

# Fiat Republic Netherlands B.V.

## ENGBP White Paper

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### TABLE OF CONTENTS

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#### Summary

Part A - Information about the issuer of the e-money token

Part B - Information about the e-money token

Part C - Information about the offer to the public of the e-money token or its admission to trading

Part D - Information on the rights and obligations attached to e-money tokens

Part E - Information on the underlying technology

Part F - Information on the risks

Part G - Information on the sustainability indicators in relation to adverse impact on the climate and other environment-related adverse impacts

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#### I.01: Date of notification

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This white paper was notified to *De Autoriteit Financiële Markten (AFM)* on December 2, 2024

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#### I.02: Statement in accordance with Article 51(3) of Regulation (EU) 2023/1114

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This crypto-asset white paper (“**White Paper**”) has not been approved by any competent authority in any Member State of the European Union. The issuer of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

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I.03: Compliance statement in accordance with Article 51(5) of Regulation (EU) 2023/1114

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This crypto-asset White Paper complies with Title IV of Regulation (EU) 2023/1114, and to the best of the knowledge of the management body, the information presented in this crypto-asset White Paper is fair, transparent and not misleading and the crypto-asset White Paper makes no omission likely to affect its import.

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I.04: Warning in accordance with Article 51(4), points (a) and (b) of Regulation (EU) 2023/1114

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The e-money token EagleNet GBP ("**ENGBP**") issued by Fiat Republic Netherlands B.V. ("**Fiat Republic**") is not covered by the investor compensation schemes under Directive 97/9/EC or the deposit guarantee schemes under Directive 2014/49/EU.

Summary	
I.05: Warning in accordance with Article 51(6), second subparagraph of Regulation (EU) 2023/1114	<p>This summary should be read as an introduction to the crypto-asset White Paper. The prospective holder should base any decision to purchase ENGBP on the content of the crypto-asset White Paper as a whole and not on the summary alone.</p> <p>The offer to the public of ENGBP does not constitute an offer or solicitation to purchase financial instruments. Any such offer or solicitation can be made only using a prospectus or other offer documents under the applicable national law.</p> <p>This crypto-asset White Paper is not a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and the Council (36) or any other offer document according to Union or national law.</p>
I.06: Characteristics of the crypto-asset	<p>ENGBP is an EMT available exclusively to licensed Crypto Asset Service Providers (CASPs) that are Fiat Republic customers on the Algorand blockchain. ENGBP provides a secure and compliant environment for Customers to manage their user funds (End-users) and handle fiat-to-crypto transactions.</p> <p>For every ENGBP issued by Fiat Republic and remaining in circulation in the European Economic Area ("<b>EEA</b>"), Fiat Republic will hold either one pound-sterling ("<b>GBP</b>") or an equivalent amount of GBP-denominated assets on</p>

behalf of holders to facilitate the frictionless movement of the e-money tokens utilising blockchain technology. As a fully reserved e-money token, ENGBP is backed by an equivalent amount of GBP-denominated assets held by Fiat Republic and redeemable 1:1 for GBPs.

To ensure that the funds are segregated from Fiat Republic's assets, the funds are held by Stichting Custodian Fiat Republic ("**Fiat Republic Foundation I**"), a bankruptcy remote setup which will ensure that ENGBP holder funds are fully ringfenced from any potential liquidation. Fiat Republic and Fiat Republic Foundation are subject to prudential supervision by DNB, subject to the EMI license of Fiat Republic.

Fiat Republic has adequate arrangements in place to prevent the use of clients' crypto-assets for Fiat Republic's own account. For this purpose, Fiat Republic has established a second foundation ("**Fiat Republic Foundation II**").

Fiat Republic Foundation II is a Dutch entity established to exclusively safeguard the private keys of EMTs issued by Fiat Republic. The Foundation II ensures compliance with applicable safeguarding requirements under MiCAR by holding EMTs in dedicated addresses, fully segregated from Fiat Republic's own funds and assets. The Foundation II plays a critical role in protecting client EMTs and maintaining the integrity of Fiat Republic's regulatory obligations under MiCAR.

