

Ubyx Rulebook - Unofficial Nightly Build (2025-07-25 03:42 UTC)

You can contribute to the Rulebook at <https://github.com/UbyxRules/Ubyx-Rulebook>

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001 - Introduction

Introduction to the Ubyx Rulebook

The Ubyx Rulebook defines the foundational principles, obligations, and operational standards governing participation in the Ubyx stablecoin clearing system. These Rules are designed to promote trust, ensure interoperability, minimize systemic risk, and facilitate the universal redemption of stablecoins at par value through regulated financial institutions, including banks and regulated non-banks.

The Ubyx network enables a many-to-many model that connects stablecoin issuers with receiving institutions via a standardized, rule-based clearing system. These Rules establish a legally binding framework between Ubyx Inc., and each participating Member. All participants must adhere to the Rulebook as a condition of entry and continued operation within the Ubyx ecosystem.

The Ubyx Rules set forth the minimum mandatory requirements applicable to all network participants. They uphold the safety, integrity, and soundness of the Ubyx clearing system, support compliance with anti-money laundering (AML), counter-terrorist financing (CTF), sanctions, and fraud-prevention regulations, and ensure consistent operational behavior across the network.

These Rules define operational obligations necessary to support the trust mark, ensure seamless redemption at full value, and uphold the fact pattern necessary for accounting recognition of stablecoins as cash equivalents.

All participants in the Ubyx system, whether banks, non-bank financial institutions, fintechs, or regulated stablecoin issuers, must comply with the Ubyx Rulebook as a condition of participation. Non-compliance may result in penalties, suspension, or expulsion from the Ubyx network.

By agreeing to the Ubyx Rulebook, each Member affirms their commitment to building a global, interoperable, and resilient stablecoin acceptance network that enables general-purpose digital money and brings the benefits of public blockchain infrastructure into regulated financial contexts.

002 - Definitions

Hosted Wallet

A Hosted Wallet offered by a Receiving Institution within the Ubyx system refers to a digital wallet account, provisioned and controlled by a regulated financial institution or its designated technology partner, which enables the receipt, temporary holding, and processing of stablecoins on behalf of an end user, for the purpose of initiating redemption at par value into fiat currency via the Ubyx clearing mechanism.

Such wallets must support all Ubyx-permitted stablecoins across all relevant blockchain networks and must be capable of supporting the necessary compliance functions, including transaction monitoring, sanctions screening, and anti-money laundering controls. Hosted Wallets are non-custodial from the perspective of long-term storage: they serve as a pass-through mechanism to facilitate the redemption process and are not intended for indefinite safekeeping of digital assets unless explicitly authorized by the applicable Rule.

The Receiving Institution remains legally responsible for the operation, security, and compliance of Hosted Wallets, whether operated directly or through a Ubyx-approved Scaling Partner.

Issuer Cash Account

An Issuer Cash Account is a designated, pre-funded fiat account maintained by a participating stablecoin issuer at a Ubyx-appointed Settlement Agent or Settlement Bank, held exclusively for the purpose of fulfilling redemption obligations arising under the Ubyx clearing system.

This account must be pre-funded in accordance with the minimum reserve requirements established by the Ubyx Rulebook, and must be denominated in the relevant fiat currency corresponding to the stablecoin issued.

The Issuer Cash Account serves as the source of funds for par-value redemptions requested by Receiving Institutions and operates under a ring-fenced arrangement that ensures full convertibility of participating stablecoins into fiat currency. Balances in the account may not be encumbered, pledged, or used for any purpose other than redemption settlement unless expressly permitted by the Rules.

Issuers must ensure that the account is continuously sufficient to meet anticipated net redemption flows, and acknowledge that failure to do so may result in return of redemption requests, enforcement action, or suspension from the Ubyx network.

Issuer Fee

The Issuer Fee is a transaction-based fee that a participating stablecoin issuer is permitted to charge Receiving Institutions in consideration for the redemption of stablecoins at par value through the Ubyx clearing system.

The Issuer Fee is applied on a per-transaction basis and must be expressed as a percentage of the face value of the stablecoin being redeemed or as a fixed fee per redemption, as specified in the Ubyx schedule of fees. The Issuer Fee compensates the issuer for providing redemption liquidity and maintaining the operational infrastructure required to process redemption requests, including pre-funding and compliance obligations.

The Issuer Fee must be disclosed transparently to Receiving Institutions and may not be varied on a discriminatory basis between participants of equivalent status. The application, invoicing, and collection of Issuer Fees shall follow standardized procedures established by Ubyx and must be supported by appropriate reconciliation data and transaction-level detail.

No additional or hidden charges may be levied by the issuer beyond the disclosed Issuer Fee in connection with redemption activity processed through the Ubyx system.

Issuer Wallet

An Issuer Redemption Wallet is a blockchain-based digital wallet maintained by a participating stablecoin issuer at the Ubyx-appointed Settlement Agent for the sole purpose of receiving and verifying stablecoin redemption submissions initiated by Receiving Institutions through the Ubyx clearing system.

Each Redemption Wallet must support all relevant stablecoin token contracts issued by the participating issuer across Ubyx-approved public blockchain networks. The Redemption Wallet functions as the institutional endpoint to which stablecoins are transferred by Receiving Institutions when customers request par-value conversion into fiat currency.

Upon receipt of stablecoins into the Redemption Wallet, the issuer must promptly conduct all required validation, compliance, and reconciliation procedures. Following successful verification, the issuer is obligated to release the corresponding fiat amount from its pre-funded Issuer Cash Account to the Receiving Institution's account at the Settlement Agent.

The Redemption Wallet must be operated under secure, monitored conditions and remain under the legal and operational control of the issuer or a designated agent, in accordance with Ubyx security and operational standards. Use of the Redemption Wallet for any purpose other than clearing-system redemption is prohibited.

Issuer

An Issuer is a regulated legal entity that is authorized to create and distribute fiat-referenced stablecoins and that participates in the Ubyx clearing system for the purpose of enabling the redemption of its stablecoins at par value through Receiving Institutions.

To qualify as an Issuer under the Ubyx Rules, the entity must:

Be subject to supervision by a competent regulatory authority in its jurisdiction;

Maintain sufficient reserves to support its stablecoin liabilities;

Comply with all applicable anti-money laundering (AML), counter-terrorist financing (CTF), and sanctions regulations; and

Enter into all necessary agreements required by the Ubyx system, including adherence to the Ubyx Rulebook.

An Issuer must maintain (i) a pre-funded fiat Cash Account at a designated Ubyx Settlement Agent and (ii) a Redemption Wallet capable of receiving and verifying stablecoin redemption requests via the Ubyx network. The Issuer is responsible for timely settlement of redemption obligations and for supporting operational transparency, transaction integrity, and compliance with applicable legal and technical standards.

Issuers may charge a standardized Issuer Fee for redemptions, but must not impose additional conditions or discriminatory practices that impede the uniform operation of the Ubyx system.

Receiving Institution Cash Account

A Receiving Institution Cash Account is a designated fiat currency account maintained by a participating Receiving Institution at a Ubyx-appointed Settlement Agent, used exclusively to receive settlement proceeds from the redemption of stablecoins submitted through the Ubyx clearing system.

This account serves as the credit destination for funds disbursed by Issuers following successful redemption of stablecoins at par value. Upon verification and acceptance of a redemption request, the corresponding fiat amount is transferred from the Issuer's pre-funded Cash Account into the Receiving Institution's Cash Account, after which the Receiving Institution is obligated to credit the end user's account in accordance with the Ubyx operational standards.

The Receiving Institution must ensure that this account is properly configured for real-time settlement operations, complies with the account structure and reconciliation requirements defined by Ubyx, and is not used for any other commercial, treasury, or proprietary purpose outside the scope of Ubyx-cleared transactions.

The Receiving Institution retains full responsibility for the safekeeping, accounting, and proper use of funds received into this account and must ensure that access, usage, and reporting comply with all applicable laws, regulations, and the Ubyx Rulebook.

Receiving Institution Fee

Receiving Institution Fees and Charges refer to any fees, commissions, foreign exchange margins, or other charges levied by a Receiving Institution in connection with the receipt, redemption, conversion, or onward crediting of stablecoin-related funds to its customers.

These fees and charges are determined solely at the discretion of the Receiving Institution and are governed exclusively by the terms and conditions agreed between the institution and its customer. Ubyx does not regulate, restrict, or assume any responsibility for the level, structure, disclosure, or application of such fees.

The Receiving Institution may, at its option, deduct such fees from the amount credited to the customer or apply them separately, provided that all such practices are lawful, transparent, and consistent with applicable regulatory requirements and the institution's own contractual framework.

Ubyx operates on a gross settlement basis and does not interfere with the commercial relationship between Receiving Institutions and their clients.

Receiving Institution FX

Receiving Institution FX Operations refer to the process whereby a Receiving Institution, upon receiving fiat settlement funds corresponding to a stablecoin redemption in a foreign currency, performs foreign exchange conversion on behalf of its client and credits the client's account in the local or preferred currency in accordance with the institution's own terms and conditions.

These operations are conducted entirely at the discretion of the Receiving Institution and are governed by the bilateral agreement between the institution and its client. The Ubyx system facilitates delivery of fiat funds to the Receiving Institution in the currency of the redeemed stablecoin; any subsequent currency conversion and account crediting are managed outside the scope of the Ubyx clearing process.

Receiving Institutions may apply their own FX rates, margins, fees, and execution timing, provided such practices are transparent to the client and comply with applicable legal and regulatory standards. Ubyx does not impose or prescribe the terms of FX operations, and assumes no liability or oversight responsibility for FX execution performed by Receiving Institutions.

Receiving Institution Wallet

A Receiving Institution Wallet is a blockchain-based digital wallet maintained by a Receiving Institution at a Ubyx-appointed Settlement Bank or Settlement Agent, used exclusively for the receipt and processing of

stablecoins deposited by end users for redemption through the Ubyx clearing system.

This wallet functions as the technical endpoint for inbound stablecoin transfers submitted by the Receiving Institution on behalf of its clients. Upon receipt of stablecoins into the Receiving Institution Wallet, the institution initiates a redemption request through Ubyx, triggering the routing of the tokens to the corresponding Issuer's Redemption Wallet and settlement of fiat funds into the Receiving Institution's Cash Account.

Each Receiving Institution Wallet must support all Ubyx-permitted stablecoins across the relevant public blockchains and must be maintained in accordance with the security, compliance, and operational requirements specified in the Ubyx Rulebook.

The wallet may be operated directly by the Receiving Institution or by an authorized Ubyx scaling partner acting under the institution's control and regulatory oversight. The wallet must not be used for proprietary or unrelated digital asset activity and is subject to transaction monitoring and reconciliation protocols as mandated by Ubyx.

Receiving Institution

A Receiving Institution is a regulated financial entity, such as a bank, fintech, payment service provider, or e-money institution, that participates in the Ubyx clearing system for the purpose of receiving stablecoins on behalf of its clients and facilitating their redemption into fiat currency at par value.

To qualify as a Receiving Institution, the entity must:

Be authorized and supervised by a competent regulatory authority in its home jurisdiction;

Maintain a Receiving Institution Wallet and a Cash Account at a Ubyx-appointed Settlement Agent;

Satisfy the technical, operational, and compliance standards set forth in the Ubyx Rulebook; and

Agree to the Ubyx participation terms and conditions.

Receiving Institutions act as agents for their clients in receiving, verifying, and submitting stablecoin redemption requests. Upon successful redemption, they credit client accounts in fiat currency, either in the denomination of the stablecoin or in an alternative currency pursuant to client instructions and subject to applicable FX operations.

Receiving Institutions may impose their own fees, charges, and FX terms in accordance with their contractual arrangements with clients. They are solely responsible for the conduct of financial crime compliance checks, transaction monitoring, and regulatory reporting related to the stablecoin transactions they process.

Rulebook

The Ubyx Rulebook is the comprehensive set of binding rules, standards, and obligations that govern participation in the Ubyx stablecoin clearing system. It constitutes a legally enforceable contract between Ubyx Inc. and each Participant and is a condition of access to and continued use of the Ubyx platform.

