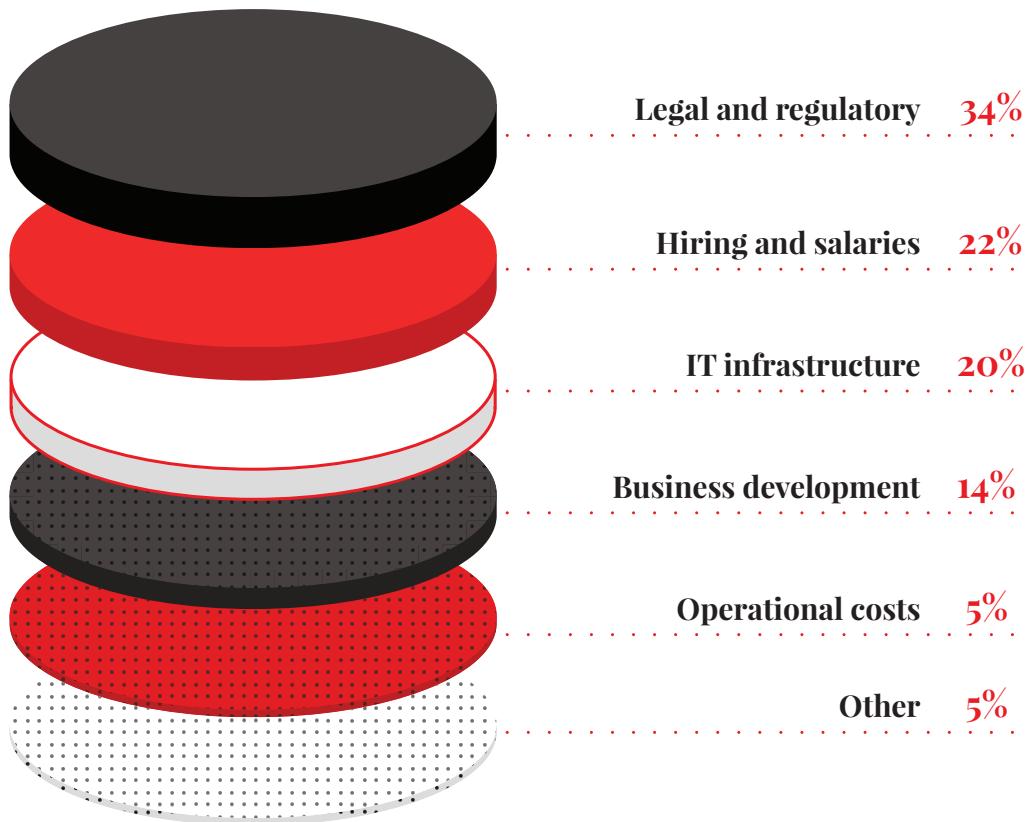
Base Case. If the funds received during the ITO reach CHF 15 million, CyberTrust will be able to offer gateways into Clearstream Banking S.A. and OTC markets. To commence GCN OTC distribution, we need working capital. Funds in the amount CHF15 million will enable CyberTrust to launch the first Securitisation Pool in BTC, ETH or BBC/BCH. Additional funds are required for the development of product distribution capabilities. This is important because a wide range of global institutional investors still have a low awareness of crypto assets or have imbedded misconceptions. Professionally explaining the benefits of CABS Tokens will require time, effort and capital. We plan to target family offices, hedge funds and sovereign wealth funds.

Advanced Scenario. Funds up to CHF 35 million would allow applying for custody and brokerage licenses in Luxembourg (other jurisdiction under review) and Commodity Futures Trading Commission (CFTC) license in the United States. We plan to launch similar securitisation products for Litecoin, NEM, DASH, NEO, Monero, Stratis, and other selected Cryptocurrencies. Funds will be directed to both legal securitisation setups and OTC market making, as well as distribution to institutional direct sales teams worldwide. Activity at this level would require at least a Luxembourg bank custody license. This would allow CyberTrust to become a major hub and key financial institution connecting crypto assets and the fiat world. A wide variety of institutional investors and existing crypto holders will benefit from CyberTrust as a bridge between traditional fiat and crypto asset markets.

