

EXCHANGE RULES



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1 General

1.1 Purpose of the Exchange Rules

- (a) The Exchange Rules are issued by GBX and form part of the GBX Rules.
- (b) The Exchange Rules set out the rules and requirements that govern the operation of the GBX Market. More specifically, the purpose of the Exchange Rules is to help ensure that:
 - (i) GBX complies with the DLT Regulations;
 - (ii) GBX cooperates with the Regulatory Authority;
 - (iii) the scope of GBX's role and authority, including to make and amend rules in relation to the operation of the GBX Market, is clear;
 - (iv) the GBX DAX List is maintained to preserve the good reputation of the GBX Market in accordance with the GBX Rules;
 - (v) the operation of the GBX Market is transparent and fair to all Market Participants; and
 - (vi) Sponsors, Issuers or, only where specifically permitted under the GBX Rules, Applicants are provided with procedures for making appeals in respect of decisions made by GBX.

1.2 Interpretation and General Clauses

The Interpretation and General Clauses apply to the Exchange Rules.

1.3 Persons to which the Exchange Rules apply

The Exchange Rules apply to Sponsors, Issuers, Applicants, and Market Participants.

2 GBX

2.1 Incorporation

GBX must remain incorporated under the laws of Gibraltar.

2.2 Compliance

- (i) GBX must comply with the laws of Gibraltar.
- (ii) GBX must comply with all orders, directives, rules or other such instruments issued by the Regulatory Authority.

2.3 Exclusion of liability

- (i) GBX is not liable to any Sponsor, Issuer, Applicant, Market Participant or to any other person in respect of any act done or omitted to be done, in good faith, in the performance of its functions under the GBX Rules. For the avoidance of doubt, the GBX Rules do not establish a private right of action by any person against GBX.
- (ii) GBX is not liable for any Loss, liability or costs whatsoever arising from or in connection with the GBX Market and/or any Market Participant.

2.4 Power to establish committees and make appointments

GBX may establish such committees and appoint such persons to monitor and enforce the GBX Rules, or to otherwise assist in the operation of the GBX Market, as it considers necessary.

2.5 Power to delegate

GBX may delegate any power or role that it holds under the GBX Rules to any committee or person established or appointed under paragraph 2.4.

2.6 Regulatory principles

(a) Honesty and integrity

GBX must conduct its business with honesty and integrity.

(b) Due regard

GBX must pay due regard to the interests and needs of each and all its customers and must communicate with them in a way that is fair, clear and not misleading.

(c) Financial and non-financial resources

GBX must maintain adequate financial and non-financial resources.

(d) Risk management

GBX must manage and control its business effectively, and conducts its business with due skill, care and diligence, including having proper regard to risks to its business and customers.

(e) Protection of customer assets and money

GBX must have effective arrangements in place for the protection of customer assets and money when it is responsible for them.

(f) Corporate governance

GBX must have effective corporate governance arrangements.

(g) Systems and security

GBX must have systems and security access protocols are maintained to appropriate high standards.

(a) Financial crime risk

GBX must have systems in place to prevent, detect and disclose financial crime risks such as money laundering and terrorist financing.

(h) Contingency arrangements

GBX must be resilient and have contingency arrangements for the orderly and solvent wind down of its business.

3 GBX Rules

3.1 Power to make rules

GBX may publish such rules, requirements, decisions, direction, notices, circulars or similar instruments, as it considers necessary for the operation of the GBX Market.

3.2 Effective date of rules

Any rule, requirement, decision, direction, notice, circular or similar instrument published under paragraph 3.1 will be effective from the date of publication, or such later date as GBX may specify.

3.3 Monitoring and enforcement

GBX shall have adequate arrangements and resources for the effective monitoring and enforcement of compliance with the GBX Rules.

3.4 Inconsistency

If any paragraph of the GBX Rules is inconsistent with any other paragraph in the GBX Rules, the inconsistency will be resolved by the decision of GBX.

3.5 Status of the GBX Rules

The GBX Rules do not have the force of law and should not be interpreted in a way that would override the provision of any law. However, the GBX Rules may be taken into account by GBX in connection with the exercise of any of its powers, functions and responsibilities.

3.6 Governing law

The law in force in Gibraltar governs the GBX Rules and, to the extent the law permits, all matters in connection with the GBX Rules including any non-contractual matters. GBX, and all Sponsors, Issuers, Applicants, and Market Participants, submit to the non-exclusive jurisdiction of the courts of that place.