The Rulebook defines the rights and responsibilities of all categories of Participants—including Issuers, Receiving Institutions, and Settlement Banks—and establishes the operational, technical, compliance, and settlement framework within which all Participants must operate.

By executing a Participation Agreement or equivalent onboarding documentation, each Participant agrees to be bound by the Ubyx Rulebook in its entirety, including any amendments or supplements issued in accordance with its change control procedures.

The Rulebook has primacy over all other operational documents and governs the conduct of Participants in their use of the Ubyx system, including the resolution of disputes, enforcement of obligations, and application of penalties for non-compliance.

Ubyx Clearing System

Ubyx is a stablecoin clearing system that provides a standardized technical layer and a common set of rules to enable the redemption of fiat-referenced stablecoins at par value between participating Issuers and Receiving Institutions.

Ubyx acts solely as a neutral infrastructure and governance provider. It facilitates interoperability through:

A secure, protocol-based platform that routes redemption instructions between participants; and

A Rulebook that defines participation criteria, operational standards, and settlement procedures.

Ubyx is not a principal to any transaction conducted within the system, and it does not act as:

A custodian of fiat or digital assets,

A money transmitter,

A payment processor, or

A stablecoin exchange.

Ubyx does not hold or process funds or digital assets on behalf of any party, and it does not provide services to end users or consumers. Its sole clients are regulated Issuers and Receiving Institutions that contract directly with each other and with Settlement Banks in accordance with applicable law.

By abstracting technical complexity and harmonizing operational standards, Ubyx enables many-to-many redemption across currencies, issuers, and blockchains—without centralizing risk or interfering with the underlying flow of assets.

Ubyx Platform Fee

The Ubyx Platform Fee is a transaction-based fee, expressed in basis points, that is billed to the Receiving Institution for each successful redemption of stablecoins processed through the Ubyx clearing system.

This fee is calculated as a percentage of the face value of the redeemed stablecoin and is invoiced to the Receiving Institution on a periodic basis, in accordance with the billing and reconciliation procedures defined by Ubyx. The Platform Fee compensates Ubyx for providing the technical infrastructure, governance framework, and operational coordination that enable standardized, many-to-many stablecoin clearing.

The Ubyx Platform Fee is applicable only to redemptions that result in successful fiat settlement. It is separate from any fees charged by Issuers or Receiving Institutions for their own services and does not affect the amount credited to the end user.

Failure by a Receiving Institution to remit Ubyx Platform Fees in accordance with agreed payment terms may result in enforcement actions as defined in the Rulebook, including potential suspension from the Ubyx network.

Ubyx Platform

The Ubyx Technical Platform is the secure, protocol-based infrastructure that enables the transmission of encrypted, structured instructions between participants in the Ubyx clearing system.

The platform serves as a messaging layer that facilitates the initiation, validation, and routing of stablecoin redemption requests. It connects directly to Issuers, Receiving Institutions, and Settlement Banks through mutually agreed, secure communication channels—such as encrypted APIs, message queues, or virtual private networks—ensuring confidentiality, integrity, and non-repudiation of all instructions.

Each message transmitted via the Ubyx Technical Platform follows a standardized schema and includes all required operational, compliance, and settlement data. This includes transmission of originator and beneficiary information necessary to comply with applicable Travel Rule obligations and other regulatory requirements.

Ubyx does not alter or interpret the content of messages, execute transactions, or take custody of assets. Its sole function is to relay authenticated and validated instructions between authorized parties in a secure and auditable manner.

The platform is continuously monitored and maintained in accordance with high standards of availability, reliability, and cybersecurity, and forms the core of Ubyx’s role as a neutral technical and rulebook provider.

Ubyx Settlement Agent

A Ubyx Settlement Bank is a regulated financial institution appointed by Ubyx to provide settlement services in fiat currency to participants in the Ubyx clearing system. The Settlement Bank holds and administers the fiat Cash Accounts of both Issuers and Receiving Institutions for the purpose of processing redemption transactions at par value.

Each Issuer and Receiving Institution maintains a direct, bilateral relationship with the Settlement Bank, including the establishment of necessary account agreements, compliance procedures, and operational protocols. Ubyx does not act as an intermediary in these relationships and does not assume custody or control over any participant funds.

The Settlement Bank executes settlement transfers between participant accounts based on standardized instructions transmitted via the Ubyx platform. These instructions reflect the outcome of validated redemption requests, enabling fiat funds to move from the Issuer’s Cash Account to the Receiving Institution’s Cash Account in real time or near real time.

The Ubyx Settlement Bank must meet minimum regulatory, creditworthiness, and operational standards, and must be capable of providing secure, auditable, and continuous fiat settlement infrastructure in each supported currency.

Ubyx Token

The Ubyx Token is a planned digital asset intended to support the future evolution of the Ubyx clearing system. It is not part of the current implementation of the Ubyx platform and has no operational role at present.

The Ubyx Token is envisioned as a utility token that may be used, in a future phase of the platform’s development, to facilitate progressive decentralisation of the Ubyx network. Potential use cases include:

Participation in the governance and maintenance of the Ubyx Rulebook;

Payment of transaction fees within the Ubyx clearing system; and

Incentivisation of ecosystem participants contributing to network performance, security, or reach.

The design, issuance, and functionality of the Ubyx Token will be governed by a separate Ubyx Token Whitepaper, to be published at a later date. Any such development will be subject to applicable legal, regulatory, and technical standards and will not affect the rights or obligations of participants under the current Rulebook unless and until formally adopted.

003 - Governance

Modifications

- **Rule ID:** UBYX-00003
- **Title:** Modifications
- **Category:** Governance
- **Status:** Approved
- **Version:** 1.0
- **Created:** 2025-01-12
- **Last Modified:** 2025-01-12
- **Author:** Tony McLaughlin
- **Description:** Right of Ubyx Inc. to modify Ubyx Rules

Rule Overview

Establishes the right of Ubyx Inc. to modify Ubyx Rules.

Obligations

1. Right to Modify:

- 1.1. Ubyx Inc. has the right to add, modify, delete or otherwise vary the Ubyx Rulebook at any time at its sole discretion.
- 1.2. Ubyx Inc. has the right to accept or reject amendments to the Ubyx Rulebook receiving from Ubyx Participants or Third Parties at its sole discretion.

Non-Compliance Penalties

Non-compliance with these obligations may result in: - Suspension from the Ubyx network. - Expulsion from the Ubyx Network.

Operating Certificate

- **Rule ID:** UBYX-00000
- **Title:** Ubyx Operating Certificates
- **Category:** Governance
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Establishes the issuance, renewal, and revocation framework for Ubyx Operating Certificates that formally authorize participation in the Ubyx clearing system.

Rule Overview

This rule governs the issuance and maintenance of Ubyx Operating Certificates, which serve as the formal instrument authorizing a participant to operate within the Ubyx clearing system. Certificates confirm the role, scope, and standing of each approved participant and are a condition for lawful system use.

Obligations

1. Obligation 1: Issuance of Operating Certificate

Ubyx Inc. will issue an Operating Certificate (also referred to as a membership license or confirmation) to each participant upon approval. The certificate will:

- Identify the participant by legal name and regulatory identifier;

- Specify the approved role(s) (e.g. Issuer, Receiving Institution, Dual-role);
- Indicate any geographic or jurisdictional limitations;
- Confirm the date of issuance and, if applicable, expiration.

2. Obligation 2: Requirement for Good Standing

Participants must maintain their certificate in good standing by:

- Continuing to meet eligibility and regulatory criteria;

- Complying with the Ubyx Rulebook and any additional conditions specified in the certificate;
- Responding to compliance reviews and audits;
- Renewing the certificate if required under updated governance procedures.

3. Obligation 3: Display and Representation

Participants may refer to their status as “Ubyx-certified” or a “Certified Ubyx Participant” only if their Operating Certificate is active and in good standing. Misrepresentation of status may result in revocation or enforcement action.

4. Obligation 4: Suspension and Revocation

Ubyx Inc. may suspend or revoke an Operating Certificate in cases of:

- Non-compliance with the Rulebook;

- Regulatory deterioration, insolvency, or fraud risk;
- Breach of eligibility or good standing criteria;
- Reputational harm or risk to system integrity.

During suspension or after revocation, the participant:

- May not conduct transactions through the Ubyx platform;

- Must cease use of all Ubyx branding, interfaces, and technical connections;
- May be required to reapply under full onboarding procedures.

5. Obligation 5: Reinstatement

Participants may request reinstatement of a suspended certificate subject to remediation, audit clearance, or requalification. Reinstatement is discretionary and may be conditional or limited in scope.

Non-Compliance Penalties

Operating without a valid Ubyx Operating Certificate, or continuing Ubyx-related activity after revocation, may result in:

- Immediate cessation orders;
- Technical blocking of system access;
- Legal action for unauthorized use;
- Disclosure to other participants and regulators.

Right To Audit

- **Rule ID:** UBYX-00000
- **Title:** Ubyx Right to Audit
- **Category:** Governance
- **Status:** Draft

- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Grants Ubyx Inc. the authority to audit, inspect, and review participants and their affiliates for compliance with the Ubyx Rulebook and system integrity.

Rule Overview

This rule establishes Ubyx Inc.'s authority to audit and inspect Participants and their associated entities in order to monitor compliance with the Ubyx Rulebook, applicable law, and required operational and security standards.

Obligations

1. Obligation 1: Right to Audit

Ubyx Inc., at its sole discretion and at any time, may audit, inspect, review, or investigate any Participant's activities, operations, books, records, systems, security protocols, compliance programs, or premises to assess compliance with the Ubyx Rulebook, technical requirements, and applicable legal and regulatory obligations.

2. Obligation 2: Scope of Audit

The audit right extends to any third-party service providers, hosted wallet providers, subcontractors, agents, affiliates, or subsidiaries engaged by the Participant in connection with their participation in the Ubyx system. Ubyx may require Participants to obtain contractual rights to facilitate such audits and inspections.

3. Obligation 3: Cooperation

Participants must cooperate fully and promptly with any audit, inspection, or investigation conducted by Ubyx or its authorized representatives. This includes timely provision of access to premises, personnel, systems, and any requested records, reports, logs, communications, or other documentation.

4. Obligation 4: Costs

Audits will be conducted at the Participant's expense unless otherwise agreed in writing or specified by Ubyx Inc. This includes reasonable costs associated with on-site inspections, third-party audit agents, and related administrative expenses.

5. Obligation 5: Remediation

If an audit reveals deficiencies or violations, the Participant must implement a remediation plan acceptable to Ubyx Inc. within the timeframe prescribed. Failure to remediate may result in suspension or termination of participation rights.

Non-Compliance Penalties

Failure to cooperate with a Ubyx audit or to remediate identified deficiencies may result in:

- Issuance of formal breach notices;
- Immediate suspension or limitation of system access;
- Termination of participation rights;
- Monetary penalties and reimbursement of audit costs;
- Reporting to relevant regulators or authorities.

Ubyx Rule Applicability

- **Rule ID:** UBYX-00001
- **Title:** Ubyx Rulebook Applicability
- **Category:** Governance

- **Status:** Approved
- **Version:** 1.0
- **Created:** 2025-01-12
- **Last Modified:** 2025-01-12
- **Author:** Tony McLaughlin
- **Description:** Applicability of Ubyx Rulebook to Ubyx Participants

Rule Overview

This rule established the principle that all Ubyx Participants are subject to and bound by the Ubyx Rulebook.

Obligations

1. **Obligation 1:**
 - All Ubyx Participants are subject to and bound by the current version of the Ubyx Rulebook.

Non-Compliance Penalties

Non-compliance with these obligations may result in: - Suspension from the Ubyx Network. - Expulsion from the Ubyx Network

UBYX 00003 Right To Use Member Feedback

- **Rule ID:** UBYX-00003
- **Title:** Right to Use Member Feedback
- **Category:** Governance
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-01-15
- **Last Modified:** 2025-01-15
- **Author:** Kene Ezeji-Okoye
- **Description:** Establishes Ubyx's rights to use feedback provided by Members or their affiliates.