Reserve & CABS Token Buyback. Funds above CHF35 million will go into reserve. The main purpose of the reserve is to protect CABS Token holders from force-majeure circumstances (including any CABS Token value fluctuations) following the ITO. The reserve will be among other things used to protect the token price by purchasing CABS Tokens. All net funds raised exceeding 35 million CHF equivalent will be used as a reserve until 31 December 2018 or until an ISIN for CABS Token-linked Global Crypto Notes or equivalent has been issued and the same are traded and settled via Clearstream Banking S.A., whichever is later. After the above date CyberTrust may at its discretion expand the use of these funds as working capital for securitisation pools and to other areas. The precise percentages of the reserve funds held in each currency may vary at CyberTrust discretion.

Token model. The model can be downloaded from GitHub.

Financial statements (forecast). In general, we separate the usage of funds into two major parts: operating expenditures (OPEX), which are those that are needed to sustain all business activities and capital expenditures (CAPEX) which are those that are needed to set up the business. According to our financial model we suppose that the total OPEX for 2018 will consist of the following major parts – hiring and salaries, business development, operational and other costs. CAPEX consists of IT infrastructure expenses, legal and regulatory costs, as indicated below:



Business development: marketing activities and promoting our product. We need these funds to inform the world about what we are doing and to attract the institutional capital that is looking for a way into crypto markets. For this we will participate in conferences and pitch to investment funds, in addition to creating partner projects and promotion via PR campaigns in business media.

Legal and regulatory: we need to have a custody and broker license to begin our banking activities in Luxembourg (CFFS). We are subsequently planning to acquire licenses from the CFTC and the Fed in the US, the FCA in the UK and in other jurisdictions.

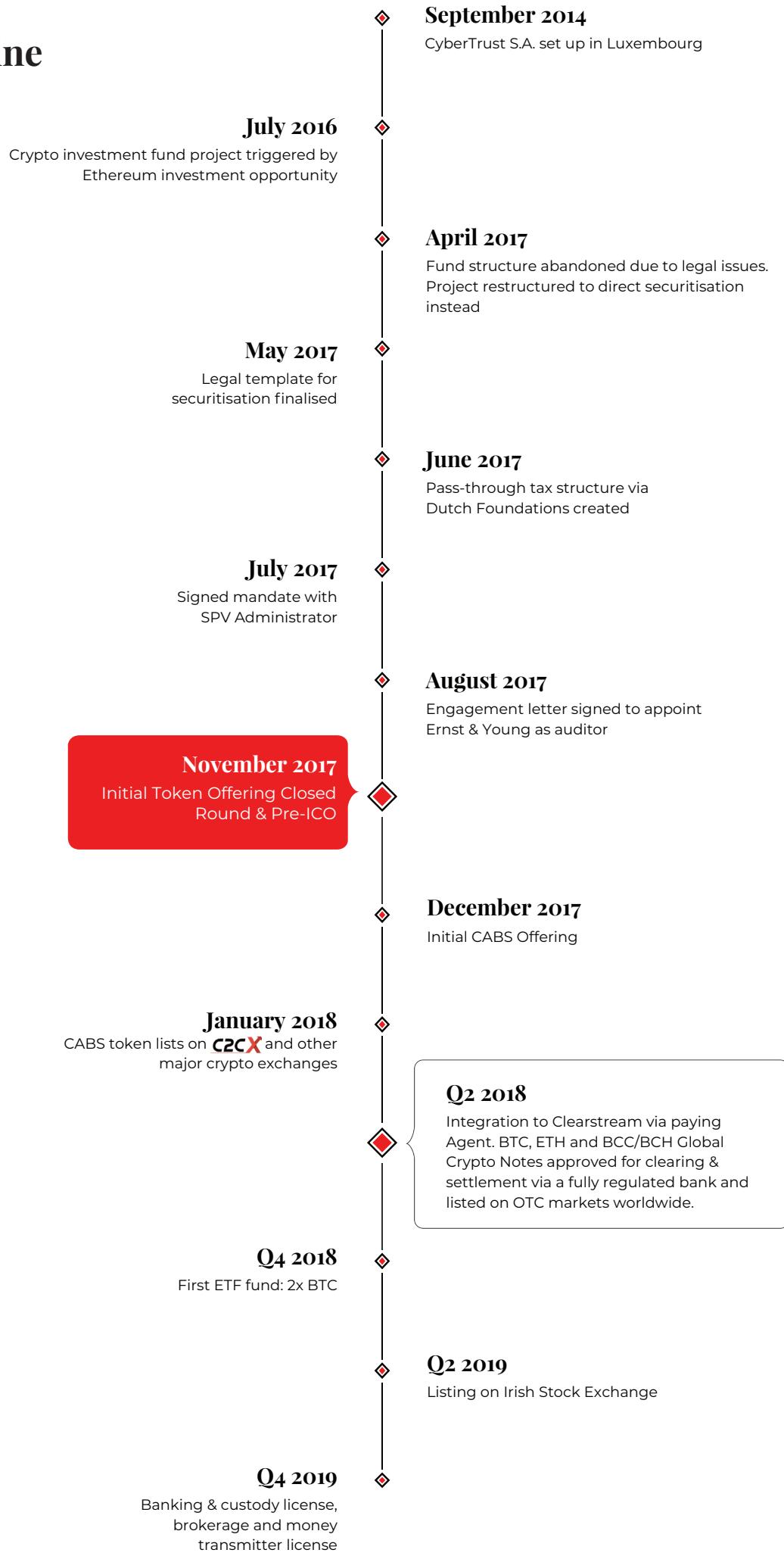
IT infrastructure: back-end and front-end development of web and mobile applications, cybersecurity, hardware, cold storage facilities and IT maintenance.

