Questions Bank Example Due Diligence on Crypto Assets

I. Legal and Regulatory Compliance:

- **Jurisdictional Analysis:**
    - In which jurisdictions is the digital asset/cryptocurrency operating?
    - What are the applicable laws and regulations in those jurisdictions? (AML/KYC, securities laws, tax laws, etc.)
    - Has the project obtained all necessary licenses and registrations?
    - Are there any pending or past regulatory investigations or enforcement actions?
    - How does the project handle cross-border transactions and regulatory differences?
- **Legal Structure:**
    - What is the legal structure of the entity behind the digital asset?
    - Are there any legal agreements or contracts in place (e.g., smart contracts, token sale agreements)?
    - What are the legal rights and obligations of token holders?
    - What is the legal classification of the digital asset (e.g., security, utility token, commodity)?
- **Data Privacy:**
    - How does the project comply with data privacy regulations (e.g., GDPR)?
    - What data is collected from users, and how is it stored and protected?
    - What is the project's policy on data breaches and incident response?

II. Financial Due Diligence:

- **Financial Statements:**
    - Are audited financial statements available?
    - What is the project's revenue model and financial performance?
    - What are the project's expenses and burn rate?
    - What are the project's sources of funding?
- **Tokenomics:**
    - What is the token distribution and allocation?
    - What is the token's utility and value proposition?
    - What is the token's supply and demand dynamics?
    - Are there any risks of inflation or deflation?
    - what are the trading volumes and liquidity of the token?
- **Risk Assessment:**
    - What are the key financial risks associated with the digital asset?
    - How does the project manage volatility and market fluctuations?
    - What are the potential risks of fraud or market manipulation?

III. Technical Due Diligence:

- **Blockchain Technology:**
    - What blockchain technology is used?

    - What is the consensus mechanism?
    - What is the security of the blockchain network?
    - Has the blockchain been audited for vulnerabilities?
- **Smart Contracts:**
    - Are smart contracts used?
    - Have the smart contracts been audited for security and functionality?
    - What is the risk of smart contract bugs or exploits?
- **Cybersecurity:**
    - What cybersecurity measures are in place to protect the digital asset and user data?
    - Has the project undergone penetration testing and security audits?
    - What is the project's incident response plan?
- **Custody:**
    - How are the digital assets custodied?
    - Are the private keys stored safely?
    - What are the procedures for recovering lost or stolen keys?

IV. Operational Due Diligence:

- **Team and Management:**
    - What is the experience and expertise of the team?
    - What is the team's track record?
    - Are there any conflicts of interest?
- **Operational Security:**
    - What are the project's operational procedures and controls?
    - What are the project's business continuity and disaster recovery plans?
- **Community and Reputation:**
    - What is the project's community engagement and reputation?
    - Are there any negative reviews or controversies?
    - what is the level of decentralization of the project?
- **Exchanges and Platforms:**
    - Which exchanges and platforms are the digital assets listed on?
    - What is the due diligence process for those exchanges and platforms?

Key Considerations:

- **Volatility:** The extreme volatility of cryptocurrencies necessitates a deep dive into risk management.
- **Decentralization:** The level of decentralization impacts governance and risk.
- **Evolving Regulations:** The regulatory landscape is constantly changing, requiring ongoing monitoring.
- **Cybersecurity Threats:** The digital nature of these assets makes them prime targets for cyberattacks.

1. Legal and Regulatory Compliance

- Is the cryptocurrency or digital asset compliant with local and international regulations?
- Has the project obtained necessary licenses or approvals from regulatory bodies?
- Are there any ongoing legal disputes or regulatory investigations involving the asset or its team?
- Does the project comply with Anti-Money Laundering (AML) and Know Your Customer (KYC) requirements?
- Are there any restrictions or bans on the asset in specific jurisdictions?
- How does the project handle data privacy and protection (e.g., GDPR compliance)?
- Are there clear terms of service, disclaimers, and risk disclosures for users?
- Does the project have a legal opinion or whitepaper addressing its regulatory status?

2. Team and Background

- Who are the founders, developers, and key team members? What is their professional background?
- Have the team members been involved in previous successful projects or any controversies?
- Is the team publicly identifiable, and do they have a verifiable track record?
- Are there any advisors or partners associated with the project? What is their reputation?
- Does the team have the necessary technical and industry expertise to deliver on their promises?
- Is the team actively engaged with the community, and do they respond to concerns transparently?

3. Technology and Security

- What blockchain or technology does the asset use? Is it proprietary or built on an existing platform?
- Is the codebase open-source? Has it been audited by third-party security firms?
- Are there any known vulnerabilities or past security breaches?
- How does the project handle smart contract risks (if applicable)?
- What consensus mechanism does the blockchain use (e.g., Proof of Work, Proof of Stake)?
- How scalable is the technology, and what are the transaction speeds and costs?
- Are there mechanisms in place to prevent double-spending, 51% attacks, or other exploits?
- Does the project have a disaster recovery plan or contingency measures for technical failures?

4. Tokenomics and Financial Viability

- What is the total supply of the cryptocurrency or token? Is it fixed or inflationary?
- How are tokens distributed (e.g., team, investors, community, reserves)?
- Is there a vesting schedule for team and investor tokens to prevent market dumping?
- What is the utility of the token? Does it have a clear use case within the ecosystem?
- How does the project generate revenue, and what is its business model?
- Are there any staking, yield farming, or other earning mechanisms? How sustainable are they?
- What is the market capitalization, liquidity, and trading volume of the asset?
- Are there any significant token holders or whales who could manipulate the market?

5. Market and Competitive Analysis

- What problem does the cryptocurrency or digital asset aim to solve?
- Who are the main competitors, and how does the project differentiate itself?
- What is the size of the target market, and what is the growth potential?
- Are there any partnerships or collaborations that enhance the project's credibility?
- How does the project plan to attract and retain users or investors?
- What is the current adoption rate, and are there any real-world use cases?
- How does the project perform during market downturns or periods of high volatility?

6. Roadmap and Development Progress

- Does the project have a clear and realistic roadmap? Are milestones being met on time?
- What are the short-term and long-term goals of the project?
- How active is the development team? Are there regular updates and code commits?
- Are there any delays or setbacks in the project's development?
- How does the project handle community feedback and feature requests?

7. Community and Ecosystem

- How large and active is the community (e.g., social media, forums, Discord, Telegram)?
- Is the community engaged and supportive of the project?
- Are there any signs of manipulation or fake accounts inflating community metrics?
- Does the project have a governance model that allows community participation?
- Are there any grants, incentives, or developer programs to grow the ecosystem?

8. Risks and Red Flags

- Are there any signs of a pump-and-dump scheme or market manipulation?
- Does the project make unrealistic promises or guarantees of returns?
- Are there any conflicts of interest among team members or advisors?
- Has the project been involved in any scams, hacks, or controversies?
- Are there any signs of plagiarism in the whitepaper, code, or branding?
- How transparent is the project about its finances and operations?

