**Rule Overview**

[high level purpose of rule].

**Obligations**

1. **Obligation 1:**
   - [text].
2. **Obligation 2:**
   - [text].
3. **Obligation 3:**
   - [text].

**Non-Compliance Penalties**

Non-compliance with these obligations may result in: - [text] e.g. Suspension from the Ubyx network.

# Ubyx-Rulebook

Rulebook for the Ubyx Stablecoin Clearing Network.

New rules must be submitted according to the format provided in the Pro forma for new Ubyx rules.

The Ubyx whitepaper can be accessed here: https://ubyx.xyz

**Rule Overview**

[high level purpose of rule].

**Obligations**

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**Non-Compliance Penalties**

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## 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.

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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.

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.

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.

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.

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.

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 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 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.

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.

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.

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 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.

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.

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.

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.

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.

**Rule Overview**

All Ubyx Participants must be compliant with applicable law and regulations.

**Obligations**

1. **Compliance with laws and regulations:**

   1.1 Each Ubyx Participant must comply with all applicable laws, regulations, and legal requirements, including but not limited to those concerning:

   - Banking and financial institutions.
   - Payment systems and money transmission.
   - Virtual Asset Service Provision.
   - Foreign currency exchange.
   - Anti-money laundering and anti-terrorist financing.
   - Sanctions
   - Privacy, security, consumer protection, and intellectual property rights (e.g., trademarks and copyrights).

   1.2 Compliance is required in every country in which the Ubyx Participant operates.

2. **Responsibility for Affiliates and Agents:**

   2.1 Each Ubyx Participant is responsible for ensuring that its:

   - Affiliates.
   - Subsidiaries.
   - Parent companies.
   - Third-party agents.
   - Merchants.
   - Other appointed agents participating in the Ubyx Network.

   . . . fully comply with all applicable laws, regulations, and legal requirements in all jurisdictions in which they operate.

3. **Legality of Transactions:**

   3.1 All transactions processed through the Ubyx Network must be legal in:

   - The jurisdiction of the Issuer.
   - The jurisdiction of the Receiving Institution.

4. **Conflict of Rules:**

   4.1 In the event of a conflict between Ubyx Rules and applicable laws or regulations, the laws and regulations take precedence. Ubyx Participants must act in accordance with the applicable legal requirements and notify Ubyx Inc. of any such conflicts.

**Non-Compliance Penalties**

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

**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. - Explusion from the Ubyx Network.

**Rule Overview**

This rule established the prinicple 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

**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.

**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.

**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.

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**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.

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**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.

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**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.

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**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.

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**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.

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**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.

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**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.

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**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.

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**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.

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# 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.

## 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.

## 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.