Hiring and salaries: finding the right candidates for positions and payment to employees. We will open offices for asset management, analysis and trading.

Operational costs: office space in Luxembourg and Zurich (Switzerland) and computing resources.

Other: advisor and community bonuses, plus other miscellaneous costs.

Timeline



TARGET AUDIENCE

TARGET AUDIENCE

Competition

As touched upon in the “Market Demand” section, Grayscale BIT offers a competing product targeted at institutional investors, while others such as the Winklevoss brothers have proposed projects targeting retail investors. The Winklevoss Bitcoin Trust owned by the Winklevoss twins made an attempt to register BTC as an exchange traded funds structure (ETF). It was rejected by the US Securities and Exchange Commission (SEC). The SEC stated that:



“First, the exchange must have surveillance-sharing agreements with significant markets for trading the underlying commodity [Bitcoin] or derivatives on that commodity. And second, those markets [Bitcoin markets] must be regulated.”¹⁹



In plain terms, the exchange where the underlying asset is traded needs to be linked with law enforcement and the underlying assets within the securitisation structure needs to be exchanged within the existing regulatory, settlement and judicial framework.

Some of the principal similarities and differences between the above-mentioned approaches are set out below.

Barry Silbert, Grayscale Bitcoin Investment Trust	Winklevoss Bitcoin Trust Bats BZX Exchange (never launched)	CyberTrust Open Securitisation Platform
Description		
OTC traded, closed-end fund	ETF targeted at wider public	Open-end securitisation platform, allowing community participation
Titled / Auditable Ownership		
Yes	Yes	Yes
Clearing & Settlement		
Yes	Yes	Yes
Jurisdiction		
United States	United States	Luxembourg

¹⁹ Source: <https://news.bitcoin.com/bitcoin-investment-trust-1-billion-credit-suisse-wedbush/>