Rule Overview

Ubyx encourages Members to share feedback for the improvement of Ubyx products, services, and technologies. This rule defines the rights of Ubyx to use, disclose, and commercialize such feedback while clarifying that Members are not obligated to provide feedback.

Obligations

1. **Voluntary Submission of Feedback:**
 - Members and their affiliates are not obligated to provide or develop feedback related to Ubyx products, services, or technology.
2. **Rights to Feedback Provided:**
 - If a Member or its affiliates provides any feedback, Ubyx and its affiliates are granted the rights to:
 - Use, disclose, distribute, reproduce, or commercialize the feedback.
 - Adapt, enhance, or implement the feedback for the benefit of all participants in the Ubyx network.
3. **Scope of Feedback:**
 - Feedback includes, but is not limited to, comments, ideas, suggestions, data, information, changes, updates, upgrades, improvements, enhancements, and implementations related to Ubyx products or services.
4. **No Compensation:**

- Members and their affiliates shall not be entitled to any compensation or acknowledgment for feedback provided to Ubyx.
5. **Feedback for the Common Benefit:**
- Ubyx commits to using feedback to enhance its ecosystem and provide value to all Members, customers, and partners.

Non-Compliance Penalties

This rule does not impose penalties, as it governs voluntary submissions of feedback.

UBYX 00004 Investigation Response Requirements

- **Rule ID:** UBYX-00004
- **Title:** Investigation Response Requirements
- **Category:** Governance
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-01-15
- **Last Modified:** 2025-01-15
- **Author:** Kene Ezeji-Okoye
- **Description:** Establishes the requirement for Members to respond to Ubyx investigation inquiries promptly and effectively.

Rule Overview

Members must respond to and provide information requested by Ubyx for any investigation of potential rule violations within the specified timeframe.

Obligations

1. **Response to Investigation Requests:**
 - A Member must respond to and provide all information requested by Ubyx for any investigation of a Ubyx Rule violation.
2. **Submission Method:**
 - Members must submit their response and the required information using one of the following methods:
 - Mail
 - Courier
 - Hand delivery
 - Email (with encrypted attachments, if necessary)
 - Other electronic delivery methods as specified by Ubyx.
3. **Timeliness:**
 - The response must be submitted within the timeframe specified in the investigation request.
4. **Notification Effectiveness:**
 - The response is deemed effective when it is received Ubyx.

Non-Compliance Penalties

Non-compliance with these obligations may result in: - Suspension from the Ubyx Network. - Expulsion from the Ubyx Network.

Waivers

- **Rule ID:** UBYX-00000
- **Title:** Rule Waivers
- **Category:** Governance
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Establishes the procedure by which participants may request waivers from specific Ubyx Rulebook requirements and outlines the conditions under which such waivers may be granted.

Rule Overview

This rule allows Ubyx Inc. to grant limited waivers from specific Rulebook obligations on a case-by-case basis. Waivers may be appropriate under operational, technical, transitional, or regulatory circumstances, but do not modify the Rulebook itself or set precedent.

Obligations

1. Obligation 1: Request Process

Participants may submit a formal request for a waiver from one or more Rulebook provisions. The request must include:

- A clear identification of the rule(s) in question;
- The reason for the waiver (e.g. onboarding limitation, technical pilot, regulatory friction);
- A proposed duration and any mitigating controls.

2. Obligation 2: Evaluation and Approval

All waiver requests will be reviewed by Ubyx Inc. governance or executive management. Waivers will only be granted where:

- There is a valid and documented rationale;
- Risk to the platform and other participants is low or adequately mitigated;
- The waiver does not impair the integrity, neutrality, or regulatory posture of the Ubyx clearing system.

3. Obligation 3: Conditions and Time Limits

Waivers, if granted, will typically:

- Be time-bound (e.g. 30–180 days);
- Be subject to ongoing conditions or reporting obligations;
- Include clear criteria for renewal, expiry, or revocation.

4. Obligation 4: No Precedent or Implied Relief

The granting of a waiver to one participant does not imply or require similar treatment for others. All waivers are individual, non-transferable, and discretionary. No participant may assume a rule has been waived without explicit written confirmation from Ubyx Inc.

5. Obligation 5: Revocation and Review

Ubyx Inc. may revoke or modify a previously granted waiver at any time if:

- Circumstances materially change;
- The participant breaches the conditions of the waiver;
- Continued waiver poses risk to the system or other users.

Non-Compliance Penalties

Participants that operate in reliance on an assumed or expired waiver without written confirmation may be deemed in breach of the Rulebook and subject to:

- Immediate corrective directives;

- Suspension or restriction of platform access;
- Revocation of other existing waivers;
- Reputational notice to other participants.

004 - Eligibility

Blockchain Eligibility

- **Rule ID:** UBYX-00000
- **Title:** Blockchain Eligibility Criteria
- **Category:** Technical Infrastructure
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Establishes criteria for determining which public blockchains are supported by the Ubyx clearing system.

Rule Overview

This rule defines the framework by which Ubyx Inc. determines whether a public blockchain is eligible for integration into the Ubyx clearing system. The criteria are designed to promote openness and innovation while protecting participants from undue risk, misuse, or operational fragility.

Obligations

1. Obligation 1: Good Standing Requirement

Ubyx Inc. will only support public blockchains that are, in the judgment of Ubyx, in good standing. This includes the absence of credible evidence of systemic security failures, material governance breakdowns, or sustained loss of community and developer support.

2. Obligation 2: Due Diligence Review

Prior to onboarding any blockchain, Ubyx Inc. will perform a due diligence review that may include: - Evaluation of the protocol's technical whitepaper and documentation; - Public codebase auditability and recent development activity; - Review of known vulnerabilities and patch history; - Negative news scans for regulatory enforcement, known hacks, or exploit history; - Consideration of validator/decentralization structure and consensus model.

3. Obligation 3: Operational Compatibility

The blockchain must be technically compatible with the Ubyx receiving institution infrastructure. At a minimum, it must: - Support finality or transaction finality within predictable bounds; - Be supported by secure and scalable wallet infrastructure for institutional-grade custody;

4. Obligation 4: Jurisdictional Neutrality

Blockchains operated predominantly by entities located in high-risk or sanctioned jurisdictions may be excluded unless mitigation measures are demonstrably effective and approved by Ubyx Inc.

5. Obligation 5: Ongoing Review

Blockchains already supported by Ubyx may be subject to reassessment at any time. Support may be

suspended or revoked if material concerns arise regarding network reliability, regulatory posture, or security incidents.

6. Obligation 6: Community Input and Governance Adaptability

Ubyx encourages technical stakeholders, Receiving Institutions, and Issuers to propose support for new blockchains via a formal submission process. Over time, governance of blockchain eligibility may transition to the Ubyx DAO, subject to safe-guarded procedures that balance openness with platform integrity.

Non-Compliance Penalties

None — this rule governs infrastructure inclusion criteria, not participant behavior. However, participants must not route transactions through unsupported chains, and doing so may result in:

- Rejection of transaction at the protocol layer
 - Invalidation of redemption requests
 - Possible compliance escalation for circumvention behavior
-

Issuer Eligibility

- **Rule ID:** UBYX-00000
- **Title:** Issuer Eligibility Requirements
- **Category:** Eligibility
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Defines eligibility criteria for entities seeking to issue stablecoins within the Ubyx clearing system.

Rule Overview

This rule sets out the eligibility requirements for institutions acting as stablecoin issuers within the Ubyx clearing system. It ensures all issuers operate from credible jurisdictions under appropriate regulatory supervision and maintain sufficient capital, operational controls, and legal compliance.

Obligations

1. Obligation 1: Jurisdictional Eligibility

To participate as an issuer in the Ubyx clearing system, an entity must be legally incorporated and licensed in a jurisdiction deemed low risk by Ubyx Inc., based on recognized global standards for financial regulation, AML/CTF enforcement, and sovereign risk assessment.

2. Obligation 2: Regulatory Authorization

Issuers must hold a current license from a competent national regulatory authority that specifically permits the issuance of fiat-referenced stablecoins or equivalent digital financial instruments.

3. Obligation 3: Financial Solvency and Capital Adequacy

Issuers must maintain sufficient liquidity and capital reserves as required by their home regulator. Ubyx may impose additional minimum thresholds based on transaction volume, exposure, or systemic role within the network.

4. Obligation 4: Compliance Infrastructure

Issuers must demonstrate adequate operational controls, including: - A compliance program aligned with

FATF recommendations - Real-time sanctions screening - Transaction monitoring and suspicious activity reporting - Independent audit capability

5. Obligation 5: Transparency of Backing

Issuers must publish attestations or audits of reserve assets supporting their stablecoin liabilities on a periodic basis, as specified by the Ubyx Rulebook.

6. Obligation 6: Ubyx Approval

All issuers must be vetted and approved by Ubyx Inc. prior to onboarding. Ubyx reserves the right to reject or suspend any issuer that no longer meets eligibility criteria or poses material risk to the integrity of the clearing system.

Non-Compliance Penalties

Non-compliance with issuer eligibility rules may result in:

- Suspension or revocation of Ubyx issuer status
 - Freezing or denial of redemption access via the Ubyx platform
 - Public disclosure of breach and notification to relevant regulators
 - Legal action under contractual indemnities
-

Receiving Institution Eligibility

- **Rule ID:** UBYX-00000
- **Title:** Receiving Institution Eligibility Requirements
- **Category:** Receiving Institution Obligations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Establishes eligibility criteria for entities acting as Receiving Institutions in the Ubyx clearing system.

Rule Overview

This rule defines the minimum legal, regulatory, and jurisdictional requirements for entities seeking to act as Receiving Institutions within the Ubyx clearing system. These standards ensure safe, lawful redemption channels and minimize systemic risk.

Obligations

1. Obligation 1: Regulatory Status

To participate as a Receiving Institution, an entity must be: - A licensed bank or deposit-taking institution supervised by a competent national authority;

- A regulated non-bank financial institution authorized to offer payment, e-money, or digital asset custody services; or

- A cryptocurrency exchange or digital asset platform licensed or registered under a recognized regulatory regime.

2. Obligation 2: Jurisdictional Restrictions

Receiving Institutions must be established and primarily operate in jurisdictions classified by Ubyx Inc. as

low or medium AML risk. Institutions incorporated or controlled from high-risk jurisdictions (as determined by FATF lists, EU lists, or Ubyx internal risk assessments) are not eligible to participate.

3. Obligation 3: Compliance Readiness

Eligible Receiving Institutions must demonstrate capacity to: - Perform real-time sanctions screening

- Implement AML and CTF controls in line with international standards
- Conduct know-your-customer (KYC) procedures on all relevant customers
- Maintain audit trails and cooperate with regulatory inquiries

4. Obligation 4: Licensing Verification

Receiving Institutions must provide verifiable documentation of current licensure or regulatory registration before onboarding and at any time upon request by Ubyx Inc.

5. Obligation 5: Ongoing Assessment

Ubyx Inc. reserves the right to conduct periodic reassessments of Receiving Institution eligibility. Institutions that fail to maintain required licenses, are subject to regulatory action, or fall below compliance standards may be suspended or removed from the network.

Non-Compliance Penalties

Failure to meet or maintain eligibility may result in:

- Immediate suspension of participation rights
- Freezing of active redemption flows
- Public notice of removal from the Ubyx clearing system

005 - Ubyx Platform

Platform Access

- **Rule ID:** UBYX-00000
- **Title:** Access to Ubyx Technical Platform
- **Category:** Technical Infrastructure
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Governs participant access to the Ubyx technical platform, including usage restrictions, credential controls, and enforcement provisions.

Rule Overview

This rule governs access to the Ubyx technical platform. Access is restricted to authorized participants acting within the scope of Ubyx's stablecoin clearing system. The rule protects system integrity, prevents abuse, and ensures that access credentials are used only by approved members for lawful and intended purposes.

Obligations

1. Obligation 1: Authorized Use Only

Use of the Ubyx technical platform is strictly limited to participants that have been approved by Ubyx

Inc. and hold a valid Operating Certificate. All access must be for legitimate stablecoin clearing activities as defined in the Ubyx Rulebook.

