

TOKEN SALE RULES



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1 General

1.1 Purpose of Token Sale Rules

- (a) The Token Sale Rules are issued by GBX and form part of the GBX Rules.
- (b) The Token Sale Rules are designed to ensure that:
 - (i) Admitted Tokens:
 - (A) uphold the reputation and integrity of the Token Sale Platform and GBX; and
 - (B) promote confidence of Market Participants;
 - (ii) Tokens are eligible and suitable for Admission;
 - (iii) the sale of Tokens is conducted in a fair and orderly manner; and
 - (iv) Market Participants are given sufficient information to enable them to make an informed assessment of Tokens and Issuers.

1.2 Interpretation and General Clauses

The Interpretation and General Clauses apply to the Token Sale Rules.

1.3 Persons to which the Token Sale Rules apply

The Token Sale Rules apply to Sponsors, Applicants seeking Admission to the Token Sale Platform and Issuers.

1.4 Effects of breach

A failure by a Sponsor, Applicant, or Issuer to comply with any provision of the Token Sale Rules will be considered by GBX in the context of that:

- (a) Sponsor's fitness and properness to provide Sponsor Services; and
- (b) Applicant's application for Admission.

1.5 No exclusivity

GBX does not have exclusivity over any Issuer and/or Token sold on the Token Sale Platform. Issuers may distribute their Tokens themselves and/or on other token sale platforms in addition to the Tokens sold on GBX's Token Sale Platform. GBX accepts no responsibility for the actions of the Issuer and/or any other token sale platform in such context.

2 Sponsor requirements

2.1 Compliance with the Token Sale Rules

Sponsors are required to comply both with the Sponsor Rules and Token Sale Rules in respect of Applicants, Issuers and the Tokens that they Sponsor, in all material respects.

3 Applicant requirements

3.1 Duly incorporated, established and/or registered

An Applicant must be:

- (a) duly incorporated or otherwise established and/or registered in Gibraltar; or

- (b) duly incorporated or otherwise established and/or registered under the laws of a jurisdiction that is acceptable to GBX.

3.2 Place of principal activity

If different to its jurisdiction of incorporation, establishment and/or registration an Applicant must undertake its principal activity from:

- (b) Gibraltar; or
- (c) a jurisdiction that is acceptable to GBX.

3.3 Compliance

An Applicant must be in compliance with:

- (a) the laws of the place in which it is incorporated, established and/or registered and, if different, where it undertakes its principal activity; and
- (b) its Constitutive Documents.

3.4 Issuance and sale of Tokens

An Applicant's Constitutive Documents, and the laws of the place in which the Applicant is incorporated, established and/or registered, and, if different, where it undertakes its principal activity, must permit the issuance and sale of its Token.

3.5 Legal opinion

The Applicant must obtain a legal opinion stating that the Token seeking Admission is a Utility Token, and does not contravene the laws of the Applicant's place of incorporation, establishment and/or registration and/or, if different, where it undertakes its principle activity. GBX may, at its entire discretion, require an Applicant to obtain other legal comfort that the Applicant's activity is not in contravention of laws and/or regulations in other jurisdictions.

4 Issuer requirements

4.1 Compliance with the Token Sale Rules

Issuers are required to comply with Token Sale Rules in respect of their Tokens in all material respects.

4.2 Provide a Certificate of Conformity

Provide GBX with a Certificate of Conformity immediately prior to the commencement of a Token Sale, and such further assurance as GBX may reasonably require in connection with a Token Sale.

4.3 Issuer Staking

- (a) Issuers will be required to stake a fixed amount of RKT to be held in escrow by GBX for 12 months equivalent to 5% of the total amount of the Token Sale on the Token Sale Platform.
- (b) The staked RKT will be repayable in 2 equal instalments, paid biannually:
 - (i) the first instalment will be paid 6 months after the end of the Token Sale on the Token Sale Platform; and
 - (ii) the second payment will be paid 12 months after the end of the Token Sale on the Token Sale Platform.

- (c) The staked RKT will be repaid to the Issuer provided that there have not been any material disputes between the Issuer and Market Participants during the Continuing Obligations Period.

5 Token Requirements

5.1 Utility Token

A Token must be a Utility Token under the laws of:

- (a) Gibraltar; and
- (b) if relevant, the Applicant's place of incorporation, establishment and/or registration, and, if different, where it undertakes its principle activity.

5.2 Transferability

Ownership of a Token must be transferable via blockchain technology without any further formality.

5.3 ERC20

A Token should conform to the ERC20 standard or, if there are deviations from the ERC20 standard, those deviations must be:

- (a) disclosed in the Whitepaper; and
- (b) be compatible with the Token being sold on the Token Sale Platform.

5.4 Free of third party rights

A Token must be free of any third party rights, liens or obligations, or any other restriction on the right of transfer.