9. Financial Audits and Transparency

- Has the project undergone a financial audit? Are the results publicly available?
- Are the project's treasury and funds managed transparently?
- How are funds raised through token sales or investments being allocated?
- Are there any concerns about the project's financial sustainability or runway?

10. Exit Strategy and Liquidity

- What are the liquidity options for the asset (e.g., listed on major exchanges)?
- Are there any lock-up periods or restrictions on selling tokens?
- How does the project plan to ensure long-term liquidity and market stability?
- What is the exit strategy for investors or users if the project fails?

11. Environmental, Social, and Governance (ESG) Considerations

- What is the environmental impact of the cryptocurrency (e.g., energy consumption)?
- Does the project promote social good or inclusivity?
- Are there governance mechanisms in place to ensure fair decision-making?
- How does the project address ethical concerns related to its operations?

12. External Reviews and Reputation

- What do independent analysts, influencers, and experts say about the project?
- Are there any credible reviews or ratings from industry platforms (e.g., CoinMarketCap, CoinGecko)?
- Has the project been featured in reputable media outlets or conferences?
- What is the sentiment of the broader crypto community toward the project?

Conducting due diligence on digital assets and cryptocurrencies involves a comprehensive examination of various aspects to mitigate risks and ensure compliance. Below are key questions to consider across different areas:

Legal and Regulatory Due Diligence

1. **Company Structure and Legal Standing:**
    - What is the legal entity of the company, and is it compliant with all applicable laws?
    - Are there any changes in the legal structure over time?
    - Are all necessary licenses and permits in place?
2. **Regulatory Compliance:**
    - Is the company compliant with relevant securities and commodities laws?
    - Are there any sanctions restrictions or transaction monitoring requirements?
    - How does the company handle AML/KYC policies and procedures?
3. **Intellectual Property (IP):**
    - What IP assets does the company own, and are they valid?
    - Are there any potential IP infringement issues?
    - How are IP rights allocated among stakeholders?
4. **Litigation and Disputes:**
    - Are there any ongoing or past legal disputes?
    - What are the potential financial exposures from these disputes?

Operational Due Diligence

1. **Custody and Asset Verification:**
    - How are digital assets stored and secured?
    - Are multi-signature wallets used for custody?

- What measures are in place to verify asset ownership?

2. **Trade Processes:**

    - What are the procedures for buying and selling digital assets?

    - Are there any trade surveillance mechanisms to prevent market manipulation?

3. **Conflicts of Interest:**

    - Are there any conflicts of interest among stakeholders?

    - How are these conflicts managed?

4. **Regulatory Risk:**

    - What is the understanding of the current regulatory environment?

    - Are there any potential regulatory risks to the portfolio?

Technical Due Diligence

1. **Blockchain and Smart Contracts:**

    - What blockchain technology is used, and how secure is it?

    - Are smart contracts audited for vulnerabilities?

2. **Cybersecurity Measures:**

    - What cybersecurity measures are in place to protect against hacks?

    - Are two-factor authentication and end-to-end encryption used?

3. **Code Audit:**

    - Is the codebase open-source or proprietary?

    - Are there any known vulnerabilities or inefficiencies?

4. **UX/UI Audit:**

    - How user-friendly is the platform or product?

    - Are there any pain points or areas for improvement?

Financial Due Diligence

1. **Financial Statements:**
    - Are financial statements audited and transparent?
    - What is the financial health of the company?
2. **Valuation:**
    - How are digital assets valued?
    - Are valuations consistent with market standards?
3. **Funding and Revenue Streams:**
    - What are the primary funding sources?
    - Are revenue streams diversified and sustainable?

Market and Strategy Due Diligence

1. **Market Position:**
    - What is the market position of the company?
    - Are there any competitors or market gaps?
2. **Strategy Alignment:**
    - Is the digital strategy aligned with business goals?
    - Are there plans for future scalability and growth?
3. **Community Engagement:**
    - How active is the community around the project?
    - Are developers and stakeholders engaged?

Environmental and Sustainability Due Diligence

1. **Energy Consumption:**
    - Does the project rely on energy-intensive mining methods?
    - Are there initiatives to reduce energy consumption?
2. **Sustainability Practices:**
    - Are there any sustainability practices or policies in place?
    - How does the company address environmental concerns?

Governance and Ownership Due Diligence

1. **Governance Structure:**
    - What is the governance structure of the project?
    - Who holds decision-making power?
2. **Ownership Structure:**
    - Who are the major stakeholders?
    - Is the project decentralized or centralized?

By addressing these questions, investors and companies can ensure a thorough due diligence process for digital assets and cryptocurrencies, mitigating risks and ensuring compliance with regulatory requirements.

1. Legal and Regulatory Compliance

- **Licensing and Registration**
  - Is the entity or project registered with any regulatory bodies?
  - Does the entity hold any required licenses for operating in the cryptocurrency space (e.g., money transmitter licenses, securities licenses)?
  - In which jurisdictions does the project operate, and what is the regulatory stance in those regions?
- **Compliance Framework**
  - Does the project comply with KYC (Know Your Customer) and AML (Anti-Money Laundering) regulations?
  - How does the entity ensure GDPR or other data privacy compliance for its users?
  - Are there any pending legal actions, investigations, or disputes involving the project or its founders?
- **Intellectual Property**
  - Are trademarks, copyrights, and patents secured for the technology or branding?
  - Is there a clear ownership structure for the project's intellectual property?

2. Technical Due Diligence

- **Blockchain Infrastructure**
  - Which blockchain technology or protocol is used, and why was it chosen?
  - Is the blockchain platform decentralized, or is it permissioned?
  - What consensus mechanism is employed (e.g., Proof of Work, Proof of Stake, etc.)?
- **Code and Security**
  - Has the smart contract or platform code been audited by third-party security firms?
  - What security measures are in place to prevent hacks or breaches?
  - Are there bug bounty programs to encourage reporting vulnerabilities?
- **Scalability and Performance**
  - What is the current throughput (transactions per second)?
  - How does the platform handle scalability issues during periods of high usage?
  - What are the plans for upgrades or improvements to the technical stack?

3. Financial Health and Tokenomics

- **Token Distribution**
  - What is the initial distribution of tokens (e.g., private sales, public sales, team allocation)?
  - Are there any vesting schedules or lock-up periods for team and investor tokens?

    - How many tokens are in circulation, and what is the total supply?
- **Revenue Model**
    - How does the project generate revenue, and what are its primary sources of income?
    - Are there any existing partnerships or business agreements driving revenue?
- **Fund Management**
    - How are raised funds stored (e.g., cold wallets, multi-signature wallets)?
    - Are there independent audits or attestations for the project's treasury or reserves?
    - What is the burn or inflation rate of the token?

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4. Governance and Team

- **Founders and Leadership**
    - Who are the key members of the team, and what are their backgrounds?
    - Have the founders been involved in any previous crypto projects? If so, what was their track record?
- **Governance Model**
    - Does the project employ decentralized governance? If so, how is it implemented?
    - What role does the community play in decision-making processes?
    - How are governance proposals submitted, voted on, and executed?
- **Transparency**
    - Are meeting minutes, development updates, and key financial information shared publicly?
    - Does the team maintain open communication with the community and stakeholders?