2. Obligation 2: No Third-Party Access

Participants may not allow or enable any non-member, including affiliates, contractors, or service providers, to access or use the Ubyx network on their behalf unless those parties are explicitly approved by Ubyx Inc.

3. Obligation 3: Credential Control

All access credentials—including but not limited to API keys, authentication tokens, and network certificates—are unique to the participant and non-transferable. Participants must implement robust internal controls to safeguard these credentials and prevent unauthorized use.

4. Obligation 4: Permitted Activities

Participants may use the Ubyx system solely for the submission, verification, and processing of redemption and related structured transactions between Ubyx participants. Any other use—including routing of unrelated payments, third-party message traffic, or synthetic settlement flows—is strictly prohibited.

5. Obligation 5: Adherence to Technical and Security Standards

Participants must comply at all times with Ubyx’s published technical specifications, security protocols, and connectivity standards. This includes requirements for message formatting, data integrity, cryptographic authentication, and endpoint protection.

6. Obligation 6: Prohibited Uses

It is expressly forbidden to:

- Use the Ubyx platform for any unauthorized financial service or digital asset activity;

- Conduct data scraping, traffic analysis, or blockchain mining via Ubyx infrastructure;

- Introduce malicious code or conduct penetration attempts against the platform.

7. Obligation 7: Enforcement

Ubyx Inc. may immediately suspend, restrict, or terminate a participant’s access to the platform if it determines that:

- The participant has used the platform for unauthorized purposes;

- Credential integrity has been compromised;

- System integrity, security, or stability is at risk.

Non-Compliance Penalties

Violations of this rule may result in:

- Immediate suspension of access to Ubyx systems;
 - Revocation of the participant’s Operating Certificate;
 - Notification to counterparties and regulators;
 - Legal or technical action to protect network integrity.
-
-

006 - Confidentiality

Confidentiality

- **Rule ID:** UBYX-00000
- **Title:** Confidentiality
- **Category:** Confidentiality
- **Status:** Draft

- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Establishes confidentiality obligations for participants of the Ubyx stablecoin clearing system.

Rule Overview

This rule establishes obligations regarding the treatment of confidential information within the Ubyx clearing system, ensuring the protection of sensitive data exchanged by participants.

Obligations

1. Obligation 1: Confidential Information

Participants must treat all transaction data, participant information, and operational details obtained through the Ubyx clearing system as confidential.

2. Obligation 2: Limited Disclosure

Confidential information may only be disclosed to employees, officers, regulators, professional advisors, or third-party service providers on a strict need-to-know basis and under obligations of confidentiality at least as stringent as those set forth herein.

3. Obligation 3: Protection Measures

Participants must implement and maintain appropriate technical and organizational security measures to safeguard confidential information against unauthorized access, use, disclosure, alteration, or destruction.

4. Obligation 4: Compliance with Law

Participants must comply with all applicable laws, regulations, and rules concerning data protection, privacy, and confidentiality.

5. Obligation 5: Notification of Breach

Participants must immediately notify Ubyx Inc. and any impacted participants upon becoming aware of a breach or suspected breach of confidentiality.

6. Obligation 6: Return or Destruction of Confidential Information

Upon termination of participation in the Ubyx clearing system, participants must promptly return or securely destroy all confidential information obtained through participation, except as otherwise required by law or regulation.

Non-Compliance Penalties

Non-compliance with these obligations may result in:

- Formal warnings;
- Financial penalties;
- Temporary suspension of access to the Ubyx clearing system;
- Permanent expulsion from the Ubyx clearing system;
- Legal actions to enforce confidentiality obligations.

007 - Intellectual Property

Honor All Coins

- **Rule ID:** UBYX-00000
- **Title:** Honor All Coins
- **Category:** Receiving Institution Obligations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Requires all Receiving Institutions to accept all stablecoins issued by Participants in the Ubyx clearing system, subject to specified exceptions.

Rule Overview

This rule requires Receiving Institutions to accept all eligible stablecoins issued by Participants in the Ubyx clearing system, provided the coins are properly presented for redemption and do not violate compliance or risk standards. This ensures fungibility, neutrality, and universal acceptance across the network.

Obligations

1. Obligation 1: Acceptance of All Coins

Receiving Institutions must accept for redemption at par value all stablecoins issued by any regulated Issuer participating in the Ubyx clearing system, regardless of the issuer's identity, blockchain, or currency (subject to currency support limitations of the Receiving Institution).

2. Obligation 2: Neutrality of Acceptance

Receiving Institutions must not refuse redemption of a stablecoin solely because: - The issuer is a commercial competitor; - The issuer is located in a different jurisdiction; - The coin is denominated in a supported foreign currency; - The stablecoin is held on a supported public blockchain other than the one preferred by the Receiving Institution.

3. Obligation 3: Exceptions to Universal Acceptance

Receiving Institutions may decline to accept a stablecoin only under the following circumstances: - The stablecoin fails local compliance checks (e.g. AML, sanctions, fraud risk); - The Receiving Institution has not yet enabled redemption for the specific currency or blockchain; - The issuer is no longer in good standing under Ubyx governance (e.g. suspended or terminated); - The technical submission of the coin is not compliant with Ubyx message formats.

4. Obligation 4: Non-Discriminatory Practices

Receiving Institutions may not prioritize, restrict, or steer end users away from accepting certain Ubyx-approved stablecoins, except as permitted above. Any preference-based steering must preserve user choice and comply with applicable law.

Non-Compliance Penalties

Failure to honor all coins may result in:

- Formal breach notices and remediation requirements;
- Public or network-level notice of non-compliance;
- Temporary suspension from the Ubyx clearing system;
- Permanent revocation of Receiving Institution status;

IP Claims Against Ubyx

- **Rule ID:** UBYX-00000
- **Title:** Participant Use and Non-Assertion of Intellectual Property Claims
- **Category:** Intellectual Property
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Sets out the terms under which Ubyx participants agree to benefit from the Ubyx network without asserting patent claims against Ubyx or its ecosystem contributors.

Rule Overview

This rule sets the expectations for participant engagement in the Ubyx network and prohibits the assertion of patent infringement claims against Ubyx Inc., its affiliates, contractors, agents, and other network participants for activities arising from participation in the Ubyx clearing system.

Obligations

1. Obligation 1: Acceptance of Ubyx Network Framework

Participants acknowledge that Ubyx Inc. provides a technology platform, rulebook, and associated services to enable secure, lawful, and interoperable stablecoin redemption at scale. Participation in Ubyx provides access to these programs, products, and services as part of a common networked infrastructure.

2. Obligation 2: No Assertion of Patent Claims

As a condition of participation in the Ubyx clearing system, each Participant agrees not to assert, and not to authorize, assist, or encourage others to assert, any patent infringement claim against Ubyx Inc., its affiliates, contractors, agents, service providers, or other participants in the Ubyx network, based on the use, development, operation, or implementation of any program, product, protocol, service, or technical component made available through or by Ubyx.

3. Obligation 3: Continuity of Non-Assertion Obligation

This non-assertion obligation applies both during participation and thereafter, for any conduct relating to Ubyx programs and services that occurred while the Participant was active in the network.

Non-Compliance Penalties

Violation of this non-assertion obligation may result in:

- Termination of participation rights in the Ubyx clearing system;
- Legal action to enjoin the infringement claim and recover damages;
- Reimbursement of legal costs incurred by Ubyx Inc. and affected participants;
- Disclosure to relevant authorities or courts in applicable jurisdictions.

Ubyx Intellectual Property

- **Rule ID:** UBYX-00000
- **Title:** Ubyx Intellectual Property Rights

- **Category:** Intellectual Property
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Establishes Ubyx Inc.'s ownership of intellectual property and the obligations of participants with respect to Ubyx's proprietary assets and technologies.

Rule Overview

This rule defines the rights of Ubyx Inc. in relation to its intellectual property, including but not limited to proprietary software, technology, branding, and systems used in connection with the Ubyx clearing system. Participants are granted limited, non-transferable rights to use Ubyx IP solely for the purposes of engaging with the Ubyx platform in accordance with this Rulebook.

Obligations

1. Obligation 1: Acknowledgement of Ownership

All Participants acknowledge that Ubyx Inc. retains sole and exclusive ownership of all intellectual property associated with the Ubyx platform. This includes, but is not limited to, the Ubyx name, logo, platform technology, rulebook, API specifications and clearing protocols.

2. Obligation 2: Use of Intellectual Property

Participants may use Ubyx intellectual property solely as necessary to access and participate in the Ubyx clearing system and only in accordance with the rules, specifications, and branding guidelines issued by Ubyx Inc. from time to time. No license or other right, express or implied, is granted beyond such use.

3. Obligation 3: Prohibition on Claims of Ownership

Participants must not assert or imply any ownership, license, or proprietary interest in any part of the Ubyx platform, codebase, branding, or documentation, and must not take any action that would infringe upon, dilute, or otherwise impair Ubyx's intellectual property rights.

4. Obligation 4: Participant-Supplied Data and Materials

Except with respect to Participant-supplied transaction data, logs, or configuration inputs, all rights in and to any systems, software, tools, materials, or documentation made available by Ubyx remain the exclusive property of Ubyx Inc.

5. Obligation 5: No Transfer of Rights

Nothing in the Ubyx Rulebook shall be construed as assigning, transferring, or granting any intellectual property rights to Participants, except as explicitly set out herein. All rights not expressly granted are reserved by Ubyx Inc.

Non-Compliance Penalties

Non-compliance with these obligations may result in:

- Cease and desist orders and corrective action demands;
- Temporary or permanent suspension of access to the Ubyx system;
- Legal action to restrain infringement or recover damages;
- Revocation of participation rights;
- Indemnity obligations for misuse of Ubyx intellectual property.

Use Of Marks

- **Rule ID:** UBYX-00000

- **Title:** Use of Ubyx Marks
- **Category:** Intellectual Property
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Governs the authorized use, protection, and restrictions applicable to the Ubyx name, marks, and associated visual identity.

Rule Overview

This rule defines the scope of permitted use of Ubyx-owned marks and trademarks by participants in the Ubyx clearing system. It ensures consistency, brand integrity, and legal clarity regarding rights to use the Ubyx name, visual identity, and associated designations.

Obligations

1. Obligation 1: Acknowledgement of Proprietary Rights

Participants must recognize that Ubyx Inc. holds exclusive rights, title, and interest in and to all Ubyx marks, including the Ubyx name, logo, associated wordmarks, design elements, and any other identifiers introduced by Ubyx in connection with its platform and services (“Ubyx Marks”).

2. Obligation 2: Authorized Use Only

Participants may use the Ubyx Marks solely to indicate participation in or promotion of the Ubyx clearing system and only in strict accordance with the Ubyx Visual Identity Standards and this Rulebook. All uses must be pre-approved in form and context where reasonably required.

3. Obligation 3: Quality and Consistency

Participants must preserve the appearance, proportions, colors, and presentation of the Ubyx Marks exactly as specified in the current Ubyx Visual Identity Standards. Deviation, distortion, or modification of any kind is prohibited.

4. Obligation 4: No Misrepresentation

Participants must not use the Ubyx Marks in a way that implies partnership, sponsorship, exclusivity, agency, or endorsement beyond what is authorized by Ubyx Inc. Ubyx Marks may not be used in a corporate name, domain name, or brand name without written permission.

5. Obligation 5: Submission of Materials

Ubyx may require Participants to submit marketing, transactional, or promotional materials that use Ubyx Marks for review and approval. Participants must promptly comply with any such request.

6. Obligation 6: Prohibited Uses

Participants may not use Ubyx Marks:

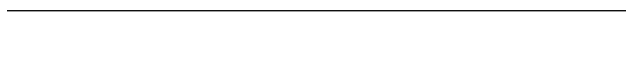
- In connection with unlawful, misleading, or unethical activities
- In co-branding with any direct competitor of Ubyx Inc. without explicit written permission
- In a way that could dilute, tarnish, or otherwise harm the reputation or goodwill of the Ubyx brand

Non-Compliance Penalties

Improper use of Ubyx Marks may result in:

- Immediate suspension of marketing privileges or Ubyx access
- Demand for withdrawal of offending materials and correction of public representations
- Legal action to enjoin misuse or recover damages

- Termination of participation in the Ubyx clearing system



008 - Ubyx Obligations

Ubyx Obligations

- **Rule ID:** UBYX-00000
- **Title:** Ubyx Obligations
- **Category:** Governance
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Sets out the core obligations of Ubyx Inc. in its capacity as technical platform operator and rulebook administrator.