5.5 Terms and Conditions

A Token must be subject to Terms and Conditions that include, as a minimum, the matters set out as per the Schedule 2 Terms and Conditions Guidelines.

6 Special Requirements

6.1 Power to impose Special Requirements

GBX may make a Token Sale subject to any Special Requirement that it considers reasonable or those that it considers necessary to protect Market Participants.

6.2 Notice of Special Requirement

GBX will give notice to an Applicant and/or a Sponsor (where relevant) of any Special Requirement that it imposes under paragraph 6.1.

6.3 Right to appeal

After receiving a notice of Special Requirement under paragraph 6.2 an Applicant and/or a Sponsor (where relevant) may appeal that decision in accordance with the Appeals Procedure.

7 Applications for Admission

7.1 Appointment of Sponsor

An Applicant applying must appoint one or more Sponsor(s) in respect of each application for Admission.

7.2 Request for guidance

- (a) A Sponsor may submit a request for guidance to GBX regarding whether:
 - (i) an Applicant meets the Applicant Requirements; and/or
 - (ii) a Token, as described in a Whitepaper, meets the Token Requirements.
- (b) All requests for guidance must be submitted electronically to applications@gbx.gi, giving details of the Applicant, the Token, and stating whether the Applicant intends to distribute any of its Token's themselves and/or whether it is the intention for the Token to be sold on any other token sale platform.
- (c) GBX may require that legal opinion(s) are obtained before it provides any guidance or, GBX may also decline to provide guidance in its absolute discretion.
- (d) Any guidance given by GBX following a request:
 - (i) does not bind GBX in assessing an application for Admission; and
 - (ii) is not and must not be construed as legal advice and GBX will not bear any responsibility for any guidance it provides.

7.3 Making an application for Admission

- (a) An application for Admission must be made to GBX by the Applicant's Sponsor by submitting, in final form:
 - (i) a signed completed Application Form for Admission to the Token Sale Platform (including documents specified therein);
 - (ii) the Applicant's Whitepaper;
 - (iii) the Applicant's Terms and Conditions; and
 - (iv) any other documents that GBX may reasonably require.
- (b) All applications for Admission must be submitted electronically to applications@gbx.gi, or such other email address that GBX notifies via the GBX Website.

7.4 GBX Charges in respect of an application for Admission

- (a) A Sponsor must pay the Application Fee in respect of an application for Admission, as specified by GBX, by the required date.
- (b) The Application Fee is payable in RKT.

7.5 Assessment by GBX

- (a) GBX will only begin assessing the application once all required documents are submitted and any applicable GBX Charges have been paid as required under paragraphs 7.3 and 7.4.
- (b) GBX will assess an application for Admission in order to determine whether the Token is suitable to be granted Admission.
- (c) In order to be granted Admission, GBX must be satisfied that:
 - (i) the Applicant meets the Applicant Requirements;

- (ii) the Issuer meets the Issuer Requirements;
 - (iii) that the Token complies with the Token Sale Rules; and
 - (iv) that the Admission meets any Special Requirements.
- (d) GBX must also be satisfied that the Admission would not be detrimental to:
- (i) the interests of Market Participants;
 - (ii) the integrity of the GBX Market; or
 - (iii) the reputation of GBX.
- (e) In carrying out its assessment of applications for Admission, GBX may:
- (i) require additional information from the Applicant;
 - (ii) take into account any information that it considers appropriate in relation to the application for Admission;
 - (iii) request that any information provided by the Applicant be verified in such manner as GBX specifies; and
 - (iv) impose any additional conditions on the Applicant as GBX considers appropriate.
- (f) By making an application for Admission, an Applicant authorises GBX to request such further information, documentation or other evidence, from the Applicant or any other person, as it considers necessary or relevant in relation to an application for Admission.

7.6 Notice of decision

- (a) GBX will notify the Applicant of its decision. In making its decision GBX may:
- (i) grant Admission; or
 - (ii) refuse Admission.
- (b) The granting of Admission may be subject to the fulfilment of certain conditions which will be specified by GBX.

7.7 Granting Admission

If an application for Admission is granted, then subject to compliance with any conditions specified under paragraph 7.6(b), GBX will:

- (a) agree with the Sponsor the opening and closing dates for the Token Sale; and
- (b) take necessary steps to bring the Token Sale to the attention of Market Participants (although, for the avoidance of doubt GBX will not undertake any marketing of any Token), including by publishing:
 - (i) information in relation to the Token Sale; and
 - (ii) the opening and closing dates for the Token Sale,
 on the GBX Website.

7.8 Refusal of Admission

In the case of a refusal of an application for Admission, GBX will notify the Sponsor of the grounds for its decision and the principal facts and matters relied upon by it in support of its decision, subject to applicable law.