4 Waiver and variation of GBX Rules

4.1 Power to waive or vary GBX Rules

GBX may by notice waive or vary any part of the GBX Rules.

4.2 Scope of waiver or variation

- (i) Any waiver or variation granted by GBX under paragraph 4.1 will apply only to such Sponsors, Issuers, Applicants, or Market Participants in such circumstances, and between such dates and times, as GBX may specify.
- (ii) GBX must at the time of granting the waiver or variation, or at later date, specify the date and time at which any such waiver or variation will cease to have effect, following which the paragraph waived or varied will continue in effect as if no variation or waiver had occurred.

4.3 Application for waiver or variation

An application for waiver or variation must:

- (i) be made in writing by an Applicant's Sponsor and addressed to GBX;
- (ii) contain a clear explanation of why the waiver or variation is necessary;
- (iii) include:

- (A) all information that is relevant to the application;
- (B) copies of all documents that are relevant to the application; and
- (C) details of any special circumstances or requirements, for example, the period for the which waiver or variation is sought.

4.4 Timing of application

An application for waiver or variation must be made at least 10 Business Days before the proposed waiver or variation is to take effect.

5 Revision of GBX Rules

5.1 Power to revise

GBX may revise the GBX Rules.

5.2 No requirement to notify before revising the GBX Rules

For the avoidance of doubt, GBX is under no requirement to notify any person before exercising its power under paragraph 5.1.

5.3 Publication of revisions

- (i) Revisions to the GBX Rules will be published on the GBX Website and will be effective from the date of publication, or such later date as GBX may specify.
- (ii) It is the responsibility of Sponsors, Issuers, Applicants, and Market Participants to regularly check the GBX Website for updates to the GBX Rules.

5.4 Proceedings following amendment or deletion of GBX Rules

Where any part of the GBX Rules ('relevant rule') is amended or deleted, any proceedings, investigation, disciplinary or enforcement action in respect of:

- (i) a right, privilege, obligation or liability acquired, accrued or incurred under the relevant rule in force at the time it was acquired; or
- (ii) a breach of, or act of misconduct under, the relevant rule in force at the time that breach or misconduct occurred,

may be instituted, continued or enforced, and any disciplinary action or penalty in respect of such breach or act of misconduct may be imposed and carried out by GBX, as if the relevant rule had not been amended or deleted.

6 Extension of time

6.1 Power to extend time

GBX may extend any time period that is specified in any paragraph of the GBX Rules.

6.2 Application for extension of time

An application for an extension of time under paragraph 6.1 must:

- (i) be made in writing as soon as it is known that the specified time period cannot be met;
- (ii) contain a clear explanation of why the extension of time is necessary; and

- (iii) contain details of any special circumstances or requirements, for example, the period for which the extension of time is sought.

6.3 Concurrent application

An application for an extension of time under paragraph 6.2 may be made concurrently with any other application or notice under the GBX Rules.

7 Cooperation with Regulatory Authority

7.1 Requirement to cooperate

GBX is required to cooperate with the Regulatory Authority.

7.2 Prompt performance

GBX must perform its obligations under the GBX Rules promptly, and within any specific time for performance expressly stated.

7.3 Notifications to Regulatory Authority

- (i) GBX Limited must make certain notifications to the Regulatory Authority from time to time.
- (ii) GBX must, in any notification given to the Regulatory Authority under the GBX Rules, provide all necessary information to ensure that the Regulatory Authority is fully aware of the nature of the circumstances giving rise to the requirement to notify and of the details of what has occurred.

7.4 Consent of Regulatory Authority

GBX must comply with all consent requirements imposed by the Regulatory Authority.

8 GBX Website

8.1 Requirement to maintain GBX Website

GBX must maintain the GBX Website in accordance with Good Industry Practice.

8.2 GBX Website as primary information source

GBX must ensure that the GBX Website is fit for purpose as the primary information source for:

- (i) Sponsors;
- (ii) Issuers;
- (iii) Applicants; and
- (iv) Market Participants

regarding GBX and the GBX Market.

8.3 Access to the GBX Website

GBX must ensure that the GBX Website is publicly accessible, and is appropriately secured against risks including:

- (i) hacking;
- (ii) malware; and

- (iii) distributed denial of service attacks,
- in accordance with Good Industry Practice.

9 GBX DAX List

9.1 Requirement to maintain the GBX DAX List

GBX must maintain the GBX DAX List.