The holders of ENGBP, who are EEA-based Customers of Fiat Republic and their users, have a right of redemption at any time and at par value. Redemption can be initiated under the conditions that the holder signed up to create an account with Fiat Republic. The process for redemption of ENGBP is further detailed in section D of this White Paper.

As ENGBP operates within a closed ecosystem, exclusively available to authorised Customers, redemptions are processed:

- Immediately in real-time
- Without additional fees
- Without restrictions on the amount
- Without additional AML/KYC checks, as these are completed during Customership onboarding

Redemptions are processed through Fiat Republic's single API integration, which allows for the automated and instant conversion of ENGBP back to pound-sterlings at a 1:1 ratio.

I.07: Right of redemption

I.08: Key information about the offer and/ or admission to trading	<p>ENGBP is only available for issuance through the Fiat Republic’s internal EagleNet network, and its access is limited to authorised Customers located in supported jurisdictions as detailed in Section B.18 (Host Member States).</p> <p>The token enables efficient liquidity management and safeguarding capabilities for crypto businesses within the Fiat Republic EagleNet network.</p>
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<b>Part A - Information about the issuer of the e-money token</b>	
A.1: Statutory Name	Fiat Republic Netherlands B.V.
A.2: Trading Name	Fiat Republic
A.3: Legal form	Private limited company
A.4: Registered address	Strawinskylaan 4117, room 05-116, 1077 ZX, Amsterdam
A.5: Head office	Strawinskylaan 4117, room 05-116, 1077 ZX, Amsterdam
A.6: Registration Date	29 November 2021
A.7: Legal entity identifier	724500GVWT7QULV8CR59
A.8: Another identifier required under applicable law	Company number 84625791
A.9: Contact telephone number	+14379798510
A.10: E-mail address	Support@fiatrepublic.com
A.11: Response Time (Days)	7 days
A.12: Parent Company	Fiat Republic LTD

<p>A.13: Members of the management body</p>	<p><b>Mr Adam Bialy</b> CEO &amp; Director</p> <p><b>Ms Paula Steiner</b> Risk and Compliance Director</p> <p><b>Mr Nico van der Westhuizen</b> Finance Director</p>
<p>A.14: Business Activity</p>	<p>Electronic money and payment service provider</p>
<p>A.15: Parent Company Business Activity</p>	<p>Fiat Republic Limited is the holding company for Fiat Republic. It provides payments and certain tech and compliance operations services to Fiat Republic as part of the internal outsourcing agreement between Fiat Republic Limited and Fiat Republic.</p>
<p>A.16: Conflicts of Interest Disclosure</p>	<p>Fiat Republic, the issuer of ENGBP, is committed to maintaining transparency and integrity in its operations. However, potential conflicts of interest may arise in certain situations.</p> <p>One potential conflict of interest could occur if Fiat Republic engages in transactions or business activities with entities who are customers in which its executives or board members hold a financial interest. Such situations could compromise the impartiality of decisions and must be managed with the utmost diligence.</p> <p>Another potential conflict could arise from Fiat Republic's dual role as both the issuer of ENGBP and the provider of other related financial services as a licensed e-money institution, such as virtual IBANs which could influence the prioritisation of some services over others.</p> <p>Fiat Republic also issues another electronic money token, ENEUR, which could lead to conflicts of interest in terms of resource allocation, marketing efforts, and strategic focus between the two tokens. Therefore, the company must carefully manage and balance its commitments to both ENGBP and ENEUR, so that the interests of the holders of each token are fairly represented. Additionally, these risks could be further exacerbated by the issuance of other e-money tokens in the future.</p> <p>ENGBP is only available for issuance through the Fiat Republic's internal EagleNet network, and its access is limited to authorised Customers located in supported jurisdictions as detailed in Section B.18 (Host Member States). However, the listing of ENGBP may be sought on various independent trading platforms in the future to enhance liquidity and accessibility. This could lead to unequal resource allocation or strategic prioritisation in</p>