8 Additional Token Sales

8.1 Eligibility

An Issuer may make an application to GBX for an Additional Token Sale only if:

- (a) in the case of minting new tokens for the Additional Token Sale, the possibility of new tokens being minted was disclosed in the whitepaper and the terms and conditions of the Issuer at the time the initial token sale event occurred; and
- (b) the Additional Token Sale would not breach an Issuer's whitepaper or the terms and conditions under applicable law.

8.2 Appointment of Sponsor

An Applicant applying must appoint one or more Sponsors in respect of each application for Admission.

8.3 Making an application for an Additional Token Sale

- (a) An application for an Additional Token Sale must be made to GBX by the Applicant's Sponsor by submitting:
 - (i) a signed completed Application Form for an Additional Token Sale (including documents specified therein);
 - (ii) an updated and/or supplemental whitepaper, if relevant, that details the Additional Token Sale;
 - (iii) an updated and/or supplemental terms and conditions, if relevant; and
 - (iv) such other documents that GBX may reasonably request.
- (b) All applications for Additional Token Sales must be submitted electronically to applications@gbx.gj, or such other email address that GBX notifies via the GBX Website.

8.4 GBX Charges in respect of an application for an Additional Token Sale

- (a) A Sponsor must pay the Application Fee in respect of an application for an Additional Token Sale, as specified by GBX, by the required date.
- (b) The Application Fee is payable in RKT.

8.5 Assessment by GBX

- (a) GBX will only begin assessing the application once all required documents are submitted and any applicable GBX Charges have been paid as required under paragraphs 8.3 and 8.4.
- (b) GBX will assess applications for Additional Token Sales.
- (c) In order to be granted an Additional Token Sale, GBX must be satisfied that the Issuer has complied with the Continuing Obligations to the extent applicable to the Issuer.

- (d) GBX must also be satisfied that the Additional Token Sale would not be detrimental to:
 - (i) the interests of Market Participants;
 - (ii) the integrity of the GBX Market; and
 - (iii) the reputation of GBX.
- (e) In carrying out its assessment of an application for an Additional Token Sale, GBX may require additional information from the Issuer. By making an application for an Additional Token Sale, the Issuer authorises GBX to request such further information and documentation, from the Issuer or any other person, as it reasonably considers necessary or relevant in relation to an application for an Additional Token Sale.

8.6 Notice of decision

- (a) GBX must notify the Issuer of its decision in respect of the application for an Additional Token Sale. In making its decision GBX may:
 - (i) grant the application for an Additional Token Sale; or
 - (ii) refuse the application for an Additional Token Sale.
- (b) The granting of an application for an Additional Token Sale may be subject to the fulfilment of certain conditions which will be specified by GBX.

8.7 Granting an application for an Additional Token Sale

If an application for an Additional Token Sale is granted, then subject to compliance with any conditions specified under paragraph 8.6(b), GBX will:

- (b) agree with the Sponsor the opening and closing dates for the Additional Token Sale; and
- (c) take necessary steps to bring the Additional Token Sale to the attention of Market Participants (although, for the avoidance of doubt GBX will not undertake any marketing of any Additional Token Sale), including by publishing:
 - (i) information in relation to the Additional Token Sale; and
 - (ii) the opening and closing dates for the Additional Token Sale,on the GBX Website.

8.8 Refusal of application for an Additional Token Sale

If an application for Additional Token Sale is refused, GBX will notify the Sponsor of the grounds for its decision and the principal facts and matters relied upon by it in support of its decision, subject to applicable law.

8.9 Right to appeal

- (a) In the case of an Applicant who has previously carried out a Token Sale on the Token Sale Platform, after receiving a notice under paragraph 8.8, a Sponsor may appeal the decision in accordance with the procedures set out in the Appeals Procedure.
- (b) If no such appeal is made in accordance with the Appeals Procedure, the decision of GBX will be final.

9 Token Sale Fees

9.1 GBX Charges in respect of a Token Sale on the Token Sale Platform

- (a) A Sponsor will, on behalf of an Issuer, pay the Token Sale Fee in respect of a Token Sale, as specified by GBX, by the required date.
- (b) Token Sale Fees are payable in RKT.
- (c) GBX shall be entitled to withhold an amount equal to the Token Sale Fee from any proceeds of the Token Sale collected by GBX at the time of the Token Sale in order to satisfy any Token Sale Fee payable under paragraph 9.1(a).

9.2 GBX Charges in respect of an Additional Token Sale on the Token Sale Platform

For the avoidance of doubt, paragraph 9.1 also applies to an Additional Token Sale on the Token Sale Platform.

10 Continuing Obligations

10.1 Progress Report

Sponsors will arrange for a Progress Report to be provided to GBX on the 6 month and 12 month anniversary of the end of a Token Sale or Additional Token Sale. GBX will publish the Progress Report on the GBX Website.