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5. Market and Competitive Analysis

- **Market Position**
    - What is the unique selling point (USP) of the project compared to competitors?
    - What is the current market share of the platform or token?
- **Adoption Metrics**
    - How many active users or wallets are there on the platform?
    - What is the current trading volume and liquidity of the token?
    - What partnerships or collaborations have been secured to drive adoption?
- **Competitor Analysis**
    - Who are the main competitors, and what are their strengths and weaknesses?
    - How does the project differentiate itself in terms of technology, user experience, or business model?

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6. Risk Assessment

- **Regulatory Risks**
  - Are there any known or anticipated regulatory changes that could impact the project?
  - How does the project handle cross-border compliance challenges?
- **Technology Risks**
  - Is there any reliance on third-party technology that could pose a risk?
  - Are there backup and disaster recovery plans in case of critical system failures?
- **Market Risks**
  - What are the potential risks of market manipulation or token price volatility?
  - How dependent is the project on the price of its native token?

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7. Community and Ecosystem

- **Community Engagement**
  - What is the size and activity level of the project's community (e.g., Telegram, Discord, Twitter)?
  - Does the project have any known community advocates or influencers?
- **Ecosystem Development**
  - Are there any developers or businesses actively building on top of the platform?
  - What incentives are in place for ecosystem participants, such as validators, developers, or liquidity providers?

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8. Exit and Liquidity

- **Token Liquidity**
  - On which exchanges is the token listed?
  - Are there any restrictions on selling or trading the token?
- **Exit Strategy**
  - What is the project's long-term plan, and how does it aim to achieve sustainability?
  - Are there clear provisions for handling project shutdowns or fund redistribution?

1. Legal and Regulatory Compliance

- **Taxation and Reporting**
    - What are the tax implications of investing in this digital asset within your jurisdiction?
    - Does the project provide guidance or support for tax reporting?
- **Intellectual Property Rights**
    - Are there any existing patents or intellectual property claims that could affect the project's operations?

2. Technical Due Diligence

- **Smart Contract Functionality**
    - Have the smart contracts been audited by reputable third parties?
    - Are the audit reports publicly accessible for review?
- **Open Source Code**
    - Is the project's codebase open source, allowing for community review and contributions?
    - How active is the development community in maintaining and improving the code?

3. Financial Health and Tokenomics

- **Revenue Streams**
    - What are the project's current and projected revenue streams?
    - How does the project plan to achieve financial sustainability?
- **Token Utility**
    - What are the primary use cases for the token within the project's ecosystem?
    - Is there a clear demand for the token that supports its value proposition?

4. Governance and Team

- **Advisors and Partnerships**
    - Who are the project's advisors, and what relevant experience do they bring?
    - Are there established partnerships with other reputable organizations or projects?
- **Team Transparency**
    - Does the team have a history of delivering on their project milestones?
    - Are team members' identities and qualifications verifiable?

5. Market and Competitive Analysis

- **Market Demand**
    - What problem is the project aiming to solve, and how significant is this issue in the current market?
    - Is there evidence of user adoption or interest in the project's solution?
- **Competitive Advantage**
    - What differentiates the project from its competitors?

    - Does the project have any proprietary technology or unique features that provide a competitive edge?

6. Risk Assessment

- **Operational Risks**
    - What are the potential operational challenges the project might face?
    - Does the project have contingency plans for critical risks?
- **Market Volatility**
    - How susceptible is the token's value to market fluctuations?
    - Are there mechanisms in place to mitigate extreme volatility?

7. Community and Ecosystem

- **Developer Engagement**
    - Is there an active developer community contributing to the project's growth?
    - Are there incentives for developers to build on or integrate with the project's platform?
- **User Feedback**
    - What is the general sentiment of the community towards the project?
    - Are there channels for users to provide feedback, and how is it addressed?

8. Exit and Liquidity

- **Token Accessibility**
    - Is the token listed on major, reputable exchanges?
    - Are there sufficient trading volumes to ensure liquidity?
- **Lock-Up Periods**
    - Are there any lock-up periods or restrictions for early investors or team members?
    - How might these affect token supply and price dynamics?

1. Legal and Regulatory Compliance

- Does the project have a clear legal structure (e.g., foundation, corporation, DAO)?
- Are there any tax implications for holding or transacting with the asset?
- How does the project handle cross-border transactions and regulatory differences?
- Are there any restrictions on the transfer or ownership of the asset?
- Does the project have a compliance officer or legal team to monitor regulatory changes?
- Are there any pending or potential legislative changes that could impact the asset?
- How does the project handle sanctions or restrictions from governments or financial institutions?

2. Team and Background

- Are the team members doxxed (publicly identifiable), or do they operate anonymously?
- Have any team members been involved in failed or fraudulent projects in the past?
- Does the team have experience in blockchain development, cryptography, or fintech?
- Are there any gaps in the team's expertise (e.g., lack of marketing, legal, or financial experts)?
- How does the team handle conflicts of interest, especially if members are involved in multiple projects?
- Is the team actively involved in the crypto community or industry events?
- Are there any succession plans in place for key team members?

3. Technology and Security

- Does the project use a permissioned or permissionless blockchain?
- How does the project handle upgrades or forks (e.g., hard forks, soft forks)?
- Are there any dependencies on third-party technologies or platforms?
- How does the project ensure interoperability with other blockchains or systems?
- What is the process for reporting and resolving bugs or vulnerabilities?
- Are there any mechanisms for decentralized governance of the protocol?
- How does the project handle key management and wallet security for users?
- Are there any plans to migrate to a new blockchain or upgrade the underlying technology?

4. Tokenomics and Financial Viability

- What percentage of tokens are held by the team, advisors, and early investors?
- Are there any mechanisms to burn or reduce the token supply over time?
- How does the project manage inflation or deflation of the token?

- Are there any buyback or token-burning mechanisms to support price stability?
- What is the vesting schedule for team and investor tokens?
- How does the project fund its operations (e.g., token sales, venture capital, grants)?
- Are there any risks of centralization in token ownership or control?
- How does the project plan to incentivize long-term holding of the token?

5. Market and Competitive Analysis

- What is the project's unique value proposition (UVP) compared to competitors?
- Are there any barriers to entry for new competitors in this space?
- How does the project plan to capture market share from established players?
- Are there any emerging trends or technologies that could disrupt the project?
- How does the project plan to expand into new markets or regions?
- Are there any risks of substitution (e.g., another project solving the same problem better)?
- What is the project's strategy for dealing with market volatility or downturns?

6. Roadmap and Development Progress

- How does the project prioritize features or milestones on its roadmap?
- Are there any dependencies on external factors to achieve roadmap goals?
- How transparent is the project about delays or changes to the roadmap?
- Are there any plans for post-launch development or continuous improvement?
- How does the project measure success against its roadmap goals?
- Are there any risks of scope creep or feature bloat?