Barry Silbert, Grayscale Bitcoin Investment Trust	Winklevoss Bitcoin Trust Bats BZX Exchange (never launched)	CyberTrust Open Securitisation Platform
Xapo	Cold Vault Technology	Xapo
		Tax Impact
United States Tax Laws / IRS	United States Tax Laws / IRS	CyberTrust Luxembourg SPV's are pass-through tax structures
On 31/08/2017, the market price of GBTC share was US\$1,005 based on NAV. When fees are deducted from NAV, the value is US\$432. Implying a price per BTC of US\$10,005, and a premium per BTC of US\$5,500	n/a (was not approved)	BTC GCNs should be priced by the market at the level of GBTC shares minus volume discount
		Pricing

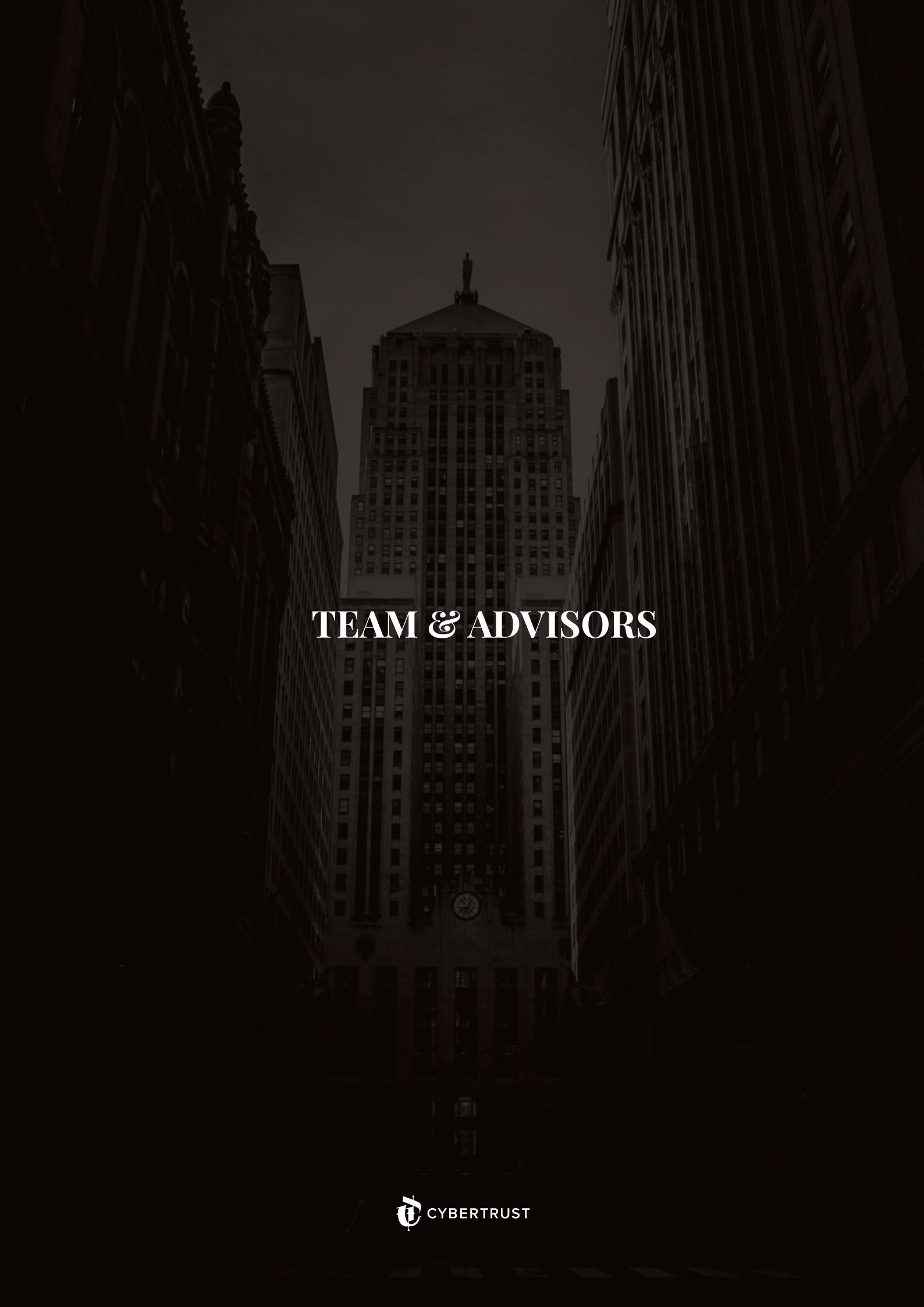
Sample Use Cases

CyberTrust allows the community to be involved in the development of secondary derivative products with conceivable structures. Here are a few additional sample use cases that the CyberTrust team is working on:

Client	Benefits	Structuring
Product & Size: US Treasury bills, synthetically denominated in BTC (US\$50 million)		
Undisclosed Middle Eastern sovereign wealth fund	Fixed income portfolio diversification, for tail-end risk and reduction in volatility USD risk and Central bank's policy risk ruled out through trust in mathematical framework Ability to audit, clear & settle Ability to move to designated third party custody Tax pass-through	Long BTC GCN futures, (50% margin reserves) Long 10-year T-bills, with 2-times leverage Holding via synthetic derivative structure
Product & Size: Amazon stock synthetically structured in ETH terms (US\$20 million)		
Paris based hedge fund	Same as above, plus: Long term view on Amazon, but not on USD (in the same time horizon) Exposure to ETH	Long ETH GCN futures (50% margin reserve) Long Amazon equity, with 2-times leverage Holding via synthetic derivative structure
Product & Size: Google stock in BCH terms (US\$10 million)		
Undisclosed family office	Same as above, plus: Long term view on Google, but not on USD (in the same time horizon) Exposure to BCH	Long BCH GCN futures (50% margin reserve) Long Google stock, with 2-times leverage Holding via synthetic derivative structure

The investment strategy of the structured products above seeks to neutralise US dollar and other fiat currency risks simultaneously buying futures in Global Crypto Notes. The strategy provides static exposure and does not try to time strengthening or weakening of either investment. These products offer a managed approach by which institutional investors are able to purchase traditional assets in Cryptocurrency terms. This approach differs from other investment vehicles that use fiat currencies for making asset purchases.





TEAM & ADVISORS

TEAM & ADVISORS

CyberTrust Team



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LEGAL ASPECTS

LEGAL ASPECTS

CABS Token Concept

CABS Tokens are software with cryptographic elements that are a utility appliance for the Platform. The CABS Tokens are based on the Ethereum protocol and conform to the widely-used ERC20 standard. The tokens have their functional utility only within the Platform and their application is conditioned by the need to develop an internal economy in the CyberTrust ecosystem that will establish transparent and fair relations among the community within this ecosystem.

The CABS Tokens are utility tokens and are intended to be used by their holders only for its designated purposes. The number of such purposes may be increased over time, including by means of adding new services and features available in exchange for the CABS Tokens.

The CABS Tokens are intended for experts in dealing with cryptographic tokens and blockchain-based software systems.

CABS Tokens are not securities in any jurisdiction. This White Paper does not constitute a prospectus or offer document of any sort, is not intended to constitute an offer of securities or a solicitation for investment, does not pertain in any way to an initial public offering or a share/equity offering, and does not pertain in any way to an offering of securities in any jurisdiction. The CABS Tokens are not intended to be marketed, offered for sale, purchased, sold, or traded in any jurisdiction where they are prohibited by applicable laws or require further registration with any applicable governmental authorities.

CABS Tokens do not represent a loan to CyberTrust. The CABS Tokens are neither debt instruments nor bonds of any kind nor any other form of loan advanced to CyberTrust. Allocation of the CABS Tokens, whether through the ITO or otherwise, does not grant to token holders any right of claim on CyberTrust's financial or any other assets.

CABS tokens do not grant participation in CyberTrust share capital or assets. The CABS Tokens do not provide token holders with any ownership or other interest in CyberTrust share capital or assets. Allocation of the CABS Tokens does not present an exchange of Cryptocurrencies for any form of shares in CyberTrust or CyberTrust's assets, including intellectual property. CABS Token holders are not entitled to any guaranteed form of dividends, revenue distributions or voting rights.