9.2 Access to the GBX DAX List

GBX must ensure that the GBX DAX List is accessible through the GBX Website.

9.3 Admitted Tokens

- (i) All Tokens that are Admitted Tokens qualify for inclusion on the GBX DAX List during the Continuing Obligation Period.
- (ii) After the Continuing Obligation Period has expired, Token Issuers must apply to GBX for Access.
- (iii) GBX may charge a fee for inclusion on the GBX DAX List where a minimum fee, at GBX's discretion, has not been paid by an Issuer in respect of the sale of its Admitted Token on the Token Sale Platform.

9.4 Secondary Tokens

- (i) Secondary Tokens shall be presented to GBX by a Sponsor who must provide an Application Form for Secondary Token Listing and due diligence information as specified in the Sponsor Rules.
- (ii) GBX may require that the Sponsor and/or the Issuer of Secondary Token, as applicable, provide such information and comply with such directions as GBX at its discretion determines.
- (iii) Fees charged for Listing Secondary Tokens on the Digital Asset Exchange will be determined by GBX on a case by case basis.

9.5 Circulating Tokens

- (i) Circulating Tokens shall not be obliged to appoint a Sponsor.
- (ii) Issuers may apply to GBX direct, or through a Sponsor, to be Listed on the Digital Asset Exchange and if so must do so by way of submission of an Application Form for Circulating Tokens.
- (iii) GBX will assess any applications for Listing of Circulating Tokens on the Digital Asset Exchange at its discretion.
- (iv) GBX may, at its discretion, add a Circulating Token to the GBX DAX List without any reference, liaison, correspondence or discussion with the Issuer of a Circulating Token as it, as its sole discretion, sees fit.
- (v) Fees charged for Listing Circulating Tokens on the Digital Asset Exchange will be determined by GBX on a case by case basis.

9.6 Power to add or remove any Token and/or digital asset

GBX may add any Token and/or digital asset to, or remove any Token and/or digital asset from the GBX DAX List in accordance with the GBX Rules.

10 Market Participants

10.1 Power to approve Market Participants

GBX may in its ultimate discretion approve or reject an application to be a Market Participant.

10.2 Requirements to be set out on the GBX Website

GBX must set out the following in respect of Market Participants:

- (i) eligibility;
- (ii) application procedure; and
- (iii) assessment criteria,

on the GBX Website.

10.3 AML/CTF Requirements

GBX must ensure that all Market Participants have been subject to appropriate procedures in accordance with AML/CTF Requirements before they are permitted to open an account to operate on the GBX Market, and on an ongoing basis.

10.4 GBX promotions

GBX may from time to time introduce promotional benefits to Market Participants that hold RKT. Such promotions may be limited to certain persons and/or subject to other conditions. The nature of any promotional benefits are at the entire discretion of GBX.

11 Trading on the GBX Market

11.1 Trading to take place via the GBX Website

GBX must provide for trading of Tokens on GBX DAX on, or via a platform that is accessible through, the GBX Website.

11.2 Market Participants access

GBX must ensure that only Market Participants are able to buy and sell Tokens on the GBX DAX.

11.3 Integrity of GBX Market

GBX may take any measure that it considers necessary to protect the integrity of GBX DAX, including but not limited to:

- (i) temporarily stopping or limiting trading in certain GBX DAX Tokens; and
- (ii) imposing minimum and maximum buying or selling amounts for certain GBX DAX Tokens.

11.4 Security of GBX Market

GBX must employ appropriate security measures to protect GBX DAX in accordance with Good Industry Practice, including the use of cold storage and multi-signature wallets for storing GBX DAX Tokens.

11.5 Forks

- (i) GBX may choose to follow one or more chains resulting from a fork in a GBX DAX Token.

- (ii) GBX must publish its decision under paragraph 11.5(i) on the GBX Website at least one Business Day before the occurrence of the fork, unless to do is impossible or reasonably impracticable.

12 Suspension of Trading

12.1 Power to suspend

GBX may suspend, with effect from such time as it may determine, the trading on GBX DAX generally or selectively of a GBX DAX Token:

- (ii) if in GBX's opinion, the reputation integrity or smooth operation of GBX DAX is, or may be, jeopardised; or
- (iii) where GBX believes that suspension is necessary to protect Market Participants and prospective Market Participants.

12.2 Notice of suspension

GBX will announce any suspension of trading in respect of a GBX DAX Token or of GBX DAX generally by way of a Formal Notice on the GBX Website.