10.2 Equality of treatment

An Issuer must take all reasonable steps to ensure equal treatment for all Market Participants in respect of their Admitted Tokens.

10.3 Cooperation with GBX

- (a) An Issuer must at all times deal with GBX in an open and co-operative way.
- (b) An Issuer must promptly provide:
 - (i) any information that GBX considers appropriate in order to protect Market Participants and/or to ensure the smooth operation of the GBX Market; and
 - (ii) any other information or explanation that GBX may reasonably require to verify whether the GBX Rules applicable are being, and have been, complied with.

10.4 Cooperation with Sponsor

An Issuer must cooperate with its Sponsor by providing the Sponsor with all information reasonably requested by the Sponsor for the purpose of carrying out Sponsor Services.

10.5 Information published must not be misleading

An Issuer must take reasonable care to ensure that any information it publishes:

- (a) is not false, misleading or deceptive;
- (b) does not omit anything likely to affect the import of the information; and
- (c) does not give rise to a false market in the Issuer's Admitted Token.

10.6 Issuer's website

- (a) An Issuer must maintain a publicly accessible website that is indexed by major search engines.
- (b) GBX must provide a hyperlink to the Issuer's website through the GBX Website.
- (c) An Issuer must notify GBX prior to changing the URL of the Issuer's website.

10.7 Whitepaper and Terms and Conditions

- (a) An Issuer must make its Whitepaper and supplemental whitepaper, if relevant, and the Terms and Conditions and supplemental terms and conditions, if relevant, available in electronic form on its website.
- (b) The text and format of the Whitepaper and supplemental whitepaper, if relevant, and the Terms and Conditions and supplemental terms and conditions, if relevant, must be identical to the version submitted to GBX as per the application for Admission to the Token Sale Platform unless the Issuer has made a Formal Notice in respect of any changes.

10.8 Prompt performance

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

11 Formal Notices

11.1 Publication requirement

GBX may, at any time, by notice, direct an Issuer to publish by way of a Formal Notice, such information in such form and within such time limits as it considers appropriate to:

- (a) protect Market Participants;
- (b) notify Market Participants of a Material Change in an Admitted Token;
- (c) ensure the smooth operation of the GBX Market;
- (d) to uphold the integrity of the GBX Market; and
- (e) to uphold the reputation of GBX.

11.2 Failure to comply

If an Issuer fails to comply with a notice issued by GBX under paragraph 11.1 within the time limit stated in the notice, GBX may itself publish the information that was the subject of the notice.

12 Notifications

12.1 Failure to comply with GBX Rules

An Issuer must inform GBX if it does not, or may not, comply with the GBX Rules applicable to them.

12.2 Material Changes

An Issuer must inform GBX of any proposed or actual Material Change in the general character or nature of the operation of the:

- (a) Issuer's Admitted Token; and

- (b) business or corporate structure,

before such change takes effect or as soon as reasonably practicable for those instances where the Material Change has already occurred.

12.3 Material adverse effect

An Issuer must inform GBX of any matter of which the Issuer is aware and that may materially adversely affect the interests of Market Participants.

12.4 Material mistakes, omissions or inaccuracies

An Issuer must inform GBX if the Issuer becomes aware of any material mistake, omission or inaccuracy relating to the information included in:

- (a) its Whitepaper and supplemental whitepaper, if relevant;
- (b) its Terms and Conditions and supplemental terms and conditions, if relevant; or
- (c) any other document submitted to GBX:
 - (i) for the purposes of an application for:
 - (A) Admission; or
 - (B) an Additional Token Sale; or
 - (ii) in connection with the GBX Rules.

12.5 Powers to suspend, terminate and demand

After receiving information under paragraphs 12.1, 12.2, 12.3 or 12.4, GBX may by notice:

- (a) suspend or terminate the Token Sale in the relevant Token; and/or
- (b) demand that the relevant Issuer make a Formal Notice under paragraph 11.1.

12.6 Right to appeal

- (a) After receiving a notice under paragraph 12.5, an Issuer may appeal that decision in accordance with the procedures set out in the Appeals Procedure.
- (b) If no such appeal is made in accordance with the Appeals Procedure, the decision of GBX will be final.

13 Sanctions

13.1 Power to impose sanctions

If GBX considers that an Issuer has contravened the GBX Rules, and considers it appropriate to impose a sanction, it may:

- (a) privately censure the Issuer;
- (b) publicly censure the Issuer by publishing the censure via a Formal Notice;
- (c) suspend the Token Sale of the Issuer's Token; or
- (d) remove the Issuer's Token from the Token Sale Platform.