	<p>relation to the difference approach to ENGBP as well as unforeseen issues operational failures on these platforms, as Fiat Republic would not control any trading platforms.</p> <p>Regarding the reserve assets backing ENGBP, Fiat Republic does not lend out these assets and maintains strict control over their management. The reserves are held in segregated accounts at Fiat Republic Foundation, separate from Fiat Republic's corporate funds. These segregated accounts are maintained on behalf of, and for the benefit of, ENGBP holders.</p> <p>All decisions relating to the operations of ENGBP are solely and independently made by Fiat Republic, ensuring that these processes are conducted efficiently and transparently. Neither Fiat Republic, nor any of the affiliated entities within the group structure engage in commercial trading activities related to any e-money tokens issued by Fiat Republic, thereby minimising any potential conflicts of interest in this area.</p> <p>Fiat Republic maintains relationships with various businesses and outsourcing providers that could influence ENGBP operations. Should these relationships directly affect activities related to e-money tokens, such impacts will be identified, disclosed, and managed transparently in accordance with MiCA and other relevant regulations. This ensures that external influences do not compromise the integrity of Fiat Republic's operations.</p> <p>Incentive programs and business arrangements with third-party service providers are designed to align with the interests of ENGBP holders. Any conflicts arising from these arrangements are addressed under Fiat Republic's Conflict of Interest Policy. This policy includes rigorous monitoring, mandatory disclosure requirements, and structured procedures to ensure that all decisions prioritize the interests of stakeholders and token holders.</p> <p>By addressing these areas, Fiat Republic aims to maintain trust and confidence among its users and partners, ensuring ethical business practices and regulatory compliance.</p>
A.17: Issuance of other crypto-assets	Fiat Republic also issues ENEUR, a euro-based e-money token within the EEA.
A.18: Activities related to other crypto-assets	Services provided for ENEUR are similar to the ones provided for ENGBP.
A.19: Description of the connection between the issuer and the entity running the DLT	ENGBP operates as an Algorand Standard Asset (ASA) on the Algorand blockchain. ASAs are Algorand's native token standard, providing secure, efficient token management capabilities. These tokens are held in custodial wallets created in Algorand by Fiat Republic.

	<p>The operational structure was established through a partnership between Fiat Republic and Quantoz Blockchain Services BV. While Fiat Republic has overall operational responsibility towards its Customers, Quantoz Blockchain Services BV. provides support and maintenance services to us under our agreement. Our API infrastructure triggers transactions rather than direct contract interactions.</p>
A.20: Newly Established	Yes
A.21: Financial condition for the past three years	<p>Fiat Republic Netherlands BV was formally incorporated on November 26, 2021.</p> <p>Fiat Republic first began operations as a programme manager offering payment services through another regulated provider before obtaining its own electronic money issuing license. It sustained losses of €912,054 in 2022 and €966,423 in 2023. The platform went live at the start of 2023, during which it booked revenue of €410,992 and processed over €70m of payment transactions. Revenue is forecasted for 2024 to be above €1,1m with forecasted payment transactions processed of over €1,4bn.</p>
A.22: Financial condition since registration	<p>Fiat Republic began operations as a financial services provider in December 2023 after De Nederlandsche Bank approved it as a licensed electronic money issuer.</p> <p>To date, € 3,508,137 has been injected into the business. Capital is injected into the business on a continuing basis through the parent company, Fiat Republic Ltd, a venture capital-backed startup engaged in the provision of banking, payment, and compliance services to businesses involved in crypto and web3.</p> <p>As of 31 December 2023, Fiat Republic Netherlands had €1,026,860 cash at bank and net assets of €2,055,427.</p>
A.23: Exemption from authorisation	No
A.24: E-money Token Authorisation	Fiat Republic is a licensed Electronic Money Institution under licence reference number R190553.
A.25: Authorisation Authority	De Nederlansche Bank (DNB), <i>Dutch Central Bank</i>
A.26: Persons other than the issuer offering to the public or seeking admission to trading of the e-money token according to Article 51(1), second subparagraph, of Regulation (EU) 2023/1114	Not applicable