12.3 Conditions

If GBX suspends the trading of a GBX DAX Token, it may impose such conditions for lifting the suspension, as it considers appropriate.

12.4 Compliance

An Issuer whose GBX DAX Token is suspended from trading must continue to comply with the Exchange Rules in so far as they are relevant.

12.5 Request for suspension

- (i) An Issuer may request that GBX exercise its power under paragraph 12.1.
- (ii) GBX will not suspend trading in a GBX DAX Token upon a request unless it is satisfied that the circumstances justify the suspension.

12.6 Details of request for suspension

A request for suspension under paragraph 12.5(i) must include:

- (ii) the name of the GBX DAX Token to be suspended;
- (iii) a clear explanation of the background and reasons for the request and the date and time the Issuer requests the suspension to take effect, and to cease (if known);
- (iv) copies of all documents that are relevant to the request for suspension;
- (v) details of any special circumstances or requirements applicable to the request for suspension; and
- (vi) if applicable, the name and contact details of the person at the Issuer's Sponsor with whom GBX should liaise with in relation to the request for suspension.

12.7 Restoration

- (i) GBX may restore the trading of any GBX DAX Token that has been suspended if it satisfied that:
 - (i) there are no longer any circumstances that warrant the suspension; or

- (ii) the circumstances that resulted in, or contributed to, the suspension are no longer applicable and that trading is otherwise appropriate.
- (ii) For the avoidance of doubt, GBX may restore the trading of the GBX DAX Token even though the Issuer does not request it.

12.8 Request for restoration

- (i) An Issuer may request that GBX exercise its power under paragraph 12.7.
- (ii) GBX will not restore trading in a GBX DAX Token unless it is satisfied that the circumstances justify the restoration.

12.9 Details of request for restoration

A request for restoration under paragraph 12.8(i) must include:

- (i) the name of the GBX DAX Token to be restored;
- (ii) a clear explanation of the background and reasons for the request and the date and time from which the Issuer requests the restoration to take effect; and
- (iii) the name and contact details of the person at the Issuer's Sponsor with whom GBX should liaise in relation to the request.

13 Confidential information

GBX must not disclose any information received by it concerning any Sponsor, Issuer, Applicant, or Market Participant, except:

- (i) information that is publicly available;
- (ii) to the Regulatory Authority;
- (iii) to an Equivalent Regulatory Authority;
- (iv) where under compulsion of law including, where legally obliged, to law enforcement authorities;
- (v) to any regulatory or governmental authority or market operators involved in the supervision of businesses or persons engaged in GBX DAX, where considered necessary by GBX;
- (vi) to officers, employees, agents, contractors, legal and other advisers and auditors of GBX;
- (vii) in the case of an Issuer or Applicant, its Sponsor(s);
- (viii) in accordance with GBX's privacy policy as notified on the GBX Website, to the extent applicable;
- (ix) where consent from the relevant persons involved has been given to the disclosure of the information concerned;
- (x) to allow GBX to institute, carry on or defend any legal proceedings; or
- (xi) to enable GBX to publish such information as may be required, including the publication of any list or lists, statistical and market information, notice or other document or publication required or envisaged by the GBX Rules.

14 Complaints

GBX must maintain arrangements to receive, consider and investigate complaints that it receives from:

- (i) Sponsors;
- (ii) Issuers;
- (iii) Applicants; and
- (iv) Market Participants.

Schedule 1 Appeals Procedure

a. Appealing a decision

a.1 Right to appeal

A Sponsor, Issuer or, only where specifically permitted under the GBX Rules, an Applicant, that is aggrieved by a decision made by GBX may appeal that decision to the Appeals Committee only if the paragraph of the GBX Rules under which the decision was made provides for appeals to the Appeals Committee.

a.2 Notice of appeal

A Sponsor, Issuer, or, only where specifically permitted under the GBX Rules, an Applicant or Issuer may commence an appeal by submitting a notice of appeal to GBX within 20 Business Days following the date stated on the relevant notice of decision from GBX.

a.3 Requirements for a notice of appeal

A notice of appeal must set out:

- (i) the decision that the Appellant is appealing; and
- (ii) the principal facts and arguments relied upon by the Appellant to support the Appellant's appeal.

a.4 Referral to Appeals Committee

GBX must forward all notices of appeal that it receives to the Appeals Committee, regardless of whether a notice of appeal appears to comply with the Appeals Procedure.

