



WHITE PAPER

DQR30 cryptocurrency token

Issuer

DQR Coin Ltd.

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Summary

The purpose of this document is to provide an overview of the DQR30 index token. Its description, purpose, operating methodology, governance principles and other important attributes will be described.

Token Purpose

DQR Coin has created DQR30 - for the cryptocurrency market with two purposes in mind:

- a medium of exchange which uses the techniques available in the crypto world to take the unit of account concept in Special Drawing Rights (SDR) and the former European Currency Unit (ECU) a stage further,
- or an asset for purchase, for those who believe in the growth potential of the cryptocurrency space.

The token will seek to track the eponymous DQR30 (or successor) index which follow a market capitalisation weighted approach and so mean the underlying assets are:

- Diversified.
- Have an appropriate level of coverage of the largest cryptocurrencies.

Target customers are the general public and institutions.

Outline

The token will track the relevant index (currently also known as DQR30) using a full replication approach, that is the tokens will be backed by the appropriate underlying crypto currencies (i.e. the index constituents) in as close as practical to the actual weights of those currencies within the relevant index. The issuers of the tokens will pay due regard to the cost and size of the transactions required to pursue a full replication approach in deciding the means of best tracking the relevant index.

The token issuer will maintain wallets to hold the underlying cryptocurrencies and the addresses will be published, as far as this is practical, for potential owners of the token or third parties to view. Consequently, the total underlying asset value will be readily calculable from the amounts of each currency held multiplied by the relevant market prices.

Token Operation

As with other ERC-20 tokens, DQR30 is

- Mintable – it is possible to create batches of tokens, in exchange for the relevant underlying crypto currencies, to satisfy demand.
- Burnable – it is possible to redeem batches of tokens, in return for the relevant underlying cryptocurrencies, if there is an excess of supply. (Any number of tokens can be burned at any time in return for the underlying constituents which will be transferred to wallets of the requestor's choosing. The cost of such transfers will be borne by the requestor.)
- Pausable – in extreme circumstances it is permissible to pause the transfer of all tokens in existence.

The tokens can be traded on crypto-currency exchanges as well as being available to be used as a means of payment for goods and services.

Tracking Mechanism

The constituents of the indices will be reviewed monthly on the first working day of each month at noon GMT. The top 30 at that time, subject to meeting the qualifying criteria, will form the relevant index for the following month.

The revised constituent lists and their relevant weights will be published.

The performance of the tokens will also be made publicly available, showing both the progress of the underlying asset value and the market price of each token.

Rebalancing

Just as the indices currently revise their constituents and weights on a monthly basis, so too will the token issuer alter their underlying assets.

The issuers may also take the opportunity, via the mint or burn processes, to use cashflow to rebalance the underlying holdings between month ends.

Costs and Charges

The issuers of the token undertake to operate the rebalancing, mint, burn, pause, wallet structure for underlying assets and other processes undertaken in the administration of the tokens. In return the issuers will levy a charge of 1% per annum of the underlying assets deducted on a daily basis (for example if the underlying assets were on a given day valued at €36,500 then the charge on that day would be €1).

Other costs and charges may be applied by third parties when the tokens are used as means of payment, traded on an exchange or held in a private wallet.

The issuers will not otherwise seek to acquire any part of the underlying assets of the tokens for their own use. In this very important respect the issue of the tokens is unlike the vast majority of initial coin offerings.

Holding limits

The issuers will not impose any limits on the number of tokens in circulation, the number of tokens owned by any individual or related parties nor the proportion of the underlying holdings in any one crypto currency.

Rule Changes

The issuers of the token may seek to change any or all of the rules governing the operation of the tokens, or indeed their underlying structure, in certain situations by putting matters to a vote of the DQR Coin Board of Directors. The Board members and records of its meetings will be published on the DQR-Coin website. However, the Token's termination shall be put to a vote of the Token holders.

Risks

The issuer draws the attention of prospective token holders to the risks detailed below. The token holders hereby acknowledge that:

- any decision to purchase the token should be based on consideration of the whitepaper as a whole, including the DQR30 Technical Index Manual, and the DQR-X Terms of Service;
- the offering of DQR30 does not constitute an offer or solicitation to sell financial instruments and that any such offer or solicitation of financial instruments will be made only by means of a prospectus or other offering documentation in terms of any applicable Maltese law;
- the risk of loss in trading or holding tokens can be substantial. Any price volatility shall be outside issuer's control. Any profit or loss arising as a result of a fluctuation in the value of the token will be entirely for token's holder account and risk. As a result, the issuer shall not be responsible for any losses incurred by you as a consequence of your own trading decisions;

the state of the law with respect to cryptocurrency, including, without limitation, digital assets, is presently unsettled and that subsequent to the effective date of this White Paper, new applicable laws or changes in existing applicable laws or changes in the interpretation of existing applicable laws may hold that the operation of the issuer's services or token is not permissible or reasonably practicable. The issuer therefore makes no representations or warranties with respect to such changes in applicable law and hereby expressly disclaims any representations, warranties, guarantees, covenants, or obligations relating thereto. If a change in the applicable law holds that the operation of the services or token is not permissible or imposes a material obligation on the issuer that cannot be addressed on commercially reasonable terms, the issuer may terminate the token and its services on written notice and without further liability.

Protocol Description

The token is an ERC-20 token running on the Ethereum network. This is a standard smart contract type allowing various definitions such as the token name and symbol, as well as various functions including the mint, pause and burn functions described above. This standardisation of ERC-20 allows important infrastructure components of or related to the Ethereum network such as wallets to be able to interact with such tokens in a consistent way.

Challenges and Risks

Since cryptocurrency transactions are effectively immutable, great care must be taken in order to protect private keys used to sign cryptocurrency transactions. The Board of DQR-Coin have set a target of holding 95% of the underlying cryptocurrencies of the index token in cold storage. The actual proportion so retained will depend on a number of factors including the absolute monetary value of the underlying (the higher the amount the greater proportion will be held in cold storage), customer demands to mint or burn tokens and the need for liquidity to handle both monthly rebalancing and the efficient deduction of the administration charge. Cold storage stores private keys in systems which are physically separated

from the internet. DQR-Coin will furthermore engage dedicated 3rd party cold storage providers as appropriate to ensure the security of the private keys.

Sustainability and Scalability

New tokens can be created (minted) or destroyed (burned) using the smart contract functions described above, and as such is scalable according to market demand for the index token. The Ethereum network is the most established decentralised smart contract network and as such the most sustainable choice of infrastructure for this purpose. Provisions have been made so that if this technology were superseded, the technical system could be changed with the consent of the token holders.

Issue

3333 DQR30 tokens have been issued. Further tokens may be created or destroyed depending on market demand.

Issuer

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Development Team

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Privacy Policy

By purchasing DQR30, you agree to DQR's Privacy Policy found at the DQR Group Website (<https://www.dqr-x.com/privacy.html>).