Rule Overview

This rule defines the principal obligations of Ubyx Inc. as the operator of the Ubyx clearing system and steward of its rulebook and technical infrastructure. These obligations reflect Ubyx’s role as a neutral messaging and governance layer, not a counterparty, custodian, or financial intermediary.

Obligations

1. Obligation 1: Maintain the Technical Platform

Ubyx Inc. shall operate and maintain the core technical platform for routing redemption instructions, transmitting messages, and enforcing structured rulebook compliance between regulated participants.

2. Obligation 2: Enforce the Rulebook

Ubyx Inc. shall administer and enforce this Rulebook in a fair, consistent, and transparent manner across all participants, subject to due process and governance procedures.

3. Obligation 3: Approve Participants and Blockchains

Ubyx Inc. shall conduct eligibility reviews and due diligence for new issuers, receiving institutions, and supported public blockchains in accordance with published criteria.

4. Obligation 4: Provide Notifications and Updates

Ubyx Inc. shall publish rule amendments, eligibility decisions, platform notices, and other governance-related communications to participants in a timely and accessible manner.

5. Obligation 5: Protect Confidentiality and Data Integrity

Ubyx Inc. shall preserve the confidentiality, integrity, and authenticity of messages transiting the Ubyx platform. Ubyx shall not access underlying customer data or wallet contents.

6. Obligation 6: Governance and Dispute Administration

Ubyx Inc. shall administer network governance processes and may facilitate participant compliance investigations. However, Ubyx shall not mediate or adjudicate disputes between customers and participants.

7. Obligation 7: Continuous Improvement

Ubyx Inc. shall invest in the continuous improvement of the platform’s security, resilience, and compliance with applicable global standards, including best practices for financial messaging systems.

8. Obligation 8: Platform Neutrality

Ubyx Inc. shall act as a neutral infrastructure provider and not favor any issuer, receiving institution, or blockchain. Ubyx shall not operate as a principal to any transaction.

Limitations of Liability

Ubyx Inc. does not warrant the performance or solvency of any participant or blockchain. Ubyx does not guarantee transaction finality, issuer redemption, or receiving institution behavior.

Non-Compliance Penalties

This rule governs Ubyx Inc. and does not impose obligations on participants. Breach of these obligations by Ubyx Inc. may result in:

- Internal governance review
 - Stakeholder disclosure
-
-

009 - Issuer Obligations

Change To Regulatory Status

- **Rule ID:** UBYX-00009
- **Title:** Notification of Changes to Regulatory Status
- **Category:** Issuer Obligations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-01-13
- **Last Modified:** 2025-01-13
- **Author:** Ubyx Inc.
- **Description:** Issuers are required to promptly notify Ubyx of any changes to their regulatory status, including but not limited to licensing, compliance, or operational restrictions imposed by regulatory authorities.

Rule Overview

To uphold the integrity and compliance of the Ubyx Network, all Issuers must promptly inform Ubyx of any material changes to their regulatory status. This ensures the continued alignment of the Issuer with the Network's standards and regulatory requirements.

Obligations

1. **Timely Notification:**
 - Issuers must notify Ubyx in writing within 24 hours of becoming aware of any changes to their regulatory status. Such changes include, but are not limited to, revocation, suspension, modification, or expiration of licenses or permits required for stablecoin issuance and redemption.
2. **Submission of Supporting Documentation:**
 - Issuers must provide Ubyx with all relevant documentation and correspondence from regulatory authorities regarding the change in status within three (3) business days of the notification.
3. **Ongoing Communication:**
 - Issuers must keep Ubyx informed of any additional developments related to the change in regulatory status, including steps being taken to resolve or address the matter.

4. **Impact Assessment:**

- Issuers must collaborate with Ubyx to assess the potential impact of the regulatory change on their operations within the Ubyx Network and agree to any necessary operational adjustments.

Non-Compliance Penalties

Non-compliance with these obligations may result in: - Temporary suspension of the Issuer's participation in the Ubyx Network until the required information is provided and assessed. - Notification to affected Participating Institutions to ensure operational awareness.

Financial Crime

- **Rule ID:** UBYX-00010
- **Title:** Compliance with Financial Crime Regulations
- **Category:** Issuer Obligations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-01-13
- **Last Modified:** 2025-01-13
- **Author:** Ubyx Inc.
- **Description:** Issuers are required to comply with all applicable financial crime regulations, including but not limited to AML, KYC, and the Travel Rule, to ensure the integrity and compliance of the Ubyx Network.

Rule Overview

To safeguard the Ubyx Network against financial crime and ensure compliance with global regulatory standards, all Issuers must adhere to applicable Anti-Money Laundering (AML), Know Your Customer (KYC), and Travel Rule requirements, as well as any other relevant financial crime prevention regulations in their operating jurisdictions.

Obligations

1. **AML and KYC Compliance:**

- Issuers must implement robust AML and KYC programs that meet or exceed the regulatory requirements of their operating jurisdictions, including onboarding and monitoring procedures for all Users.

2. **Travel Rule Adherence:**

- Issuers must ensure that information accompanying stablecoin transactions complies with the Financial Action Task Force (FATF) Travel Rule, including the collection and transmission of sender and recipient information as required.

3. **Regulatory Monitoring:**

- Issuers are responsible for staying informed about changes to financial crime regulations in all jurisdictions where they operate and updating their compliance programs accordingly.

4. **Collaboration with Ubyx:**

- Issuers must cooperate with Ubyx in providing necessary data and records to support the Network's compliance with financial crime regulations, including periodic audits and investigations.

Non-Compliance Penalties

Non-compliance with these obligations may result in: - Temporary suspension of the Issuer from the Ubyx Network until compliance measures are rectified. - Escalation of non-compliance issues to relevant regulatory authorities as required by law.

Licencing And Authorization

- **Rule ID:** UBYX-00012
- **Title:** Licensing and Authorization Requirements
- **Category:** Issuer Obligations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-01-13
- **Last Modified:** 2025-01-13
- **Author:** Ubyx Inc.
- **Description:** Issuers must obtain all necessary licenses and authorizations to operate in their jurisdictions of issuance and use, and must warrant their compliance to Ubyx Inc.

Rule Overview

To ensure the legal and regulatory integrity of the Ubyx Network, all Issuers are required to secure and maintain all necessary licenses and authorizations to undertake their activities. This obligation extends to jurisdictions where the stablecoin is issued, as well as those where it is utilized. Issuers must warrant to Ubyx Inc. their compliance with these requirements.

Obligations

1. **Licensing Requirements:**
 - Issuers must obtain and maintain all licenses, permits, and regulatory authorizations required to issue and redeem stablecoins in all jurisdictions where they operate.
2. **Jurisdictional Compliance:**
 - Issuers must ensure compliance with applicable laws and regulations in the jurisdiction where the stablecoin is issued and any jurisdictions where the stablecoin is used.
3. **Warrant to Ubyx:**
 - Issuers must warrant to Ubyx Inc. that they have obtained all necessary licenses and authorizations and are legally permitted to conduct their operations.
4. **Notification of Changes:**
 - Issuers must immediately inform Ubyx Inc. of any changes to their licensing or authorization status, including expirations, suspensions, or revocations.

Non-Compliance Penalties

Non-compliance with these obligations may result in: - Immediate suspension of the Issuer's participation in the Ubyx Network until compliance is achieved. - Notification to Participating Institutions of the non-compliance to ensure operational transparency.

Prefunded Cash Balances

- **Rule ID:** UBYX-00008
- **Title:** Pre-Funded Cash Balance Requirement
- **Category:** Issuer Obligations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-01-13
- **Last Modified:** 2025-01-13
- **Author:** Ubyx Inc.
- **Description:** Issuers must maintain pre-funded cash balances at the Ubyx Clearing Bank equivalent to a minimum of five (5) days' worth of average redemptions to ensure seamless operations of the Ubyx Network.

Rule Overview

To ensure the smooth functioning of the Ubyx Network and mitigate the risk of redemption delays, all Issuers are required to hold pre-funded cash balances at the Ubyx Clearing Bank. These balances must be maintained at a level sufficient to cover at least five (5) days of average redemption activity through the system.

Obligations

1. Minimum Pre-Funded Balance:

- Issuers must maintain a pre-funded cash balance at the Ubyx Clearing Bank equal to at least five (5) days' worth of their average daily redemption volume within the Ubyx Network.

2. Monitoring and Maintenance:

- It is the sole responsibility of the Issuer to monitor their pre-funded cash balances and ensure they remain at or above the required threshold.

3. Redemption Suspension Threshold:

- If the pre-funded balance falls to a level equivalent to one (1) day's worth of average daily redemptions, redemptions through the Ubyx Network will be automatically suspended until the balance is restored to the required level.

4. Restoration of Services:

- Redemptions will resume immediately upon confirmation that the pre-funded balance has been replenished to meet or exceed the minimum five-day requirement.

Non-Compliance Penalties

Non-compliance with these obligations may result in: - Temporary suspension of redemptions until the required balance is restored. - Notification to affected Participating Institutions of the redemption suspension for operational awareness.

Redemption Processing

- **Rule ID:** UBYX-00011
- **Title:** Timely Response to Redemption Requests
- **Category:** Issuer Obligations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-01-13
- **Last Modified:** 2025-01-13
- **Author:** Ubyx Inc.
- **Description:** Issuers must promptly respond to redemption requests in accordance with the Ubyx Network Service Levels, ensuring compliance checks are performed and signalling acceptance for cash transfer.

Rule Overview

To maintain the efficiency and reliability of the Ubyx Network, all Issuers are required to respond promptly to redemption requests submitted through the Network. Issuers must perform compliance checks on the requests, confirm their acceptance to the Ubyx Network to facilitate the transfer of funds between designated accounts to complete the redemption process.

Obligations

1. Timely Processing:

- Issuers must respond to redemption requests within the timeframes specified by the Ubyx Network Service Levels.

2. Compliance Checks:

- Issuers are responsible for conducting their own compliance reviews of each redemption request, including verifying adherence to applicable Sanctions, AML and KYC standards.

3. Signalling Acceptance:

- Upon successful completion of compliance checks, Issuers must promptly signal acceptance of the redemption request to the Ubyx Network, authorizing the transfer of cash from the Issuer Cash Account to the Receiving Institution Cash Account.

4. Fund Transfer Execution:

- Issuers must ensure that cash transfers associated with redemption requests are completed accurately and within the specified timeframes to avoid settlement delays.

Non-Compliance Penalties

Non-compliance with these obligations may result in: - Suspension of the Issuer's ability to process new redemption requests. - Notification to Receiving Institutions of potential delays to ensure operational transparency.

Reserve Requirements

- **Rule ID:** UBYX-00005
- **Title:** Reserve Backing Requirement for Stablecoins
- **Category:** Issuer Obligations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-01-13
- **Last Modified:** 2025-01-13
- **Author:** Ubyx Inc.
- **Description:** All stablecoins issued must maintain a 100% reserve backing to ensure redemption at par value and uphold the integrity of the Ubyx Network.

Rule Overview

To promote trust and ensure the stability of the Ubyx ecosystem, all Issuers participating in the Ubyx Network are required to maintain a reserve equivalent to 100% of the issued stablecoin's total circulating supply.

Obligations

1. Full Reserve Maintenance:

- Issuers must maintain reserves equivalent to 100% of their circulating stablecoin supply. These reserves must be denominated in fiat currency and/or liquid assets.

2. Reserve Verification:

- Issuers are required to submit reserve reports upon request, certified by an independent auditor, to Ubyx for verification and compliance.

3. Transparency and Disclosure:

- Issuers must disclose the composition of their reserves publicly and update this information on a quarterly basis.