A.27: Reason for offering to the public or seeking admission to trading of the e-money token by persons referred to in Article 51(1), second subparagraph, of Regulation (EU) 2023/1114	Not applicable
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**Part B - Information about the e-money token**

B.1: Name	EagleNet GBP	
B.2: Abbreviation	ENGBP	
B.3: Details of all natural or legal persons involved in design and development (to amend in table)	Legal and Compliance	Fiat Republic Limited Legal and Compliance team (outsourced via the Group company)  Group company business address: 60 Cannon Street, EC4N 6NP, London, UK
	Tech and Product	Fiat Republic Limited (Group company) Tech and Product team (outsourced via the Group company)  Group company business address: 60 Cannon Street, EC4N 6NP, London, UK
	Third Party Tech Infrastructure Provider	Quantoz Blockchain Services B.V.  Europalaan 100, 3526 KS Utrecht, The Netherlands
	CASPs	Not involved

**A description of the characteristics of the e-money token, including the data necessary for classification of the crypto-asset white paper in the register referred to in Article 109, as specified in accordance with paragraph 8 of that Article**

B.4: Type of white paper	EMTW Electronic-Money Token White Paper based on the Regulatory Technical Standards (RTS) project published by ESMA on July 3rd, 2024.
B.5: The type of submission	NEWT
B.6: Crypto-Asset Characteristics	<p>ENGBP is an e-money token pursuant to Article 3.1(7) of MiCA, specifically designed for Crypto Asset Service Providers (CASPs) to meet their regulatory obligations under the MiCA framework.</p> <p>As of the date of this White Paper, ENGBP does not constitute a "significant e-money token" as defined by Article 56 of MiCA.</p> <p>ENGBP is a digital token pegged to the pound-sterling at a 1:1 ratio. For every ENGBP issued and remaining in circulation, Fiat Republic maintains an equivalent amount in pound-sterlings within segregated accounts held at Fiat Republic Foundation, separate from Fiat Republic's corporate funds. These segregated accounts are maintained on behalf of, and for the benefit of, ENGBP holders.</p> <p>Operating exclusively within Fiat Republic's ecosystem, ENGBP facilitates the secure and compliant management of funds for CASPs. The token operates on the Algorand blockchain as an Algorand Standard Asset (ASA), enabling efficient liquidity management and seamless integration through Fiat Republic's single API and web platform.</p> <p>ENGBP is not designed to generate returns for holders, increase in value, or provide any financial benefit beyond its core function as an e-money token.</p>
B.7: Website of the issuer	<a href="https://www.fiatrepublic.com/">https://www.fiatrepublic.com/</a>
B.8: Starting date of offer to the public or admission to trading	December 30, 2024
B.9: Publication date	December 30, 2024
B.10: Any other services provided by the issuer	Fiat Republic is a licensed Electronic Money Institution (license number: R190553) and provides banking and payment services to companies involved in the cryptocurrency industry.
B.11: Identifier of operator of the trading platform	Not Applicable

B.12: Language or languages of the white paper	English
B.13: Digital Token Identifier Code used to uniquely identify the crypto-asset or each of the several crypto assets to which the white paper relates, where available	Not available.
B.14: Functionally Fungible Group Digital Token Identifier, where available	Not available.
B.15: Personal data flag	Yes
B.16: LEI eligibility	LEI Eligibility
B.17: Home Member State	Netherlands
B.18: Host Member States	<p>Fiat Republic's licence to issue, distribute and redeem electronic money is passported in the following countries:</p> <ul style="list-style-type: none"> <li>Austria</li> <li>Belgium</li> <li>Bulgaria</li> <li>Cyprus</li> <li>Czech</li> <li>Germany</li> <li>Denmark</li> <li>Estonia</li> <li>Spain</li> <li>Finland</li> <li>Greece</li> <li>Croatia</li> <li>Hungary</li> <li>Ireland</li> <li>Iceland</li> <li>Italy</li> <li>Liechtenstein</li> </ul>