CABS tokens are non-refundable. CyberTrust is not obliged to provide CABS Token holders with a refund related to the tokens for any reason, and token holders will not receive money or other compensation in lieu of the refund. No promises of future performance or value are or will be made in respect to the CABS Tokens, including no promise of inherent value, no promise of continuing payments, no guarantee that the tokens will hold any particular value or any buy-back obligations on CyberTrust.

CABS tokens require its holders to provide additional efforts. The CABS Token itself is not usable to get a GSN and the underlying Cryptocurrency should be provided by the CABS Token holder for participation in Securitisation Pools.

Risk Factors

The participation in the ITO and allocation of CABS Tokens involves a high degree of risk, including the risks described below. Before accepting the allocated CABS Tokens, it is recommended that each ITO participant carefully weighs all the following information and risks. By accepting the allocated CABS Tokens each relevant ITO participant is being deemed to have accepted the following risks:

The value of BTC or any other Cryptocurrency may go to zero. Although currently BTC is the most widely known decentralised Cryptocurrency and digital payment system,²⁰ it may disappear and its value could go to zero.

Price difference between securitised BTC and BTC. As of the 30 August 2017, the market on the securitised BTC was trading at a significant premium to the price of the underlying BTC on the crypto markets. Although this premium may persist as demand from institutional investors grows, there can be no assurances or guarantees, expressed or implied, that such a premium will continue to exist. The same will apply to any other Cryptocurrency that may be securitised by on the Platform in the future.

Risk of hacker attacks & dependence on IT infrastructure. Dependence on functioning software applications, computer hardware and the Internet implies that CyberTrust can offer no assurances that a system failure would not adversely affect the use of CABS Tokens. Despite CyberTrust implementing all reasonable network security measures, its infrastructure is vulnerable to computer viruses, physical or electronic break-ins, attacks or other disruptions of a similar nature. Computer viruses, break-ins or other disruptions caused by third parties may result in interruption, delay, suspension or outright termination of the Product/Platform operation, which would limit or, in some of the worst case scenarios, may put an end to the usability of CABS Tokens.

Value of the CABS Token could go to zero. The value of CABS Tokens could go to zero. CABS Tokens may be subject to a significant and wild volatility. CyberTrust cannot guarantee any specific value of the CABS Token over any specific period of time and cannot be held responsible for any change in the value of CABS Token.

Risks related to smart contracts. Smart contract technology is still in its early stages of development and its application is of experimental nature. This may carry significant operational, technological, regulatory, reputational and financial risks. Consequently, although an audit conducted by an independent third party increases the level of security, reliability and accuracy, this audit cannot serve as any form of warranty, including any expressed or implied warranty, that the CABS Token smart contract is fit for its purpose or that it contains no flaws, vulnerabilities or issues which could cause technical problems or the complete loss of the CABS Tokens.

Regulatory risks. Blockchain technology, including, but not limited to the allocation of CABS tokens, may be a new concept in some jurisdictions, which may then apply existing laws or introduce new regulations regarding blockchain technology-based applications. Such

²⁰ <https://en.wikipedia.org/wiki/Bitcoin>

regulations may conflict with the current CABS Token smart contract setup and/or CABS Token concept. This may result in the need to make substantial modifications to the CABS Token smart contract, including its termination, loss of CABS Tokens and the suspension or termination of the Product/Platform operation and activities.

Tax risks. Receipt of the CABS Tokens may have tax consequences for the CABS Token holder and the holder understands that it is solely responsible for compliance with its tax obligations and CyberTrust bears no liability or responsibility with respect to any tax consequences to the CABS Token holders.

Execution risks. The CyberTrust team may not be able to reach the set Key Performance Indicators (KPIs) and milestones on expected dates. We have an ambitious task in front of us. KPIs like the registration of BTC ISIN, the contract with Clearstream Banking S.A. and start of clearing & settlement may take longer than expected. Moreover, Luxembourg may change its regulatory framework, which may adversely affect the developed legal and tax structure. All of the above may result in value of CABS Token going to zero or the Platform not being able to be launched.