7. Community and Ecosystem

- How does the project handle community disputes or disagreements?
- Are there any incentives for developers to build on the platform?
- How does the project onboard new users or developers?
- Are there any educational resources or documentation for the community?
- How does the project handle negative feedback or criticism from the community?
- Are there any plans to expand the community globally or target specific demographics?

8. Risks and Red Flags

- Are there any signs of insider trading or market manipulation?
- Does the project rely heavily on hype or marketing rather than substance?

- Are there any concerns about the project's long-term viability or sustainability?
- Does the project have a history of missed deadlines or broken promises?
- Are there any signs of plagiarism or lack of originality in the project?
- How does the project handle negative press or public relations crises?

9. Financial Audits and Transparency

- Are there regular financial reports or updates for investors?
- How does the project manage its treasury or reserve funds?
- Are there any concerns about misallocation or misuse of funds?
- Does the project have a clear budget or financial plan for the next 1-3 years?
- Are there any risks of insolvency or running out of funds?

10. Exit Strategy and Liquidity

- What happens to the asset if the project fails or shuts down?
- Are there any mechanisms for token holders to recover value in case of failure?
- How does the project plan to maintain liquidity during market downturns?
- Are there any plans to list the asset on decentralized exchanges (DEXs) or centralized exchanges (CEXs)?
- How does the project handle delisting from exchanges?

11. Environmental, Social, and Governance (ESG) Considerations

- Does the project have a sustainability plan to reduce its environmental impact?
- How does the project contribute to social causes or communities?
- Are there any concerns about the project's governance model or decision-making process?
- How does the project ensure diversity and inclusion within its team and community?
- Are there any ethical concerns related to the project's operations or goals?

12. External Reviews and Reputation

- Are there any independent audits or reviews of the project's technology or finances?
- How does the project respond to criticism or negative reviews?
- Are there any awards or recognitions the project has received?
- What is the sentiment of institutional investors or large stakeholders toward the project?
- Are there any concerns about the project's reputation in the broader crypto community?

13. Use Case and Adoption

- What are the real-world applications of the cryptocurrency or digital asset?
- Are there any pilot programs or case studies demonstrating its use?
- How does the project plan to drive adoption among businesses and consumers?
- Are there any partnerships with established companies or institutions?
- How does the project measure user engagement or adoption rates?

14. Governance and Decentralization

- How decentralized is the project's governance model?
- Are there any risks of centralization in decision-making or control?
- How are governance proposals submitted, voted on, and implemented?
- Are there any mechanisms to prevent governance attacks or manipulation?
- How does the project ensure transparency in governance decisions?

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15. Innovation and Technology Differentiation

- What innovative features or technologies does the project introduce?
- How does the project stay ahead of technological advancements in the industry?
- Are there any patents or intellectual property associated with the project?
- How does the project handle competition from newer or more advanced technologies?
- Are there any plans to integrate with emerging technologies (e.g., AI, IoT)?

Excellent, let's expand upon those core areas with even more granular questions, pushing deeper into the nuances of digital asset due diligence:

I. Legal and Regulatory Compliance :

- **Specific Regulatory Scrutiny:**
    - Are there any specific regulatory "red flags" associated with the project's chosen jurisdiction(s)?
    - How does the project anticipate and adapt to potential future regulatory changes?
    - Has the project received any formal or informal inquiries from regulatory bodies?
- **Intellectual Property:**
    - Who owns the intellectual property (IP) related to the project's technology?
    - Are there any potential IP disputes or infringement risks?
    - How is the project's IP protected?
- **Sanctions and AML/CFT:**
    - What are the project's procedures for screening transactions for sanctions compliance?
    - How does the project handle politically exposed persons (PEPs) and high-risk customers?
    - What are the on chain analysis tools that they utilize to track illicit funds?
- **Decentralized Autonomous Organizations(DAO) specific legal questions:**
    - If the project is a DAO, what is the legal standing of the DAO in relevant jurisdictions?
    - How are liabilities handled within the DAO structure?
    - What are the legal implications of the DAO's governance model?

II. Financial Due Diligence :

- **Tokenomics Deep Dive:**
    - What is the vesting schedule for team and investor tokens?
    - Are there any mechanisms for burning or repurchasing tokens?
    - What is the token's velocity and circulation?
    - How are the funds raised during token sales being used?
    - What are the on chain metrics for the token, and how do they compare to similar projects?
- **Financial Risk Modeling:**
    - What stress testing has been conducted on the project's financial model?
    - What are the potential impacts of black swan events on the project's finances?
    - What is the projects treasury management strategy?
- **Accounting and Auditing:**
    - Which accounting standards are being used?
    - Who are the auditors, and what is their reputation in the digital asset space?
    - Are there regular proof of reserve audits?

III. Technical Due Diligence :

- **Blockchain Security:**
    - What specific cryptographic algorithms are used?
    - What is the project's approach to key management and security?
    - Are there any known vulnerabilities in the underlying blockchain protocol?
    - What is the process for updating and patching the blockchain?
- **Smart Contract Security:**
    - What formal verification methods are used to ensure smart contract correctness?
    - What is the project's bug bounty program?
    - Has there been any previous exploits of the smart contract?
- **Open-Source Analysis:**
    - If the project is open-source, what is the quality and activity of the code repository?
    - Are there any signs of malicious code or backdoors?
    - What is the communities involvement in the open source project?
- **Interoperability:**
    - If the project is designed to be interoperable with other blockchains, what are the associated risks?
    - What cross chain bridges are being used, and what are their security track records?

IV. Operational Due Diligence :

- **Team and Governance:**
    - What are the backgrounds and reputations of the project's advisors?
    - What is the project's governance structure, and how are decisions made?
    - What is the level of transparency in the projects governance?
- **Community and Social Media:**
    - Is the project's community organic or artificially inflated?
    - What is the sentiment analysis of social media discussions about the project?
    - Are there any signs of coordinated disinformation campaigns?
- **Contingency Planning:**
    - What are the project's plans for handling a major security breach or regulatory crackdown?
    - What are the project's plans for scaling operations?
    - What is the plan for a bear market, or crypto winter?
- **Third-Party Risks:**
    - What are the risks associated with the project's reliance on third-party vendors and partners?
    - What due diligence has been conducted on those third parties?

Legal and Regulatory Due Diligence

1. **Compliance with International Laws:**
    - How does the company ensure compliance with international laws and regulations?
    - Are there any specific jurisdictions where operations are restricted?
2. **Data Privacy:**
    - How does the company handle user data privacy?
    - Are there any data protection policies in place?
3. **Tax Obligations:**
    - What are the tax obligations of the company in different jurisdictions?
    - Are there any tax disputes or pending issues?
4. **Regulatory Filings:**
    - Are all necessary regulatory filings up to date?
    - Are there any pending or anticipated regulatory changes that could impact operations?