13.2 Senior Management

- (a) If GBX finds that any contravention of the Token Sale Rules is due to a failure of an Issuer's Senior Management to discharge their responsibilities under the GBX Rules applicable to them, it may censure each relevant Senior Manager, as it considers appropriate, and in addition, it may publish such censure via a Formal Notice.
- (b) If GBX finds that any contravention of the Token Sale Rules is due to a wilful or persistent failure by an Issuer's Senior Management to discharge their responsibilities under the GBX Rules applicable to them, GBX may state publicly via a Formal Notice that, in its opinion, the retention of office by each relevant Senior Manager, as it considers appropriate, is prejudicial to the interests of Market Participants.
- (c) If a Senior Manager remains in office following a statement about that Senior Manager by GBX under paragraph 13.2(b), GBX may remove the relevant Admitted Token from the Token Sale Platform and take such action as contemplated in the GBX Rules generally.

Schedule 1 Whitepaper Guidelines for an initial Token Sale

a. Whitepaper Requirements

a.1 Completeness

A Whitepaper must include information which is reasonably necessary to enable potential purchasers to make an informed assessment of:

- (a) the Issuer;
- (b) the Project;
- (c) the Tokens; and
- (d) the Token Sale.

a.2 Accuracy and completeness

A Whitepaper must be accurate and not misleading or deceptive, or be likely to mislead or deceive, including by omission, in any material respect.

a.3 Balanced view

A Whitepaper must convey a balanced view of:

- (a) the Issuer;
- (b) the Project;
- (c) the Tokens; and
- (d) the Token Sale.

a.4 Plain language and presentation

A Whitepaper must use plain language and be presented in a clear, concise and effective manner.

a.5 Objectively verifiable

A Whitepaper must be objectively verifiable and provide references for statements contained in it. Opinions must be clearly identified as such and attributed where relevant.

a.6 Compliance

A Whitepaper must comply with legal and regulatory requirements applicable to:

- (a) the Issuer;
 - (b) the Project;
 - (c) the Tokens; and
 - (d) the Token Sale,
-

including the GBX Rules applicable to it.

a.7 English language

- (a) A Whitepaper must be in English or must hyperlink to a copy of the Whitepaper translated into English which expressly states that it is a translation authorised by the Issuer.
- (b) Any translation of the Whitepaper which is used for the purposes of promoting the Token Sale must clearly provide, on the first page of that translation, that the English version prevails to the extent of any inconsistency.

b. Mandatory Content

b.1 Cover information

A Whitepaper's cover page must state the following information, at minimum:

- (a) version number;
- (b) the date of the Whitepaper;
- (c) Token name and ticker;
- (d) the full legal name of the Issuer;
- (e) the full legal name of the Sponsor (including any business and/or trading names of the Sponsor applicable to the Sponsor Services being provided to the Issuer);
- (f) the name of the Project;
- (g) if known, the date and time on which the Token Sale commences or is planned to commence, and the date and time on which the Token Sale ends or is planned to end;
- (h) if the Token Sale is not exclusive to GBX a statement to such effect; and
- (i) a statement to the effect that:
 - (i) the Whitepaper, in full or part, must not be taken or transmitted to any place where distribution or dissemination of the Whitepaper is prohibited or restricted (with specific selling restrictions where relevant);
 - (ii) persons into whose possession the Whitepaper may come are required to inform themselves about and observe any relevant legal or regulatory restrictions and should seek appropriate professional advice; and
 - (iii) the Whitepaper is not approved nor endorsed by GBX, any regulatory and/or government authority, except as otherwise specified.

b.2 Project information

A Whitepaper must include the following disclosure in relation to the Project, at minimum:

- (a) the name of the Project;
- (b) a brief description of the Project;
- (c) a detailed development roadmap (including a timeline of key milestones);

- (d) an overview of the Issuer's business model for the Project;
- (e) an overview of any material third party or intra-group service arrangements being used or intending to be used for the Project;
- (f) an overview of any material resources the Issuer has already set aside or developed in relation to the Project, including intellectual property; and
- (g) the current stage of development of the Project, including details of any prototypes.

b.3 Token information

A Whitepaper must include the following disclosure in relation to the Tokens, at minimum:

- (a) Token name and ticker;
- (b) the total number of Tokens (including tokens of the same name or ticker code as the Token) which will ever be generated, if such number is currently known or determinable by reference to an algorithm, or a statement to the effect that this number is not known or is currently unlimited;
- (c) details of whether the Token is divisible in fractions and, if so, the relevant number of decimal points;
- (d) that the Token is a Utility Token;
- (e) an overview of the Token's utility, features and purpose, and any use cases or future practical applications of the Tokens;
- (f) that the Token is freely transferrable and is free of any third party rights, liens or obligations, or any other restriction on the right of transfer; and
- (g) that the Token conforms to the ERC20 standard or, if there are deviations from the ERC20 standard, details of those deviations including information on how such deviation is compatible with the Token being sold on the Token Sale Platform.