b. Consideration by the Appeals Committee

b.1 Initial consideration by Appeals Committee

Upon receipt of a notice of appeal forwarded by GBX under paragraph a.2, the Appeals Committee must first consider whether the notice of appeal complies with the Appeals Procedure.

b.2 Non-compliance with Appeals Procedure

- (a) If not satisfied that a notice of appeal complies with the Appeals Procedure, the Appeals Committee may return the notice of appeal to the Appellant with brief reasons setting out why the notice of appeal did not comply with the Appeals Procedure.
- (b) If a notice of appeal that complies with the Appeals Procedure is not received within 20 Business Days of the return of a notice of appeal under paragraph b.2(a) of this schedule, then the initial decision of GBX is final.

b.3 Reply to notice of appeal

- (a) If satisfied that a notice of appeal complies with the Appeals Procedure, the Appeals Committee must request a reply to the notice of appeal from GBX.
- (b) If no reply is received within 10 Business Days of the request by the Appeals Committee, GBX will be considered to have waived its right to reply.

- (c) For the avoidance of doubt, GBX is not required to submit a reply to the notice of appeal.

b.4 Consideration by Appeals Committee

- (iii) After receiving a notice of appeal, the Appeals Committee may:
 - (i) request further information, documentation or other evidence, from the Appellant or GBX, as it considers necessary or relevant in relation to an appeal; or
 - (ii) require the Appellant and GBX to attend a hearing before the Appeals Committee.
- (iv) For the avoidance of doubt, the rules as to the admissibility of evidence in a court of law will not apply to an appeal.

b.5 Joinder of appeals

The Appeals Committee may consider:

- (i) two or more appeals from an Appellant; or
- (ii) the appeals of two or more Appellants,
at the same time.

c. Decision of Appeals Committee

c.1 Notice of decision

The Appeals Committee must notify the Appellant and GBX of its decision. In making its decision the Appeals Committee may:

- (a) confirm;
- (b) vary; or
- (c) repeal,

the decision of GBX.

c.2 Costs of appeal

The Appeals Committee may, after having made a decision under paragraph c.1 of this schedule, make any order regarding costs arising from an appeal as it considers necessary.

d. Formation of the Appeals Committee

d.1 Members

- (a) The Appeals Committee must:
 - (i) comprise of at least three people, none of whom may be an employee or Controller of GBX, and none of whom may be a member of the Regulatory Authority; and
 - (ii) include appropriately experienced members.

d.2 Member selection

The members of the first Appeals Committee to sit shall be selected by GBX acting in good faith and in accordance with the Exchange Rules. Thereafter the Appeals Committee shall select any replacement members.

d.3 Former employees

Former members of staff of GBX must not sit on the Appeals Committee for a period of one year after the termination of their employment with GBX.

d.4 Chairperson

The Appeals Committee must appoint a chairperson to act for such period of time as the Appeals Committee determines, subject to a maximum period of two years.

d.5 Legal advisor

- (a) The chairperson may appoint a legally-qualified advisor to assist the Appeals Committee.
- (b) The legal advisor will not be counted as a member of the Appeals Committee but may advise the Appeals Committee on legal matters.
- (c) The chairperson may replace the legal advisor at their discretion.

d.6 Meetings

- (i) The Appeals Committee must meet when it is necessary to consider and determine appeals against decisions made by GBX.
- (ii) The quorum for meetings of the Appeals Committee is three.
- (iii) If the chairperson is unable to attend a meeting of the Appeals Committee the members of the Appeals Committee present at the meeting must decide upon a chairperson for that meeting.
- (iv) A designated member of the Appeals Committee must record minutes of the meeting, which should be kept in records for at least six years.
- (v) Meetings may be held by teleconference.

d.7 Votes

- (i) The Appeals Committee must reach decisions on a majority basis.
- (ii) Where a majority decision is reached the details of votes will not be disclosed.
- (iii) If there is a deadlock, the chairperson of the Appeals Committee for that meeting will have a casting vote.

d.8 Costs of the Appeals Committee

- (a) Members of the Appeals Committee will be remunerated at an hourly rate in respect of the work performed for the Appeals Committee.
- (b) The hourly rate for members of the Appeal Committee will be agreed between the chairperson of the Appeals Committee and GBX, and adjusted as necessary.
- (c) The Appeals Committee has the power to allocate costs between any Appellant and GBX for any appeal as it sees fit in accordance with section c.2 of this schedule.