Operational Due Diligence

1. **Risk Management:**
    - What risk management strategies are in place for market volatility?
    - Are there any hedging strategies used?
2. **Insurance Coverage:**
    - Does the company have insurance coverage for digital assets?
    - What are the terms and conditions of the insurance policy?
3. **Business Continuity Plan:**
    - Is there a business continuity plan in place for unexpected disruptions?
    - How does the company ensure operational resilience?

4. **Employee Background Checks:**
    - Are background checks conducted on employees handling sensitive information?
    - What are the criteria for hiring personnel in critical roles?

Technical Due Diligence

1. **Technology Stack:**
    - What technologies are used in the development of the platform or product?
    - Are these technologies scalable and secure?
2. **Penetration Testing:**
    - How often is penetration testing conducted to identify vulnerabilities?
    - Are the results of these tests publicly available or shared with stakeholders?
3. **Open-Source Contributions:**
    - Does the company contribute to open-source projects?
    - How does this contribute to the overall ecosystem?
4. **API Security:**
    - Are APIs properly secured to prevent unauthorized access?
    - Are there any documented API security protocols?

Financial Due Diligence

1. **Revenue Streams Diversification:**
    - Are revenue streams diversified across different markets or products?
    - How does the company manage revenue volatility?
2. **Expense Management:**
    - What are the major expense categories for the company?

- Are there any cost-saving initiatives in place?

3. **Funding Rounds:**

    - What are the details of past funding rounds?

    - Are there any plans for future funding rounds?

4. **Financial Reporting:**

    - How frequently are financial reports published?

    - Are these reports audited by external firms?

Market and Strategy Due Diligence

1. **Competitive Landscape:**

    - Who are the main competitors in the market?

    - How does the company differentiate itself from competitors?

2. **Market Research:**

    - What market research methods are used to understand customer needs?

    - Are there any customer feedback mechanisms in place?

3. **Growth Strategy:**

    - What are the short-term and long-term growth strategies?

    - Are these strategies aligned with market trends?

4. **Partnerships and Collaborations:**

    - Are there any strategic partnerships or collaborations?

    - How do these partnerships contribute to the company's growth?

Environmental and Sustainability Due Diligence

1. **Carbon Footprint:**

- What is the carbon footprint of the company's operations?

- Are there any initiatives to reduce this footprint?

2. **Sustainable Practices:**

- Are there any sustainable practices or policies in place for operations?

- How does the company promote sustainability within its ecosystem?

3. **Supply Chain Management:**

- How does the company manage its supply chain to ensure sustainability?

- Are there any audits conducted to ensure compliance with sustainability standards?

Governance and Ownership Due Diligence

1. **Board Composition:**

- Who are the members of the board of directors?

- What are their backgrounds and expertise?

2. **Decision-Making Processes:**

- How are major decisions made within the company?

- Are there any checks and balances in place?

3. **Shareholder Structure:**

- Who are the major shareholders?

- Are there any voting agreements or restrictions?

4. **Stakeholder Engagement:**

- How does the company engage with stakeholders, including investors and users?

- Are there any mechanisms for feedback and communication?

1. Legal and Regulatory Compliance

-
    - Does the project have a legal opinion regarding its classification as a utility token, security, or other asset type?
    - In how many jurisdictions has the project ensured regulatory compliance?
    - Are there export controls or restrictions for certain countries?
- **Intellectual Property Disputes**
    - Has the project faced any legal challenges over intellectual property (IP) claims?
    - Are IP rights secured in major markets where the project intends to operate?
- **Contracts and Agreements**
    - Are partnership agreements with exchanges, payment processors, or third-party providers formalized and enforceable?
    - Are there terms and conditions that protect the platform and users in case of disputes?

2. Technical Due Diligence

- **Infrastructure and Hosting**
    - Where are the servers or nodes for the platform hosted (e.g., on-premise, cloud-based, decentralized)?
    - How is the network protected against Distributed Denial of Service (DDoS) attacks?
- **Interoperability**
    - Does the project support interoperability with other blockchains or technologies (e.g., bridges, cross-chain functionality)?
    - Are there plans to integrate with upcoming blockchain standards (e.g., Polkadot, Cosmos)?
- **Development Process**
    - What development methodology does the team follow (e.g., Agile, DevOps)?
    - Are there regular updates to the codebase, and is there a public roadmap?
- **Reliability**
    - What is the project's uptime percentage over the past year?
    - Are there automated systems for monitoring and recovering from outages?

3. Financial Health and Tokenomics

- **Funding Sources**
    - What were the sources of funding (e.g., ICO, private sales, venture capital)?
    - Are there large stakeholders or institutional investors holding a significant share of the tokens?
- **Treasury Management**

    - How are funds in the project's treasury allocated (e.g., development, marketing, reserve)?
    - What safeguards are in place to prevent misuse of funds?
- **Token Buyback or Burn Policies**
    - Are there any mechanisms for token buybacks or burns to regulate supply?
    - How transparent are these policies, and how often are they executed?

4. Governance and Team

- **Team Dynamics**
    - Are key team members committed full-time or part-time to the project?
    - Is there a clear succession plan if a founding member departs?
- **Governance Participation**
    - What percentage of token holders actively participate in governance votes?
    - Are governance decisions binding, or are they advisory in nature?
- **Conflict of Interest**
    - Are team members involved in any competing projects?
    - Are there transparent disclosures about personal holdings of the token by team members?

5. Market and Competitive Analysis

- **Adoption Metrics**
    - What percentage of the target market has adopted the platform?
    - Are there use cases where the platform has demonstrated measurable ROI for users?
- **Market Barriers**
    - What are the barriers to entry for competitors?
    - Does the project face significant barriers in expanding to new markets?
- **Community Size and Growth**
    - What is the growth rate of the community across platforms (e.g., Telegram, Twitter, Discord)?
    - Are there metrics showing user retention and engagement over time?

6. Risk Assessment

- **Token Concentration**
    - Are a large number of tokens held by a small group of wallets? If so, who are they?
    - What safeguards are in place to prevent market manipulation by large holders?
- **Reputation Risks**

    - Are there any past controversies or scandals associated with the project or its team?
    - How is the project mitigating risks related to misinformation or bad press?
- **Regulatory Uncertainty**
    - How does the project plan to adapt to potential regulatory changes?
    - What happens if the token is reclassified as a security or other regulated asset?

7. Community and Ecosystem

- **Ambassadors and Advocates**
    - Are there influential figures or ambassadors actively promoting the project?
    - What incentives are in place for advocates to remain engaged?
- **Ecosystem Incentives**
    - Are there rewards for validators, miners, or liquidity providers?
    - How sustainable are these rewards over the long term?
- **User Education**
    - Are there clear guides or resources to onboard new users or developers?
    - How does the project handle technical support for users?

8. Exit and Liquidity

- **Market Maker Activity**
    - Are there market makers involved to ensure token liquidity on exchanges?
    - What are the terms of agreements with these market makers?
- **Exit Risk**
    - What is the risk of a "rug pull" or project abandonment by the team?
    - How are investor funds protected in the event of a project failure?
- **Secondary Market**
    - How active is the secondary market for the token?
    - Are there peer-to-peer platforms for trading outside of centralized exchanges?