b.4 Token Sale information

A Whitepaper must include the following disclosure in relation to the Token Sale, at minimum:

- (a) a list of authorised communication channels of the Issuer in relation to the Token Sale;
- (b) instructions on how to purchase Tokens;
- (c) the total number of Tokens that will be available for sale on GBX as part of the Token Sale, any minimum number of Tokens which must be sold before the distribution of Tokens may take place and any other relevant caps or limits in relation to the number of Tokens available;
- (d) the extent to which the minimum and maximum amounts which may be raised by the Token Sale would be sufficient to meet the Project objectives and any other proposed funding of future developments;
- (e) the sale price of the Tokens for the Token Sale exclusive of any transaction fees, or the details of how such price will be determined (including the date on which such price will become available, if applicable);
- (f) whether Tokens may be purchased in fractions and, if so, the number of decimal points up to which such fractions may be purchased;

- (g) the methods of payment that will be accepted by the Issuer during the Token Sale; and
- (h) if the Token Sale is not exclusive to GBX a statement to such effect along with details of how many Tokens are available for sale on GBX's Token Sale Platform in comparison to the totality of tokens available for sale elsewhere along with details as to the timing and progress of any other such token sale(s).

b.5 Use of proceeds information

A Whitepaper must include the following disclosure in relation to the use of proceeds, at minimum:

- (a) an overview of the intended use of proceeds from the Token Sale for the Project;
- (b) the proposed timeframes for such use if there is a reasonable basis for predicting this;
- (c) an overview of the escrow, custody, governance and security arrangements and risk management policies currently in place or proposed in relation to the proceeds; and
- (d) if applicable the proposed investment strategies in relation to proceeds that will be invested, including whether proceeds will be sold or exchanged for fiat currency or other cryptocurrencies.

b.6 Distribution of Tokens information

A Whitepaper must include the following disclosure in relation to the distribution of the Tokens, at minimum:

- (a) an overview of the categories of distribution of the Token including an overview of how many Tokens will be held in reserve, how many Tokens are being sold, how many Tokens are being issued to founders and/or staff and any other categories of Token issuance as applicable;
- (b) disclosure as to whether the Issuer's Controllers, Senior Management, employees or advisors will be allocated Tokens; and
- (c) details of any vesting provisions applicable to the distribution of Tokens.

b.7 Issuer information

A Whitepaper must include the following information in respect of the Issuer:

- (a) its full legal name;
- (b) its physical or registered address;
- (c) its address for service and notices (if different to the address in sub-paragraph (b));
- (d) the jurisdictions in which it is incorporated, established and/or registered and the date of such incorporation, establishment and/or registration and, if different, where it undertakes its principle activity;
- (e) its legal entity identifier or its registration number in its jurisdiction of incorporation, establishment and/or registration;
- (f) the details of any regulatory licence it holds;

- (g) an overview of its legal structure and of its corporate group (if applicable) and the name of any shareholders or members with a controlling or substantial interest (interests exceeding 25%);
- (h) an overview of its business model, strategy, operating history and the industry that the Issuer operates/intends to operate;
- (i) an overview of its governance arrangements and any applicable rules or codes of ethical or professional conduct or internal policies (such as risk management, cybersecurity, data protection, anti-money laundering, and other due diligence and know your customer requirements);
- (j) the full name and relevant experience, qualifications and competence to the extent applicable of the Issuer's:
 - (i) Controllers;
 - (ii) Senior Management; and
 - (iii) other key personnel;
- (k) the name and any relevant details of advisors, legal counsel, auditors, custodians, nominees, and other third party service providers or partners, including a brief description of their role and how each will be compensated for that role;
- (l) disclosure of any affiliation between any of the persons referred to in sub-paragraphs (j) and (k) or confirmation that such persons are not related or affiliated; and
- (m) disclosure of any actual or potential conflicts of interest of any person referred to in sub-paragraphs (j) and (k) (including payments and benefits to them or any person closely associated with them to induce them to be connected with the Issuer or the Sponsor or payments and benefits given or made to them or any person closely associated with them in relation to the Token Sale).

b.8 Source code and technical reports

- (a) A Whitepaper should, if relevant, include hyperlinks to any open source code relevant to the Token Sale.
- (b) A Whitepaper should, if relevant, include hyperlinks to any technical papers published in respect of the Project, Tokens or Token Sale.
- (c) A Whitepaper should, if relevant, include hyperlinks to any independent reviews or audits of the source code relevant to the Token Sale of which the Applicant or Sponsor is aware.

b.9 Additional Token Sales

A Whitepaper must include a statement that Additional Token Sales may be held, if applicable.

b.10 Minting new tokens

A Whitepaper should, if relevant, include a statement that new tokens may be minted by the Issuer in respect of the Project.

b.11 Terms and Conditions

A Whitepaper must include a hyperlink to the Terms and Conditions.

b.12 Declarations, notices and disclaimers

- (a) A Whitepaper must include the following declaration:

“The [Issuer] has taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or opinion. The [Issuer] accepts responsibility accordingly.”