Non-Compliance Penalties

Non-compliance with these obligations may result in: - Suspension of the Issuer from the Ubyx Network. - Expulsion of the Issuer from the Ubyx Network.

Technical Standards

- **Rule ID:** UBYX-00013
- **Title:** Technical Integration and Cybersecurity Compliance
- **Category:** Issuer Obligations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-01-13
- **Last Modified:** 2025-01-13
- **Author:** Ubyx Inc.
- **Description:** Issuers must integrate with the Ubyx Platform and ensure full compliance with the technical and cybersecurity standards established by the Ubyx Network.

Rule Overview

To safeguard the operational efficiency and security of the Ubyx Network, all Issuers are required to connect to the Ubyx Platform and comply with the technical and cybersecurity standards set by Ubyx Inc. These standards ensure secure, reliable, and consistent operations for all Network participants.

Obligations

1. **Platform Integration:**
 - Issuers must establish and maintain a seamless connection to the Ubyx Platform using the integration protocols and interfaces specified by Ubyx Inc.
2. **Technical Standards Compliance:**
 - Issuers must comply with all technical specifications, including system interoperability, data formatting, and transaction processing requirements, as outlined in the Ubyx Network's technical documentation.
3. **Cybersecurity Measures:**
 - Issuers are required to implement robust cybersecurity measures to protect their systems and data from unauthorized access, data breaches, and other cyber threats. These measures must align with Ubyx Network standards, which include but are not limited to:
 - Data encryption.
 - Regular security audits.
 - Incident response plans.
4. **Regular Updates and Maintenance:**
 - Issuers must keep their systems updated to remain compatible with Ubyx Platform updates and security enhancements. Planned maintenance affecting Ubyx Network connectivity must be coordinated with Ubyx Inc.
5. **Incident Reporting:**
 - Any cybersecurity incidents impacting the Issuer's connection to the Ubyx Network must be reported to Ubyx Inc. within 24 hours of detection.

Non-Compliance Penalties

Non-compliance with these obligations may result in: - Temporary suspension of the Issuer's access to the Ubyx Network until technical or security issues are resolved. - Notification to affected Participating Institutions to mitigate operational risks.

010 - Receiving Institution Obligations

Clearing Bank Arrangements

- **Rule ID:** UBYX-00016
- **Title:** Wallet and Cash Account Maintenance
- **Category:** Receiving Institution Obligations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-01-13
- **Last Modified:** 2025-01-13
- **Author:** Ubyx Inc.
- **Description:** Receiving Institutions must maintain the necessary stablecoin wallets and cash accounts at the Ubyx Clearing Bank to facilitate seamless stablecoin redemptions and fiat settlements.

Rule Overview

To ensure the efficient operation of the Ubyx Network, Receiving Institutions are required to maintain both stablecoin wallets and cash accounts at the Ubyx Clearing Bank. This infrastructure is essential for enabling stablecoin redemptions and ensuring timely fiat settlements for Users.

Obligations

1. **Wallet Maintenance:**
 - Receiving Institutions must establish and maintain active wallets for stablecoin transactions, adhering to the technical standards and security protocols specified by Ubyx Inc.
2. **Cash Account Maintenance:**
 - Receiving Institutions must maintain cash accounts at the Ubyx Clearing Bank, with sufficient balances to support fiat settlements arising from stablecoin redemptions.
3. **Account Reconciliation:**
 - Receiving Institutions are responsible for reconciling wallet and cash account balances daily to ensure accurate transaction records and sufficient liquidity for operations.
4. **Notification of Changes:**
 - Any changes to wallet or cash account details, or any disruptions in account operations, must be communicated to Ubyx Inc. immediately.

Non-Compliance Penalties

Non-compliance with these obligations may result in: - Suspension of the Receiving Institution's ability to process redemptions through the Ubyx Network. - Notification to Issuers and Participating Institutions of operational disruptions.

KYC and Financial Crime

- **Rule ID:** UBYX-00015
- **Title:** Compliance with Financial Crime Prevention Regulations
- **Category:** Receiving Institution Obligations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-01-13
- **Last Modified:** 2025-01-13
- **Author:** Ubyx Inc.

- **Description:** Receiving Institutions must ensure compliance with AML, KYC, sanctions screening, the Travel Rule, and other applicable financial crime regulations by providing redemption services exclusively to fully onboarded customers.

Rule Overview

To maintain the integrity of the Ubyx Network and comply with global regulatory standards, Receiving Institutions are required to implement robust financial crime prevention measures. Redemption services may only be offered to fully onboarded customers who have been verified in accordance with applicable Anti-Money Laundering (AML), Know Your Customer (KYC), and sanctions screening requirements, as well as the Financial Action Task Force (FATF) Travel Rule and related regulations.

Obligations

1. **Customer Onboarding:**
 - Receiving Institutions must ensure that all customers using the redemption service are fully onboarded, with identities verified through a compliant KYC process.
2. **AML and Sanctions Compliance:**
 - Redemption services must only be made available to customers who have been screened against applicable AML and sanctions lists, with ongoing monitoring for any changes in risk profiles.
3. **Travel Rule Adherence:**
 - Receiving Institutions must collect, transmit, and verify all required sender and recipient information in alignment with the FATF Travel Rule when processing redemption transactions.
4. **Periodic Review:**
 - Customer records must be periodically reviewed and updated to ensure continued compliance with financial crime regulations.

Non-Compliance Penalties

Non-compliance with these obligations may result in: - Temporary suspension of the Receiving Institution's access to the Ubyx Network until compliance is demonstrated. - Notification to Ubyx Inc. and affected Participating Institutions of any identified compliance failures to ensure transparency and risk mitigation.

No Minimum Or Maximum

- **Rule ID:** UBYX-00000
- **Title:** Prohibition of Minimum or Maximum Redemption Amounts
- **Category:** Receiving Institution Obligations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Prohibits Receiving Institutions from imposing minimum or maximum stablecoin redemption thresholds as a condition for honoring Ubyx redemptions.

Rule Overview

This rule prohibits Receiving Institutions from conditioning the acceptance of Ubyx-eligible stablecoin redemptions on any minimum or maximum transaction size. The aim is to ensure equal access to the Ubyx clearing system for all users, regardless of transaction value.

Obligations

1. Obligation 1: No Minimum Redemption Thresholds

Receiving Institutions must not impose a minimum transaction size as a condition for accepting stablecoins submitted for redemption via the Ubyx platform.

2. Obligation 2: No Maximum Redemption Limits

Receiving Institutions must not set a maximum transaction threshold as a condition for processing redemptions, except where such limitations are explicitly required by applicable law or regulation (e.g. anti-money laundering rules, risk-based caps).

3. Obligation 3: Equal Access to Redemption

All redemption requests that comply with the Ubyx technical message format, legal requirements, and financial crime screening must be accepted without discrimination based on transaction size.

4. Obligation 4: Exceptions by Law or Regulatory Order

If a Receiving Institution is required by law, regulation, or court order to apply limits on redemption amounts, it must notify the Ubyx Association in writing and provide evidence of such mandate.

Non-Compliance Penalties

Imposing prohibited transaction size limits may result in:

- Mandatory corrective action plans;
 - Temporary or permanent suspension from the Ubyx clearing system;
 - Financial penalties or reputational sanctions;
 - Legal remedies under Ubyx governance procedures.
-

No Surcharge

- **Rule ID:** UBYX-00000
- **Title:** Prohibition of Surcharges on Redemption
- **Category:** Receiving Institution Obligations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Prohibits Receiving Institutions from imposing surcharges or additional fees on users redeeming stablecoins through the Ubyx clearing system, except where required by law.

Rule Overview

This rule prohibits Receiving Institutions from adding surcharges or supplemental fees to redemption transactions involving stablecoins submitted through the Ubyx clearing system. The goal is to preserve price transparency and eliminate discriminatory pricing for digital money acceptance.

Obligations

1. Obligation 1: No Redemption Surcharges

Receiving Institutions must not impose any additional fee, markup, or surcharge over and above the advertised or expected price in connection with the redemption of Ubyx-eligible stablecoins, unless explicitly required by applicable law or regulation.

2. Obligation 2: All-Inclusive Pricing

If surcharges are permitted by law, any such charge must be transparently included in the total redemption transaction amount submitted through the Ubyx platform. Separate or off-ledger fee collection is prohibited.

3. Obligation 3: Equal Treatment of Stablecoins

Receiving Institutions must not impose fees or surcharges that discriminate between stablecoin issuers, networks, or denominations. All accepted coins must be treated equally in pricing and redemption.

4. Obligation 4: Disclosure Requirements

Where surcharges are legally allowed, the Receiving Institution must clearly disclose to the user the amount and basis of the surcharge prior to completing the redemption transaction.

Non-Compliance Penalties

Violations of this rule may result in:

- Formal notice and mandated fee reversal procedures;
 - Temporary or permanent suspension from the Ubyx network;
 - Reputational sanctions or public notice of breach;
-

Redemption Processing

- **Rule ID:** UBYX-00014
- **Title:** Redemption Processing Obligations
- **Category:** Receiving Institution Obligations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-01-13
- **Last Modified:** 2025-01-13
- **Author:** Ubyx Inc.
- **Description:** Receiving Institutions must process all redemption transactions promptly and in accordance with the Ubyx Network Service Levels, ensuring a seamless experience for Users and Participating Institutions.

Rule Overview

To uphold the reliability and efficiency of the Ubyx Network, Receiving Institutions are required to process redemption transactions promptly. Timely processing ensures that Users receive fiat currency in exchange for stablecoins without unnecessary delays, reinforcing trust in the Network.

Obligations

1. **Adherence to Service Levels:**
 - Receiving Institutions must process redemption requests within the timeframes specified by the Ubyx Network Service Levels, ensuring consistent and reliable performance.
2. **Transaction Prioritization:**
 - Redemption transactions must be prioritized to prevent delays, with Receiving Institutions ensuring they allocate sufficient resources to meet demand.
3. **Resolution of Processing Issues:**
 - Any technical or operational issues preventing timely processing must be communicated to Ubyx Inc. immediately, along with an estimated resolution time.

Non-Compliance Penalties

Non-compliance with these obligations may result in: - Suspension of the Receiving Institution from the Ubyx Network until compliance with service levels is restored. - Notification to Issuers and other Participating Institutions of service interruptions to maintain operational transparency.

Transaction Receipt

- **Rule ID:** UBYX-00000
- **Title:** Transaction Confirmation for Stablecoin Deposits
- **Category:** Receiving Institution Obligations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Requires Receiving Institutions to provide customers with a confirmation or receipt for each stablecoin deposit processed through Ubyx.

Rule Overview

This rule requires all Receiving Institutions participating in the Ubyx clearing system to provide customers with a clear and timely confirmation for every stablecoin deposit. This ensures user confidence, supports transaction transparency, and enables effective audit and dispute resolution.

Obligations

1. Obligation 1: Mandatory Confirmation

For every stablecoin deposit processed via Ubyx, the Receiving Institution must generate a customer-facing confirmation. This confirmation serves as a transaction receipt and must be provided immediately upon successful processing.

2. Obligation 2: Delivery Method

The confirmation must be issued in a form appropriate to the channel used: - For online or app-based deposits: an on-screen confirmation and an electronic message (email, SMS, or app notification).
- For in-person deposits via ATM or branch: a printed receipt or paper transaction slip must be offered.

3. Obligation 3: Required Information

Each transaction confirmation must include: - Date and time of deposit;
- Stablecoin type and amount received (e.g., “500 USDC”);
- Fiat currency amount credited (e.g., “\$500”); - Foreign exchange rate applied, where applicable;
- Transaction reference number (ideally a Ubyx network reference ID);
- Optional: partial wallet address of sender (for customer clarity).

4. Obligation 4: Internal Logging and Recordkeeping

Receiving Institutions must retain an internal record of each deposit, linked to both the customer’s account and the network transaction. This record must be maintained in accordance with Ubyx audit and reconciliation standards and be available for dispute resolution or regulatory inspection.