9. Environmental and Social Impact

- **Energy Consumption**
    - What is the energy footprint of the blockchain used by the project?
    - Are there any initiatives to reduce environmental impact (e.g., moving to Proof of Stake)?
- **Social Responsibility**
    - Is the project involved in any corporate social responsibility (CSR) initiatives?
    - Does the project have a positive or negative perception in the crypto community?

10. Future Roadmap

- **Scalability Plans**
    - How does the project plan to handle increasing user and transaction volumes?
    - Are there defined timelines for planned upgrades or releases?
- **Technology Evolution**
    - Is the project exploring innovative solutions such as zero-knowledge proofs, layer-2 scaling, or AI integration?
    - What is the project's stance on adopting emerging standards (e.g., DID for decentralized identity)?
- **Partnership Development**
    - Are there any upcoming partnerships or integrations that could significantly impact the project's value?
    - How are new partners onboarded, and what criteria must they meet?

1. Legal and Regulatory Compliance (Further Questions)

- Does the project have a clear stance on securities law compliance (e.g., Howey Test)?
- Are there any restrictions on the asset's use in decentralized finance (DeFi) applications?
- How does the project handle compliance with evolving regulations like MiCA (Markets in Crypto-Assets) in the EU?
- Are there any risks of the asset being classified as a security, commodity, or currency in key jurisdictions?
- Does the project have a plan to adapt to future regulatory changes?
- Are there any concerns about the project's compliance with sanctions or embargoes?
- How does the project handle intellectual property rights related to its technology or branding?

2. Team and Background (Further Questions)

- Are there any ghost founders or anonymous contributors to the project?
- How does the project handle team turnover or departures?
- Are there any non-compete or confidentiality agreements in place for team members?
- Does the team have experience in scaling projects or managing rapid growth?
- Are there any cultural or language barriers within the team that could impact operations?
- How does the project handle conflicts between team members or advisors?
- Are there any plans to expand the team, and how will new members be onboarded?

3. Technology and Security (Further Questions)

- Does the project use zero-knowledge proofs, sharding, or other advanced cryptographic techniques?
- How does the project handle quantum computing risks to its cryptographic algorithms?
- Are there any plans to integrate with Layer 2 solutions (e.g., rollups, sidechains)?
- How does the project ensure data integrity and immutability on its blockchain?
- Are there any risks of network congestion or high gas fees during peak usage?
- How does the project handle oracle reliability and data feeds for smart contracts?
- Are there any plans to implement privacy features (e.g., zk-SNARKs, confidential transactions)?

4. Tokenomics and Financial Viability (Further Questions)

- Are there any mechanisms to prevent token concentration among a few holders?
- How does the project handle token dilution or inflation over time?
- Are there any risks of token utility being reduced by competing projects or technologies?
- How does the project plan to maintain token value during bear markets?
- Are there any risks of the token being delisted from major exchanges?
- How does the project handle token burns, and what is the economic rationale behind them?
- Are there any risks of the token being used for illicit activities (e.g., money laundering)?

5. Market and Competitive Analysis (Further Questions)

- How does the project plan to differentiate itself from forks or copycat projects?
- Are there any risks of the project being overshadowed by larger, more established players?
- How does the project plan to attract institutional investors or traditional financial players?
- Are there any risks of the project being disrupted by new technologies or innovations?
- How does the project plan to expand into emerging markets or underserved regions?
- Are there any risks of the project being impacted by macroeconomic factors (e.g., inflation, recession)?

6. Roadmap and Development Progress (Further Questions)

- How does the project prioritize user feedback in its development process?
- Are there any risks of the project losing momentum or focus over time?
- How does the project handle delays or setbacks in its roadmap?
- Are there any plans to pivot or change direction based on market conditions?
- How does the project measure progress against its roadmap goals?
- Are there any risks of the project becoming obsolete due to technological advancements?

7. Community and Ecosystem (Further Questions)

- How does the project handle community governance or decision-making?
- Are there any risks of community fragmentation or infighting?
- How does the project plan to grow its ecosystem of developers and users?
- Are there any risks of the community losing trust in the project?
- How does the project handle negative sentiment or FUD (fear, uncertainty, doubt)?
- Are there any plans to incentivize community contributions or participation?

8. Risks and Red Flags (Further Questions)

- Are there any signs of the project being a “rug pull” or exit scam?
- Does the project rely heavily on influencers or paid promotions for marketing?
- Are there any concerns about the project’s transparency or accountability?
- Does the project have a history of overpromising and underdelivering?
- Are there any signs of insider trading or market manipulation?
- How does the project handle security breaches or hacks?

9. Financial Audits and Transparency (Further Questions)

- Are there any concerns about the project’s financial reporting or accounting practices?
- How does the project handle investor relations or communication?
- Are there any risks of the project running out of funding or going bankrupt?
- How does the project plan to allocate funds raised from token sales or investments?
- Are there any concerns about the project’s financial sustainability or profitability?

10. Exit Strategy and Liquidity (Further Questions)

- What happens to the asset if the project is acquired or merges with another entity?
- Are there any mechanisms for token holders to exit their positions during a crisis?
- How does the project plan to maintain liquidity during periods of low trading volume?

- Are there any risks of the asset being delisted from major exchanges?
- How does the project handle market-making or liquidity provision?

11. Environmental, Social, and Governance (ESG) Considerations (Further Questions)

- Does the project have a plan to offset its carbon footprint or environmental impact?
- How does the project contribute to social causes or charitable initiatives?
- Are there any concerns about the project's governance model or decision-making process?
- How does the project ensure diversity and inclusion within its team and community?
- Are there any ethical concerns related to the project's operations or goals?

12. External Reviews and Reputation (Further Questions)

- Are there any independent audits or reviews of the project's technology or finances?
- How does the project respond to criticism or negative reviews?
- Are there any awards or recognitions the project has received?
- What is the sentiment of institutional investors or large stakeholders toward the project?
- Are there any concerns about the project's reputation in the broader crypto community?

13. Use Case and Adoption (Further Questions)

- What are the real-world applications of the cryptocurrency or digital asset?
- Are there any pilot programs or case studies demonstrating its use?
- How does the project plan to drive adoption among businesses and consumers?
- Are there any partnerships with established companies or institutions?
- How does the project measure user engagement or adoption rates?

14. Governance and Decentralization (Further Questions)

- How decentralized is the project's governance model?
- Are there any risks of centralization in decision-making or control?
- How are governance proposals submitted, voted on, and implemented?
- Are there any mechanisms to prevent governance attacks or manipulation?
- How does the project ensure transparency in governance decisions?

15. Innovation and Technology Differentiation (Further Questions)

- What innovative features or technologies does the project introduce?
- How does the project stay ahead of technological advancements in the industry?
- Are there any patents or intellectual property associated with the project?
- How does the project handle competition from newer or more advanced technologies?
- Are there any plans to integrate with emerging technologies (e.g., AI, IoT)?