- (b) A Whitepaper must include the following statement:

“[Insert name of Token] is a utility token of the [insert name of Project]. It is not subject to regulation in the Issuer’s jurisdiction of [incorporation, establishment and/or registration and, if different, where it undertakes its principle activity].”

- (c) A Whitepaper must include notices to the effect that:

- (i) the GBX Market is not a ‘regulated market’ as defined under the Directive on Markets in Financial Instruments 2004/39/EC;
- (ii) consents have been obtained from persons who have provided any reports or statements which are included in the Whitepaper or on which statements in the Whitepaper are based (including the names of such persons); and
- (iii) where the Issuer is a new entity, a warning that the Issuer has no operating history.

- (d) A Whitepaper must include disclaimers to the effect that:

- (i) an active secondary market may not necessarily develop in the Tokens;
- (ii) GBX is not responsible for the content or accuracy of the Whitepaper or the conduct of the Token Sale in any way, and that Admission to the Token Sale Platform pursuant to the Token Sale Rules does not constitute a warranty or representation by GBX as to the competence of the Applicant, its service providers or any other party connected with the Project, the Token or the Token Sale, the adequacy of information contained in the Whitepaper or the suitability of the Project or the Token for any purpose;
- (iii) if the Token Sale is not exclusive to GBX a statement must be made to the effect that the Issuer may distribute their Token’s themselves and/or distribute their Tokens on other token sale platforms in addition to the Tokens sold on GBX’s Token Sale Platform and that GBX accepts no responsibility for the actions of the Issuer and/or any other token sale platform in such context; and
- (iv) GBX will not be liable for any false, inaccurate, inappropriate or incomplete information contained in the Whitepaper.

c. Factual information

Any statements, references to past performance, or hypothetical examples should be:

- (a) relevant and conducive to understanding the Project;
- (b) based on assumptions that are reasonable and clearly described; and
- (c) any applicable sources or references are clearly stated.

d. Graphics

A Whitepaper must not include pictures, photographs, charts, graphs or other graphics, unless:

- (a) the Applicant has the appropriate rights, licences or permissions to use them;
- (b) their inclusion is relevant to the Project, the Token or the Token Sale;
- (c) they do not create a false or misleading impression of any aspect of the background, context, Project, Token or Token Sale; and
- (d) any applicable sources or references are clearly stated.

e. Comparisons

- (a) Comparisons should be:
 - (i) fair, balanced and relevant;
 - (ii) key assumptions underlying the comparisons described; and
 - (iii) applicable sources or references are clearly stated.

f. Amendments

If an Issuer makes a Material Change to a Whitepaper that has already been published prior to a sale of an Admitted Token, the Issuer's Sponsor must submit the amended whitepaper to GBX. Any notice of amendment would be published on the GBX Website via the issue of a Formal Notice.

Schedule 2 Terms and Conditions Guidelines

h. Minimum content

The Terms and Conditions must, at a minimum, including the following:

Content	Detail
Issuer details	The Terms and Conditions must include details of the Token issuer including legal name, identifying corporate numbers and other relevant identification details.
Rights attaching to Tokens	<p>The Terms and Conditions must state that the only rights granted in respect of the Tokens are to:</p> <ul style="list-style-type: none">(a) hold and transfer the Tokens; and(b) use Tokens in respect of the platform, protocol or network that the Issuer is developing or operating. <p>The Terms and Conditions must state that the Tokens do not have any other rights, use, purpose, value, attributes, functionalities or features, whether expressed or implied.</p>
Transferability	<p>The Terms and Conditions must allow the Tokens to be transferred and that the Tokens are free of any third party rights, liens or obligations, or any other restriction on the right of transfer and provide that the Terms and Conditions will apply to any holder of the Tokens.</p> <p>Any lock up periods applicable to the Tokens must be included in the Terms and Conditions.</p>
Payment details	<p>The Terms and Conditions must include pricing for the Tokens that is set prior to any purchase being entered into.</p> <p>Acceptable payment details must be included in the Terms and Conditions.</p>
Sale of fractions	The Terms and Conditions must specify if the Tokens may be purchased in fractions, and if so the relevant number of decimal points.
Distribution and activation of Tokens	<p>Details of how the Token will be distributed and activated (if applicable) must be set out in the Terms and Conditions.</p> <p>Any conditions that must be satisfied prior to distribution or activation should be included in the Terms and Conditions, including applicable know your customer requirements.</p>
Right to terminate or suspend sale	The Terms and Conditions must allow for the sale of Tokens to be suspended or cancelled at any time.