5. Obligation 5: Uniform Standards

Ubyx Inc. may define and enforce standardized confirmation formats or transaction reference schemas to ensure consistency across participants. Participants must adopt such formats upon issuance.

Non-Compliance Penalties

Failure to issue proper confirmations may result in:

- Mandated corrective actions or technical remediation;
 - Suspension from processing new deposit flows via Ubyx;
 - Increased oversight or audit obligations;
 - Reputational notice to affected counterparties or customers.
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Travel Rule

- **Rule ID:** UBYX-00000
- **Title:** Travel Rule Compliance for Redemption Transactions
- **Category:** Receiving Institution Obligations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Requires Receiving Institutions to transmit originator and beneficiary information with each stablecoin redemption to meet Travel Rule obligations.

Rule Overview

This rule requires Receiving Institutions to comply with the Financial Action Task Force (FATF) Travel Rule and equivalent regulations when redeeming stablecoins via the Ubyx clearing system. Participants must transmit required originator and beneficiary data through the Ubyx platform as part of the redemption message.

Obligations

1. Obligation 1: Mandatory Data Transmission

For every redemption request submitted via the Ubyx platform, the Receiving Institution must supply the required originator and beneficiary information in accordance with applicable Travel Rule obligations.

2. Obligation 2: Minimum Data Fields

The transmitted data must include at least: - Full name of the originator (sender of the stablecoin);

- Wallet address or other unique identifier of the originator;

- Full name of the beneficiary (the customer of the Receiving Institution);

- Beneficiary account or reference identifier;

- Any additional required identifiers (e.g., national ID, date of birth, or address) as required by local law.

3. Obligation 3: Secure and Structured Format

Travel Rule data must be transmitted securely and in a structured, machine-readable format that complies with Ubyx technical specifications and applicable global standards (e.g., IVMS 101 or ISO 20022 extensions).

4. Obligation 4: Use of Ubyx Messaging Infrastructure

All Travel Rule information must be routed through the Ubyx platform as part of the redemption process. Side-channel, off-ledger, or informal methods of transmission are not permitted.

5. Obligation 5: Retention and Auditability

Receiving Institutions must retain records of submitted Travel Rule data for a minimum of five (5) years or such longer period as required by applicable law. These records must be auditable and made available to Ubyx or regulators upon request.

Non-Compliance Penalties

Failure to transmit valid Travel Rule data may result in:

- Immediate rejection of the redemption request;
 - Temporary or permanent suspension of the Receiving Institution's access to the Ubyx platform;
 - Increased compliance oversight or mandatory remediation;
 - Referral to regulatory authorities for further investigation.
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011 - Settlement Agent Obligations

Settlement Agent Obligations

- **Rule ID:** UBYX-00000
- **Title:** Obligations of the Ubyx-Designated Settlement Agent
- **Category:** Settlement & Operations
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Defines the operational and compliance responsibilities of the Settlement Agent nominated by Ubyx Inc. to support redemption flows in each supported fiat currency.

Rule Overview

For each supported fiat currency, Ubyx Inc. appoints a Settlement Agent to facilitate the movement of funds and tokens between Issuers and Receiving Institutions. This rule defines the Settlement Agent's core functions, technical integration obligations, and ongoing compliance responsibilities as a key infrastructure node within the Ubyx clearing system.

Obligations

1. Obligation 1: Wallet and Cash Account Provisioning

The Settlement Agent must provide each approved Issuer and Receiving Institution with: - One or more institutional digital asset wallets under its control and supervision;

- One or more fiat-denominated cash accounts, segregated and attributed to the participant;
- Full KYC onboarding of each entity as a regulated financial client, in compliance with local law.

2. Obligation 2: Token and Fiat Handling

The Settlement Agent must: - Receive stablecoins from Receiving Institutions into their designated wallets; - Respond to authenticated Ubyx platform instructions to route these tokens to the Issuer's wallet for verification;

- Upon Issuer acceptance, move the equivalent fiat amount from the Issuer's cash account to the Receiving Institution's cash account.

3. Obligation 3: API Integration and Instruction Authentication

The Settlement Agent must be continuously connected to the Ubyx platform via a secure and authenticated API to: - Receive structured settlement instructions from Ubyx on behalf of Issuers and Receiving Institutions;

- Validate instruction authenticity and timing;
- Return success, rejection, or status updates in real time or near-real time.

4. Obligation 4: Status Feedback and Event Streaming

The Settlement Agent must provide Ubyx Inc. with continuous event data and transactional status updates sufficient to:

- Inform Receiving Institutions and Issuers of the progress of their instructions;
- Populate the Ubyx technical platform with accurate and timely clearing status metadata.

5. Obligation 5: Compliance Monitoring Support

The Settlement Agent must provide Ubyx with access to data necessary to support ongoing compliance monitoring, including:

- Current balances of each Issuer's pre-funded cash account;
- Confirmation of successful settlement events;
- Exception alerts and reconciliation failures.

6. Obligation 6: Performance and Service-Level Reporting

The Settlement Agent must support Ubyx Inc. in performance assurance by:

- Logging key transactional milestones (submission, routing, fiat settlement);
- Providing event-level latency and error metrics;
- Enabling service-level analysis of redemption speed, uptime, and issue resolution rates.

Non-Compliance Penalties

Failure by the Settlement Agent to meet its obligations may result in:

- Formal notice and escalation to Ubyx governance;
- Temporary designation of alternate settlement paths or agents;
- Regulatory referral or commercial termination in severe cases;
- System-wide notification of degradation in fiat settlement operations.

012 - Transaction Processing Standards

013 - Risk Management

Compliance Risk

- **Rule ID:** UBYX-00000
- **Title:** Compliance Risk Management
- **Category:** Risk Management
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Requires all participants to implement and maintain controls to manage compliance risk, including AML, sanctions, licensing, and regulatory obligations.

Rule Overview

This rule sets minimum standards for managing compliance risk across all Ubyx participants. It is essential that each participant operates in full accordance with applicable laws and regulations and maintains an internal compliance framework capable of detecting, preventing, and reporting violations.

Obligations

1. Obligation 1: Regulatory Compliance

Participants must maintain compliance with all applicable laws, regulations, and supervisory requirements in each jurisdiction in which they operate. This includes, but is not limited to:

- Anti-money laundering (AML);
- Counter-terrorist financing (CTF);
- Economic and trade sanctions;
- Stablecoin licensing or authorization requirements;
- Consumer protection and data privacy laws.

2. Obligation 2: Internal Compliance Program

Each participant must implement a formal compliance program, approved by its governing body, that includes:

- A designated compliance officer or function;
- Policies and procedures for AML/CTF and sanctions screening;
- Staff training and awareness;
- Independent audits or reviews at regular intervals.

3. Obligation 3: Transaction Monitoring and Screening

Participants must:

- Screen all redemption transactions against relevant sanctions lists and high-risk jurisdictions;

- Monitor for suspicious behavior, including structuring, evasion tactics, or anomalous flow patterns;
- File reports with appropriate authorities as required under local law.

4. Obligation 4: Change in Legal or Regulatory Status

Participants must promptly notify Ubyx Inc. if they:

- Become subject to a regulatory enforcement action;
- Lose a required license or authorization;
- Are placed under special supervision or insolvency proceedings.

5. Obligation 5: Ubyx Oversight

Ubyx Inc. may require periodic attestations of compliance, request supporting documentation, or conduct reviews in response to observed risks. Ubyx reserves the right to suspend or revoke participation where legal or regulatory non-compliance presents a network-wide risk.

Non-Compliance Penalties

Failure to manage compliance risk may result in:

- Immediate suspension of access to the Ubyx platform;
- Termination of the participant's Operating Certificate;
- Reporting to relevant national regulators or law enforcement agencies;
- Reputational damage and network-wide notification.

Information Security Risk

- **Rule ID:** UBYX-00000
- **Title:** Cybersecurity and Information Security Obligations
- **Category:** Risk Management

- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Establishes cybersecurity obligations for all Ubyx participants to safeguard their operations and protect the overall integrity and continuity of the Ubyx network.

Rule Overview

This rule defines the cybersecurity and information security requirements for all Ubyx participants. It reflects the shared responsibility to protect the Ubyx network from cyber threats, data compromise, and operational disruption. Strong security practices are critical to maintaining the stability, confidentiality, and trust of the Ubyx ecosystem.

Obligations

1. Obligation 1: Security Risk Awareness and Management

All participants must implement a risk-based information security program appropriate to the scale and sensitivity of their operations. The program must address:

- Identification and protection of critical assets (e.g. wallets, keys, credentials);

- Detection of unauthorized access or malicious activity;
- Incident response, business continuity, and disaster recovery;
- Regular threat assessments and updates.

2. Obligation 2: Endpoint and Credential Protection

Participants must secure all access points to the Ubyx platform, including APIs, interfaces, and hosted infrastructure. They must:

- Enforce strong authentication and access control;

- Use secure key management systems;
- Protect API keys and network certificates from compromise;
- Rotate credentials as recommended by Ubyx.

3. Obligation 3: Secure Software and Infrastructure Practices

Participants must:

- Apply security patches to critical systems without delay;

- Monitor for known vulnerabilities in codebases and dependencies;
- Avoid unsupported or end-of-life software in critical operations;
- Implement appropriate segmentation between internal systems and Ubyx connectivity.

4. Obligation 4: Incident Notification

Participants must notify Ubyx Inc. immediately upon discovery of any cybersecurity incident that may:

- Compromise the integrity or confidentiality of data transiting the Ubyx system;

- Impact the participant's ability to process or settle transactions;
- Present a threat to the wider network.

5. Obligation 5: Ubyx Security Oversight and Collaboration

Ubyx Inc. will:

- Maintain its own robust security framework for platform operations;

- Conduct regular internal and third-party security reviews;
- Issue technical security requirements and threat alerts to participants;
- Coordinate network-wide responses to high-severity incidents.

6. Obligation 6: Prohibited Security Practices

It is strictly forbidden for any participant to:

- Attempt to probe, scan, or exploit vulnerabilities in Ubyx infrastructure;

- Conduct denial-of-service attacks or stress testing against Ubyx systems;
- Introduce unauthorized code, monitoring tools, or malware;
- Store or transmit private keys through unsecured or unapproved mechanisms.

Non-Compliance Penalties

Failure to meet cybersecurity obligations may result in:

- Immediate revocation of access credentials;
 - Suspension from the Ubyx platform pending security review;
 - Disclosure to affected counterparties and regulatory authorities;
 - Legal action to recover damages or prevent further harm.
-

Integrity Risk

- **Rule ID:** UBYX-00000
- **Title:** Network Integrity and Reputational Risk
- **Category:** Risk Management
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Requires participants to uphold the integrity and reputation of the Ubyx clearing system and authorizes Ubyx Inc. to act against behavior that undermines network trust.

Rule Overview

This rule obliges all Ubyx participants to avoid conduct that may damage the reputation, integrity, or public trust in the Ubyx network or the broader stablecoin ecosystem. Ubyx Inc. reserves the right to take protective measures against entities that pose reputational or structural risks to the system.

Obligations

1. Obligation 1: Duty to Uphold Network Integrity

All participants must conduct themselves in a manner that maintains and reinforces the trustworthiness, legality, and professionalism of the Ubyx clearing system. Participants must not engage in conduct that could undermine public confidence in Ubyx, its participants, or stablecoin redemptions more broadly.

2. Obligation 2: Prohibited Conduct

Participants must not: - Engage in fraud, misrepresentation, or deceptive conduct (e.g. false reserve disclosures by issuers);

- Facilitate or knowingly tolerate illicit activity (e.g. money laundering, terrorist financing, sanctions evasion);
- Enable high-risk sectors known to generate systemic reputational damage (e.g. scams, Ponzi schemes, or illegal gambling);
- Conduct business in a manner that contradicts their stated regulatory commitments or puts the network in reputational jeopardy.

3. Obligation 3: Incident Notification

Participants must promptly notify Ubyx Inc. if they become subject to:

- Public scandals, data breaches, or regulatory enforcement;
- Material adverse media exposure;
- Legal claims or insolvency proceedings that may impact their fitness to participate in the network.