16. Partnerships and Collaborations (Further Questions)

- Are there any strategic partnerships with other blockchain projects or traditional companies?
- How does the project vet and select its partners or collaborators?
- Are there any risks of partnerships falling through or failing to deliver?
- How does the project leverage partnerships to drive adoption or growth?
- Are there any exclusive or long-term agreements with partners?

17. Marketing and Branding (Further Questions)

- How does the project plan to build and maintain its brand reputation?
- Are there any risks of negative publicity or PR crises?
- How does the project handle influencer marketing or paid promotions?
- Are there any plans to expand into new markets or regions?
- How does the project measure the effectiveness of its marketing campaigns?

18. Risk Management and Contingency Planning (Further Questions)

- Does the project have a risk management framework in place?
- How does the project handle potential threats or vulnerabilities?
- Are there any contingency plans for technical failures or market crashes?
- How does the project ensure business continuity during crises?
- Are there any insurance policies or safeguards in place for user funds?

I. Legal and Regulatory Compliance (Advanced):

- **Decentralized Finance (DeFi) Specifics:**
    - If a DeFi protocol, how does it handle regulatory ambiguities surrounding lending, borrowing, and yield farming?
    - What are the legal implications of automated governance and protocol upgrades?
    - How does the protocol address the risks of impermanent loss and liquidation?
- **Non-Fungible Tokens (NFTs) and Digital Collectibles:**
    - What are the copyright and intellectual property rights associated with the NFTs?
    - How does the project address the risks of counterfeit NFTs?
    - What are the legal implications of fractionalized NFTs?
- **Tax Implications:**
    - How does the project handle tax reporting for token holders in various jurisdictions?
    - What are the potential tax implications of airdrops, staking rewards, and other forms of token distribution?
    - How will the upcoming MiCA regulations affect the project.
- **Litigation Risks:**
    - Are there any records of legal threats against the project, or the team members?
    - What legal precedent exists, that could negatively impact the projects legality.

II. Financial Due Diligence (Advanced):

- **On-Chain Analytics:**
    - What on-chain metrics are used to assess the health of the project's network?
    - Are there any signs of wash trading or other forms of market manipulation?
    - What are the distribution metrics of the tokens, and is there a large concentration of wealth?
- **DeFi Financial Risks:**
    - What are the risks of cascading liquidations in the protocol?
    - How does the protocol manage its treasury and reserves?
    - What are the risks of oracle failures?
- **Stablecoin Risks:**
    - If the project utilizes stablecoins, what are the risks associated with those stablecoins?
    - Are the stablecoins fully backed by reserves, and are those reserves audited?
    - What are the de-pegging risks?
- **Valuation Models:**
    - What valuation models are being used to assess the project's worth?
    - Are those valuation models appropriate for the unique characteristics of digital assets?

III. Technical Due Diligence (Advanced):

- **Formal Verification:**

    - What formal verification tools and techniques are used to ensure the correctness of the code?
    - What is the scope and depth of the formal verification process?
- **Security Audits:**
    - Who are the security auditors, and what is their reputation?
    - What are the findings of the security audits, and how have they been addressed?
    - Are the security audits publicly available?
- **Decentralized Identity (DID) and Privacy:**
    - If the project uses DID, how is user privacy protected?
    - What are the risks associated with the project's privacy-preserving technologies?
- **Quantum Computing Risks:**
    - What are the potential risks of quantum computing attacks on the project's cryptography?
    - What measures are being taken to mitigate those risks?

IV. Operational Due Diligence (Advanced):

- **Governance Vulnerabilities:**
    - Are there any vulnerabilities in the project's governance model?
    - What are the risks of governance attacks or collusion?
    - What is the voting participation percentage within the DAO?
- **Social Engineering Risks:**
    - What measures are in place to protect against social engineering attacks targeting the team and community?
    - What is the security awarness training that is provided to the team?
- **Supply Chain Risks:**
    - If the project relies on hardware or software from third-party vendors, what are the supply chain risks?
- **"Rug Pull" Risk:**
    - What measures are in place to prevent a "rug pull" or other forms of exit scam?
    - What are the on chain indicators, that would indicate a potential rug pull.

1. Legal and Regulatory Compliance

- **KYC/AML Compliance**
    - Does the project comply with Know Your Customer (KYC) and Anti-Money Laundering (AML) regulations in all operating jurisdictions?
    - How robust are the project’s KYC/AML processes? Are they audited regularly?
- **Regulatory Risks**
    - Are there any ongoing investigations or lawsuits against the project or its team members?
    - How does the project handle regulatory inquiries or subpoenas?

- **Intellectual Property Ownership**
    - Are all project assets, such as logos, trademarks, and patents, properly registered?
    - Are there potential infringement risks due to similarities with other projects?

2. Technical Due Diligence

- **Security Measures**
    - What encryption methods are used to secure transactions and data?
    - How does the project protect against Sybil attacks, 51% attacks, or re-entrancy vulnerabilities?
- **Scalability Testing**
    - Has the project undergone stress testing for high-volume transactions or user activity?
    - What are the project's plans to handle scaling challenges, such as network congestion?
- **Bug Bounty Programs**
    - Does the project have an active bug bounty program to identify and fix vulnerabilities?
    - What incentives are offered to ethical hackers or auditors?
- **Interoperability**
    - Can the token be used on multiple blockchain networks (e.g., via wrapped tokens)?
    - Are there plans to expand interoperability with other DeFi ecosystems?

3. Financial Health and Tokenomics

- **Revenue Model**
    - How does the project generate revenue outside of token sales?
    - Are there clear projections for future revenue growth?
- **Economic Stability**
    - How does the project manage inflation or deflation of its token supply?
    - Are there mechanisms for ensuring token stability during periods of high volatility?
- **Allocation Transparency**
    - How are pre-mined or reserved tokens allocated? Is this information publicly disclosed?
    - Are vesting schedules for team members and investors strictly enforced?
- **Liquidity Pools**
    - Does the project provide liquidity pools on decentralized exchanges (DEXs)?
    - What are the annual percentage yields (APYs) for liquidity providers?

4. Governance and Team

- **Decentralized Governance**
    - How decentralized is governance? Are decisions dominated by a few large token holders?
    - Are governance proposals documented, voted on, and implemented transparently?
- **Founder Reputation**
    - Have the founders been involved in any failed projects or scandals in the crypto space?
    - What public endorsements or criticisms have key team members received?
- **Team Skills and Growth**
    - Are the team members actively pursuing upskilling or certifications in blockchain and cryptocurrency?
    - Is the team geographically distributed, and how does this affect collaboration and execution?

5. Market and Competitive Analysis

- **User Personas**
    - What types of users (retail, institutional, developers) are most actively engaging with the platform?
    - How does the project plan to onboard more non-crypto-native users?
- **Competitor Responses**
    - Have competitors publicly commented on or copied elements of the project?
    - Are there plans to counter or adapt to competitor advancements?
- **Brand Recognition**
    - How recognizable is the project's brand in both crypto and mainstream markets?
    - Are there any partnerships with well-known brands or influencers?