Force majeure risks. CyberTrust performance may be interrupted, suspended or delayed due to force majeure circumstances. For the purposes of this White Paper, force majeure shall mean extraordinary events and circumstances which could not be prevented by CyberTrust and shall include: acts of nature, wars, armed conflicts, mass civil disorders, industrial actions, epidemics; lockouts, slowdowns, prolonged shortage or other failures of energy supplies or communication service; change in legislation, court and/or governmental practices and approach, acts of municipal, state or federal governmental agencies and/or other circumstances beyond CyberTrust's control, which were not in existence at the time of the start of the ITO. If such circumstances occur prior to the allocation of CABS Tokens and CyberTrust is unable to allocate all or some of the CABS Tokens within one month from the projected date, the escrow agent may issue a refund at the request of the affected CABS Token addressee. The refund will be issued in the original form to the same digital wallet or bank account from where the funds were received.

Risk factors not exclusive. Please note that the Product/Platform may be subject to other risks not foreseen by CyberTrust herein.

Legal Disclaimer

CABS Tokens – not for U.S. The CABS Tokens will be allocated to a particular ITO participant only if such participant covenants, represents and warrants that he/she is neither a citizen or permanent resident of the United States of America, nor does he/she have a primary residence or domicile in the United States of America, including Puerto Rico, the U. S. Virgin Islands, and any other possessions of the United States. In order for a CABS Token to be allocated to an entity, the authorised officer of such entity shall covenant, represent and warrant that none of the owners of the entity are citizens or permanent residents of the United States of America, nor do they have a primary residence or domicile in the United States of America, including Puerto Rico, the U. S. Virgin Islands, and any other possessions of the United States.

CyberTrust S.A. – allocation agent. Please note that CyberTrust S.A. (reg.no. 183210, the Grand Duchy of Luxembourg) is not generating or selling any CABS Tokens, but is acting as the

CABS Tokens allocation agent of CABS Platform Limited (registration number 113482, Gibraltar), which is the actual generator of the CABS Tokens. This effectively means that CyberTrust S.A. will in the course of the ITO allocate the CABS Tokens and receive the respective funds on behalf of and in the name of the said company. After completion of the ITO the CABS Platform Limited shall provide a grant to CyberTrust S.A. (out of the funds received in the course of the ITO) for the development of the Project/Platform and otherwise support the development of the CyberTrust ecosystem.

White Paper – not a legal instrument. The purpose of this White Paper is to present CyberTrust, the Product/Platform and the CABS Token to the potential holders in connection with the proposed ITO. The information set forth herein may not be exhaustive, this White Paper does not imply any elements of a contractual, partnership, joint venture or agency relationship between the author of this White Paper and the potential CABS Token holders. The sole purpose of this White Paper is to provide relevant and reasonable information to potential CABS Token holders in order for them to determine whether to undertake a thorough analysis of the CyberTrust project with the intent of acquiring the CABS Tokens.

CABS Token – product token. The CABS Token is a product token and is not a currency, security, commodity, or any other kind of financial instrument and has not been registered under the U.S. Securities Act, the securities laws of any state of the United States or the securities laws of any other country, including the securities laws of any jurisdiction in which a potential CABS Token holder is a resident.

No warranties. Certain statements, estimates and financial information contained herein constitute forward-looking statements or information which shall not be construed as a guarantee, warranty or representation of any kind. Such forward-looking statements or information involve known and unknown risks and uncertainties, which may cause actual events or results to differ materially from the estimates or the results implied or expressed in such forward-looking statements.

Governing language. This English version of the White Paper is the primary official source of information about the CABS Token. The information contained herein may from time to time be translated into other languages or used in the course of written or verbal communications with existing and prospective CABS Token holders, Platform customers, Product partners etc. In the course of such translation or communication, some of the information contained herein may be lost, corrupted, misinterpreted, misunderstood or misrepresented. The accuracy of such alternative translations and/or communications cannot be guaranteed. In the event of any conflicts or inconsistencies between such translations and communications and this official English language White Paper, the provisions of this English language original document shall prevail.