Content	Detail
Number of Tokens	The number of Tokens to be issued must be specified in the Terms and Conditions, including whether Tokens will only be available under specified periods.
Unsold Tokens and further sales	The manner in which Tokens are treated if not sold must be provided for in the Terms and Conditions. If further sales of Tokens may occur, this must be stated in the Terms and Conditions.
Right to mint additional tokens	If applicable, the manner in which new tokens may be minted by the Issuer in respect of the Project.
Use of proceeds	The Terms and Conditions must specify the intended use of the proceeds received in respect of Token sales.
Exclusions of liability	Any exclusions of liability in the Terms and Conditions cannot exclude fraud, misconduct or negligence of the Issuer or the Sponsor, or of their respective Controllers, Senior Management, employees or agents.
Defined terms	The Terms and Conditions must, to the extent reasonably practicable, use the defined terms and rules of interpretation set out in the Interpretation and General Clauses. The defined terms and rules of interpretation should be consolidated within the Terms and Conditions for ease of reference.
Notices	The Terms and Conditions must state clearly how purchasers will receive notices from the Issuer in a manner that is consistent with the Issuer's obligations under the GBX Rules.
No intention to profit	The Terms and Conditions must state that the Tokens are not intended to be redeemed, purchased or otherwise transacted for profit.
Not currency, investment or other financial product	The Terms and Conditions must state that the Tokens are not to be understood, deemed, interpreted or construed to be or to be representative of any kind of: <ul style="list-style-type: none"> (a) currency, legal tender, money or deposit, whether fiat or otherwise, nor any substitute for such currency, legal tender, money or deposit; (b) investment (whether secured or unsecured), equity interest, proprietary interest, economic right (including any kind of right to payment, income, dividend, return, profit, or other return, or any sums to be paid, or likely to be paid, out of such), share or similar interest in or claim against any person, asset, entity, organisation, scheme, venture or project; (c) equity, debt or hybrid instrument, security, collective investment scheme, managed fund, financial derivative, futures contract, deposit, commercial paper, negotiable instrument, investment contract, note, bond, warrant,

Content	Detail
	<p>certificate or instrument entitling the holder to interest, dividends or any kind of return, nor any other financial instrument;</p> <p>(d) right, title, interest or benefit whatsoever in whole or in part, in any person or property, or any assets whatsoever; or</p> <p>(e) any commodity that is regulated under applicable law or which any person is obliged to redeem or purchase.</p>
No guarantee	The Terms and Conditions must state that the Tokens are not guaranteed or secured by any person, asset, entity, organisation, scheme, venture or project, including the Issuer, in any way.
No obligation to replace	The Terms and Conditions must state that the Issuer is under no obligation to issue replacement Tokens in the event that any Token or private key is lost, stolen, malfunctioning, destroyed or otherwise inaccessible for any reason.
No requirement to redeem or purchase	The Terms and Conditions must state that neither the Issuer nor any other person is obliged to redeem or purchase the Tokens at any time.
No returns	The Terms and Conditions must state that purchaser and holders of the Token will not receive any profit, income, return or other benefit purely by virtue of holding the Token.
Future holders remain bound	The Terms and Conditions must state that they bind both purchasers during a Token Sale, as well as all subsequent holders.
Risk factors	The Terms and Conditions must disclose the risk factors that are material to the Token.
Representations, warranties and undertakings	The Terms and Conditions must contain representations, warranties and undertakings in respect of the purchaser's capacity to enter into the Terms and Conditions and which go to ensuring that the purchaser is not entering into the Terms and Conditions for an illegal purpose or in breach of applicable law.
Transferability	The Terms and Conditions must include a clause stating that the Issuer agree that, if any rule of law requires written notice to effect the transfer of any Token, such notice is deemed given as an electronic record by inclusion of the relevant transaction on a block on the Ethereum blockchain.
Dispute resolution	<p>The Terms and Conditions must include a clause dealing with disputes, for example if disputes must be determined by arbitration.</p> <p>Any choice of jurisdiction other than Gibraltar must be on a non-exclusive basis.</p>
Governing law	The Terms and Conditions must include a governing law clause.

Content	Detail
Variation	The Terms and Conditions must be able to be assigned, transferred or novated by the issuer to a third party.
Termination	The Terms and Conditions must be able to be terminated at any time, including if it would become illegal to continue for the purchaser to hold the Tokens.
Language	The Terms and Conditions must be available in English, and the English version be stated to prevail in the event of inconsistency.
Form	The Terms and Conditions must be expressed in clear English.

i. Amendments

If an Issuer makes a Material Change to Terms and Conditions that have already been published prior to a sale of an Admitted Token, the Issuer's Sponsor must submit the amended terms and conditions to GBX. Any notice of amendment would be published on the GBX Website via the issue of a Formal Notice.