4. Obligation 4: Cooperation with Remediation

Participants are expected to work collaboratively with Ubyx Inc. to address and mitigate any incident that

may damage the network's integrity or public trust. This may include issuing clarifications, taking disciplinary action against internal staff, or adopting enhanced compliance measures.

5. Obligation 5: Ubyx Protective Measures

Ubyx Inc. may impose enhanced oversight, suspend, or terminate the participation of any entity whose conduct presents an unacceptable risk to network reputation, legal compliance, or financial stability. Such action may be taken preemptively and without prior breach if integrity risk is deemed material and credible.

Non-Compliance Penalties

Failure to meet these obligations may result in:

- Formal warning and remediation plan;
 - Temporary restriction from network participation;
 - Revocation of the participant's Operating Certificate;
 - Notification to other participants and relevant regulators;
 - Public disassociation by Ubyx to preserve systemic trust.
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Operational Risk

- **Rule ID:** UBYX-00000
- **Title:** Operational Risk Management
- **Category:** Risk Management
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Establishes requirements for managing operational risk across Ubyx participants, including business continuity, resilience, and internal control obligations.

Rule Overview

This rule sets the standards for operational risk management for all Ubyx participants. Operational resilience is critical to maintaining stability, trust, and transactional continuity across the clearing network. Each participant must proactively manage risk arising from processes, systems, personnel, and external dependencies.

Obligations

1. Obligation 1: Operational Risk Program

Each participant must implement and maintain an operational risk management program proportionate to its size, complexity, and role within the Ubyx ecosystem. The program must cover: - Process risk (e.g. settlement delays, manual errors);

- System and service reliability;
- Internal control failures;
- Dependency on third-party service providers;
- Key person risk and organizational continuity.

2. Obligation 2: Business Continuity and Disaster Recovery

Participants must have documented and tested business continuity and disaster recovery (BC/DR) plans to

ensure that critical services—such as redemption processing and system connectivity—can be maintained or restored during major disruptions.

3. Obligation 3: Capacity and Availability Management

Participants must ensure their systems have sufficient capacity to handle anticipated transaction volumes under normal and stressed conditions. Redemptions must be processed in a timely and reliable manner.

4. Obligation 4: Third-Party Risk Oversight

Where participants outsource any part of their Ubyx-related obligations (e.g. wallet hosting, KYC, compliance), they remain fully responsible for performance and risk controls. Participants must:

- Conduct due diligence on service providers;

- Monitor performance and security;
- Retain the ability to switch providers if continuity is threatened.

5. Obligation 5: Incident Notification and Coordination

Participants must immediately notify Ubyx Inc. of any operational incident that:

- Prevents normal redemption activity;

- Interrupts secure access to the Ubyx network;
- Risks cascading effects across other participants.

Participants must cooperate with Ubyx-led responses to operational events affecting the broader network.

6. Obligation 6: Review and Testing

Operational risk frameworks must be reviewed at least annually. Business continuity and failover capabilities must be tested at a frequency consistent with the participant's risk profile and industry norms.

Non-Compliance Penalties

Failure to manage operational risk may result in:

- Formal remediation mandates;
- Temporary access suspension until controls are restored;
- Reputational notice to counterparties;
- Ineligibility to expand roles within the Ubyx system (e.g. from Receiving Institution to Dual Participant).

014 - Compliance and Monitoring

Compliance

- **Rule ID:** UBYX-00000
- **Title:** Legal and Regulatory Compliance
- **Category:** Compliance
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Mandates that all Ubyx participants comply with applicable laws and regulations in every jurisdiction in which they operate.

Rule Overview

This rule establishes the legal and regulatory compliance obligations of participants in the Ubyx clearing system. It requires participants to operate in full compliance with all applicable laws and regulations, and to ensure that their affiliates, agents, and connected entities also meet these standards.

Obligations

1. Obligation 1: General Legal Compliance

Each Participant must comply with all applicable laws, regulations, rules, and legal requirements in every jurisdiction in which it operates. This includes, but is not limited to, requirements concerning banking, payment systems, money transmission, foreign exchange, anti-money laundering (AML), counter-terrorist financing (CTF), sanctions compliance, consumer protection, privacy and data security, financial services, and intellectual property.

2. Obligation 2: Third Party and Affiliate Compliance

Each Participant is responsible for ensuring that its affiliates, subsidiaries, parent entities, and any agents or third-party service providers (including hosted wallet providers and scaling partners) acting on its behalf or participating in the Ubyx system comply with the applicable legal and regulatory obligations in the jurisdictions in which they operate.

3. Obligation 3: Legal Review and Monitoring

Each Participant is encouraged to seek independent legal advice as necessary and must implement internal processes to monitor and maintain compliance with applicable legal and regulatory obligations on a continuing basis.

4. Obligation 4: Legality of Transactions

All transactions processed through the Ubyx clearing system must be lawful in the jurisdiction of the Sender and the Recipient (or Receiving Institution). Ubyx does not support or facilitate transactions that would be considered illegal in either jurisdiction.

5. Obligation 5: Precedence of Law

In the event of any conflict between the Ubyx Rulebook and any applicable law or regulation, the applicable law or regulation shall prevail.

Non-Compliance Penalties

Non-compliance with these obligations may result in:

- Written notices and mandatory remediation actions;
- Financial penalties or service limitations;
- Suspension or termination of participation in the Ubyx clearing system;
- Disclosure to relevant regulatory or enforcement authorities;
- Legal action for breach of contract or indemnification under applicable law.

015 - Dispute Resolution

Receiving Institution Responsibility

- **Rule ID:** UBYX-00000

- **Title:** Receiving Institution Responsibility for Customer Disputes
- **Category:** Dispute Resolution
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Assigns primary responsibility for resolving customer disputes to the Receiving Institution and confirms Ubyx Inc. is not a party to such matters.

Rule Overview

This rule affirms that each Receiving Institution is solely responsible for handling and resolving any disputes, complaints, or claims arising from its customers in relation to stablecoin redemptions conducted through the Ubyx clearing system.

Obligations

1. Obligation 1: Dispute Resolution Responsibility

The Receiving Institution bears the sole responsibility for resolving all disputes, claims, or complaints brought by its customers relating to stablecoin redemption activity. This includes but is not limited to disputes regarding the timeliness, accuracy, or completeness of redemption settlement or account crediting.

2. Obligation 2: Ubyx Not a Party

Ubyx Inc. is not a party to any dispute between a Receiving Institution and its customer. Participants may not involve Ubyx Inc. in the investigation, adjudication, mediation, or settlement of such matters.

3. Obligation 3: Internal Procedures

Receiving Institutions must maintain and operate a dispute resolution procedure appropriate to the nature and scale of their stablecoin redemption business. This procedure must comply with applicable laws and regulations in the institution's jurisdiction.

4. Obligation 4: Disclosure to Customers

Receiving Institutions must clearly communicate to their customers that the redemption service is provided solely by the institution and that Ubyx Inc. plays no role in the customer relationship or in resolving disputes.

Non-Compliance Penalties

Failure to adhere to this rule may result in:

- Mandatory issuance of customer disclosures or corrective notices
- Temporary suspension of Ubyx access for operational review
- Reputational sanctions
- Removal from the Ubyx clearing system for repeated or egregious violations

016 - Billing and Fees

Issuer Fees

Platform Fee

Receiving Institution Fees

receiving institution FX

017 - Disclaimers

Indemnities

- **Rule ID:** UBYX-00000
- **Title:** Indemnification and Limitation of Liability
- **Category:** Disclaimers
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Defines each participant's obligation to indemnify Ubyx Inc. and other members for losses caused by rule violations or misconduct, and limits Ubyx Inc.'s liability.

Rule Overview

This rule governs indemnification and liability within the Ubyx clearing system. Participants are responsible for their conduct and must indemnify Ubyx Inc. and, where applicable, other participants for losses or claims resulting from breaches of the Ubyx Rulebook or misconduct. Ubyx Inc. does not accept responsibility for indirect losses or for participant-originated failings.

Obligations

1. Obligation 1: Participant Indemnification of Ubyx

Each participant agrees to indemnify, defend, and hold harmless Ubyx Inc., its directors, officers, employees, and affiliates from and against any and all losses, liabilities, claims, damages, costs, fines, or expenses (including legal fees) that arise out of or relate to:

- The participant's breach of the Ubyx Rulebook;
- Regulatory non-compliance or enforcement action stemming from the participant's conduct;
- Any misconduct, negligence, fraud, or failure to perform obligations under the Ubyx system.

2. Obligation 2: No Shift of Regulatory Burden

Participants may not shift liability for regulatory failures onto Ubyx Inc. or other participants. For example, a Receiving Institution that fails to perform required KYC or AML checks must absorb and indemnify against any resulting regulatory or legal action.

3. Obligation 3: Third-Party Claims

If a third party (e.g., a stablecoin user or counterparty) brings a claim related to a transaction processed through Ubyx, the participant involved in the transaction is responsible for handling and resolving that claim. The participant must indemnify and shield Ubyx Inc. from involvement unless the claim directly results from Ubyx Inc.'s own proven failure to meet its obligations.

4. Obligation 4: Limitation of Ubyx Liability

Ubyx Inc. is not liable to any participant for indirect, incidental, special, punitive, or consequential damages, including but not limited to lost profits, business interruption, or reputational harm, even if Ubyx was advised of the possibility of such damages.

5. Obligation 5: Direct Fault Limitation

To the extent Ubyx Inc. is found liable for direct damages, its liability shall be limited to the lesser of:

- (a) the actual documented loss caused directly by Ubyx Inc.'s failure, or
- (b) a cap determined by the participant's annual Ubyx platform fee contribution.

Non-Compliance Penalties

Participants who fail to fulfill their indemnification obligations may be subject to:

- Legal enforcement by Ubyx Inc. for recovery of losses;
- Suspension or termination from the Ubyx clearing system;
- Network-wide notice to other participants and counterparties;
- Regulatory escalation where applicable.

Performance Disclaimer

- **Rule ID:** UBYX-00000
- **Title:** Platform Disclaimer of Responsibility
- **Category:** Disclaimers
- **Status:** Draft
- **Version:** 1.0
- **Created:** 2025-07-20
- **Last Modified:** 2025-07-20
- **Author:** Tony McLaughlin
- **Description:** Disclaims Ubyx Inc.'s liability for the conduct or performance of participants, subcontractors, and blockchains connected to the Ubyx clearing system.

Rule Overview

This rule makes clear that Ubyx Inc. acts as a platform and rulebook administrator and does not guarantee or assume liability for the performance, solvency, reliability, or conduct of any participant in the system or any blockchain used for settlement.

Obligations

1. Obligation 1: No Guarantee of Issuer or Receiving Institution Performance

Ubyx Inc. is not responsible for the conduct or performance of any Issuer or Receiving Institution in the Ubyx clearing system, including but not limited to their ability or willingness to fulfill redemption or funding obligations in a timely, accurate, or lawful manner.

2. Obligation 2: No Responsibility for Subcontractors

Ubyx Inc. assumes no liability for any actions, omissions, or failures of third-party service providers, agents, or subcontractors engaged by Issuers or Receiving Institutions, including scaling partners, wallet providers, or compliance vendors.

3. Obligation 3: No Warranty of Blockchain Performance

Ubyx Inc. makes no representation or warranty regarding the security, uptime, latency, finality, or transaction

capacity of any supported blockchain network. Risks associated with the use of public blockchains, including network congestion, reorgs, or smart contract flaws, rest entirely with the parties transacting over them.

4. Obligation 4: Participant Due Diligence

Each participant is solely responsible for conducting its own due diligence on its counterparties, subcontractors, and the public blockchains it elects to use within the parameters of Ubyx-supported infrastructure.

Non-Compliance Penalties

This rule functions as a disclaimer of liability. Any participant that misrepresents Ubyx's role or conveys to customers or partners that Ubyx Inc. guarantees performance may face:

- Formal warnings and corrective disclosures
- Suspension or revocation of access to the Ubyx platform
- Reputational sanctions or network-wide notice
- Legal action for breach of representation or misuse of Ubyx branding