DEFINITIONS & INTERPRETATION

DEFINITIONS AND INTERPRETATION

The following capitalised terms are used in this White Paper. As many of them are new, and potentially confusing, we have attempted to put them into this alphabetised list and define for your understanding. Additionally, if they are specific terms created by CyberTrust, we have added © at the end of each defined term. NOTE: This is not a comprehensive list of definitions and interpretation rules and some of the terms are defined in the text of this White Paper and/or clarified and interpreted in the footnotes.

AML	Anti-Money Laundering, refers to a set of procedures, laws or regulations designed to stop the practice of generating income through illegal actions.
Base Price	The amount of funds provided by ITO participant in support of the Platform/Product (may be different for each ITO round), which is always matched by allocation of 1 (one) CABS Token to the relevant ITO participant.
BTC	Bitcoin, a Cryptocurrency.
BCC/BCH	Bitcoin Cash, a Cryptocurrency.
CABS Token©	Crypto-Asset Backed Securitisation Token, which is a crypto/digital asset created by CyberTrust.
Cryptocurrency	Digital asset designed to work as a medium of exchange using cryptography to secure the transactions, to control the creation of additional units of digital assets, and to verify the transfer of assets.
CyberTrust	CABS Platform Limited (registration number 113482, Gibraltar), any of its affiliates, partners, agents and other authorised representatives (including the officers, employees, parent and subsidiary entities of any of the aforementioned persons).
ETH	Ethereum, a Cryptocurrency.
GBCH share	The share in the Grayscale BIT, which is an OTC security quoted on the OTCQX exchange.
Grayscale BIT	The Grayscale Bitcoin Investment Trust (https://grayscale.co/bitcoin-investment-trust).
Global Crypto Notes (GCN)©	An ISIN security created by CyberTrust which gives claim rights to the underlying Cryptocurrency.
ISIN	International Securities Identification Number, a number which uniquely identifies a security, as defined in ISO 6166. It's a 12-character alpha-numerical code that serves for uniform identification of a security through normalisation of the assigned national number, where one exists, at trading and settlement.
ICO or ITO	"Initial CABS Offering", i.e. Initial allocation of CABS Tokens, which constitutes unregulated means of providing Cryptocurrency to CyberTrust in support for the development of the Platform/Product.
KYC	Know Your Customer, is the process of a business identifying and verifying the identity of its clients.
Product or Platform	The platform and its proposed and/or future products created by CyberTrust (CyberTrust ecosystem) that are described in more detail in the section "Product & Platform" of this White Paper.
Securitisation Pool	An event that will allow the token holders to commit an amount of Cryptocurrency that they wish to securitise, which event will be limited in time and aggregate volume of commitments, as shall be further detailed by a public announcement via www.cybertrust.io .

Special Vehicle (SPV)	Purpose
	A type of corporate entity or limited partnership created for a specific transaction or business, especially one unrelated to the parent company's main business. Their losses and risks generally are not recorded on the parent company's balance sheet. The SPV is usually a subsidiary company with an asset/liability structure and legal status that makes its obligations secure even if the parent company goes bankrupt.

Any reference in this White Paper to:

"assets" of any person	means its present and future assets (tangible, intangible and digital), revenues (including any right to receive revenues), business, undertaking, property and rights of every description;
the words "include" and "including"	shall be construed always without limitation and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by such general words;
"law" or "legislation"	shall be construed as any law (including common or customary law), statute, constitution, decree, judgment, treaty, regulation, directive, bye-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court;
"person"	shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing; and
"tax"	shall be construed so as to include any taxes (including interest or penalties thereon) which are now or at any time hereafter imposed, assessed, charged, levied, collected, demanded, withheld or claimed by any taxing authority of any jurisdiction.



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