6. Risk Assessment

- **Technical Debt**
    - Are there unresolved bugs or issues in the codebase that could cause long-term risks?
    - Does the project maintain clear documentation for future developers?
- **Regulatory Enforcement**
    - What is the worst-case scenario if regulators classify the token as a security?
    - Does the project have a strategy for relaunching or rebranding if regulatory pressures escalate?
- **Custody and Storage Risks**
    - Are tokens held in multisignature wallets or other secure storage solutions?
    - Are users educated on safe storage practices for their assets?

- **Economic Downturn**
    - How would a market-wide cryptocurrency crash affect the project's operations and financial health?
    - What measures are in place to mitigate risks from prolonged bear markets?

7. Community and Ecosystem

- **Community Support**
    - Are there active forums or support channels where users can ask questions and get help?
    - How responsive is the team to user feedback and concerns?
- **Decentralization Metrics**
    - How distributed is the network? Are there risks of centralization in node operations or governance?
    - What percentage of validators or miners are controlled by the team or affiliated entities?
- **Developer Ecosystem**
    - How many third-party developers are actively building on the platform?
    - Are there incentives or grants for developers to contribute to the ecosystem?

8. Exit and Liquidity

- **Exit Scenarios**
    - What are the terms for early investors or contributors to liquidate their holdings?
    - Does the project have a clear liquidation strategy for dissolving operations if needed?
- **Exchange Liquidity**
    - How often does the token experience low liquidity on exchanges?
    - Are there market-making strategies to ensure liquidity during volatile periods?

9. Environmental and Social Impact

- **Sustainability Efforts**
    - Does the project contribute to carbon offset initiatives for its energy consumption?
    - Are there partnerships with environmentally conscious organizations?
- **Social Inclusion**
    - Does the project make efforts to include underrepresented communities in its ecosystem?
    - Are there educational initiatives to improve accessibility for non-technical users?

10. Future Roadmap

- **Expansion Plans**
  - Are there plans to expand the project to new geographic regions or industries?
  - How will the project handle regulatory differences in these new markets?
- **Partnerships and Integrations**
  - What future partnerships are in development, and how critical are they to the project's success?
  - Are there plans to integrate with emerging technologies (e.g., AI, IoT)?
- **Ecosystem Growth**
  - What percentage of the roadmap is dedicated to user acquisition versus platform improvements?
  - Are there milestones that are contingent on external factors (e.g., partnerships, funding)?

11. Miscellaneous Questions

- **Reputation Analysis**
  - What is the general sentiment in crypto forums, Reddit, and Twitter about the project?
  - Are there notable endorsements or criticisms from prominent figures in the space?
- **Insurance and Safety**
  - Does the project offer insurance against hacks, smart contract failures, or network outages?
  - Are there partnerships with insurers or custody providers like Nexus Mutual or BitGo?
- **Auditing and Transparency**
  - How frequently are audits conducted, and are past audit results published?
  - Are there third-party reports verifying the project's claims (e.g., energy usage, decentralization)?

Legal and Regulatory Due Diligence

1. **Jurisdictional Compliance:**

    - In which jurisdictions does the company operate, and are there any specific compliance requirements?

    - Are there any restrictions on operations in certain countries?

2. **Regulatory Approvals:**

    - Have all necessary regulatory approvals been obtained?

    - Are there any pending applications or approvals?

3. **Contractual Obligations:**

    - What are the key terms of major contracts with partners or suppliers?

    - Are there any potential liabilities from these contracts?

4. **Dispute Resolution:**

    - How does the company handle disputes with customers or partners?

    - Are there any arbitration or mediation processes in place?

Operational Due Diligence

1. **Supply Chain Risks:**

    - What are the potential risks in the supply chain, and how are they mitigated?

    - Are there any contingency plans for supply chain disruptions?

2. **Employee Training:**

    - What training programs are in place for employees handling sensitive operations?

    - Are there any ongoing education initiatives to keep employees updated on best practices?

3. **Customer Support:**

    - What customer support mechanisms are in place?

- How does the company measure customer satisfaction?

4. **Business Interruption Insurance:**

    - Does the company have business interruption insurance?

    - What are the terms and conditions of this insurance?

Technical Due Diligence

1. **Infrastructure Security:**

    - What measures are in place to secure the company's infrastructure?

    - Are there any intrusion detection systems or firewalls?

2. **Code Reviews:**

    - How often are code reviews conducted to ensure quality and security?

    - Are these reviews conducted by internal teams or external auditors?

3. **Scalability:**

    - How scalable is the technology infrastructure?

    - Are there plans for upgrading infrastructure to meet growing demand?

4. **Data Backup and Recovery:**

    - Are there data backup and recovery processes in place?

    - How frequently are backups performed?

Financial Due Diligence

1. **Cash Flow Management:**

    - How does the company manage cash flow?

    - Are there any cash flow projections available?

2. **Financial Planning:**

- What are the company's financial planning strategies?

- Are there any budgeting processes in place?

3. **Tax Planning:**

- Are there any tax planning strategies to minimize liabilities?

- Are these strategies compliant with all applicable laws?

4. **Auditing and Accounting:**

- Who are the company's auditors and accountants?

- Are financial statements audited annually?

Market and Strategy Due Diligence

1. **Market Analysis:**

- What market analysis tools are used to understand customer needs?

- Are there any market research reports available?

2. **Competitor Analysis:**

- How does the company analyze its competitors?

- Are there any strategies to stay competitive in the market?

3. **Growth Metrics:**

- What metrics are used to measure growth and success?

- Are these metrics aligned with business objectives?

4. **Exit Strategies:**

- Are there any exit strategies for investors or stakeholders?

- What are the potential exit options (e.g., IPO, acquisition)?

Environmental and Sustainability Due Diligence

1. **Sustainability Reporting:**
    - Does the company publish sustainability reports?
    - Are these reports audited or verified by external parties?
2. **Environmental Impact Assessment:**
    - Has an environmental impact assessment been conducted?
    - Are there any plans to reduce environmental impact?
3. **Stakeholder Engagement on Sustainability:**
    - How does the company engage stakeholders on sustainability issues?
    - Are there any feedback mechanisms for sustainability initiatives?
4. **Supply Chain Sustainability:**
    - Are there any sustainability standards for suppliers?
    - How does the company ensure compliance with these standards?

Governance and Ownership Due Diligence

1. **Board Governance:**
    - What are the governance policies for the board of directors?
    - Are there any independent directors on the board?
2. **Shareholder Agreements:**
    - Are there any shareholder agreements or voting trusts?
    - What are the terms of these agreements?
3. **Executive Compensation:**
    - What is the compensation structure for executives?
    - Are there any performance-based incentives?
4. **Succession Planning:**
    - Is there a succession plan in place for key executives?

- How does the company ensure continuity in leadership?