	Lithuania Luxembourg Latvia Malta Netherlands Norway Poland Portugal Romania Sweden Slovenia Slovakia
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**Part C - Information about the offer to the public of the e-money token or its admission to trading**

C.1: Public Offering or Trading	OTPC
C.2: Number of units	10,000,000,000
C.3: Trading Platforms name	Please note ENGBP does not currently have trading capabilities; however, in the future, Fiat Republic may allow direct 1:1 swaps between ENGBP and other GBP-backed stablecoins through EMIs and Banks. This is for the purpose of expanding our network and/or client base.
C.4: Trading Platforms Market Identifier Code (MIC)	Not applicable
C.5: Applicable law	The use of ENGBP is subject to the laws of the Netherlands (“ <b>Applicable Laws</b> ”)
C.6: Competent court	The Dutch Competent commercial courts, as outlined in our T&C’s.

**Part D - Information on the rights and obligations attached to e-money tokens**

### **Right of Redemption of the EagleNetCoins**

Pursuant to Article 49 of the Markets in Crypto-Assets Regulation (MiCA),\* all holders of EagleNetCoin (ENEUR and ENGBP) have the right to redeem their coins at any time and at par value, subject to the conditions outlined in this policy. Redemption of EagleNetCoin is free of charge.

When EagleNetCoin is held in an operational wallet associated with a Fiat Republic Customer (B2B), the holder of the EagleNetCoin is considered the Customer. These Customers are entities that have agreed to the Fiat Republic Account Terms of Use\* and entered into a Master Services Agreement (MSA) with Fiat Republic. Such Customers must exercise their redemption rights in accordance with this White Paper and Terms of Use and/or the applicable MSA directly with Fiat Republic.

Additionally, EagleNetCoin holders may include business entities or individuals who are users of Fiat Republic's Customers ("End-Users"). In these cases, EagleNetCoins are held by the Customer on behalf of these End-Users, with the Customer managing the API keys to the wallets. End-Users maintain a Services Agreement directly with the Customer and are not considered Customers of Fiat Republic. For such EagleNetCoin wallets, the Customer is responsible for conducting due diligence on the End-Users and initiating redemption rights on their behalf.

All wallets, including those associated with End-Users, are subject to AML/CTF screening performed by Fiat Republic.

### **Rights and Obligations**

Where the redeeming party is a Customer of Fiat Republic, the necessary wallet screening shall occur before fiat is returned. All Customers undergo appropriate due diligence procedures to onboard into the EagleNetCoin network, which is a closed-loop eco-system when they sign up with Fiat Republic.

If the redeeming party is not a Fiat Republic Customer, the appropriate level of due diligence will be conducted by our Customer in accordance with our Terms and Conditions, including wallet screening, before redemption can proceed successfully.

Fiat Republic may charge Customers utilising the EagleNetCoin network service a fee. These fees support the maintenance and enhancement of service quality, ensure operational transparency, and provide dedicated support for any inquiries. A detailed overview of applicable fees will be available in Fiat Republic's T&Cs.

Holders can only fund their EagleNetCoin account by transferring fiat from a payment account in their name. EagleNetCoin Holders can redeem the relevant EagleNetCoin value back to fiat, receiving the corresponding value in their registered payment accounts. Holders may exchange any EagleNetCoin back for fiat money.

**EagleNetCoin Rights:**

EagleNetCoin holders have the following rights:

- Redemption at par value: Holders retain the right to redeem their coins for the equivalent value in fiat currency at any time. To initiate a redemption, holders can initiate the redeem function in Fiat Republic Platform.
- Use the Fiat Republic web portal to review their EagleNetCoin wallets, of which the holder manages the private key themselves.
- Holders may redeem any amount in EagleNetCoin for fiat money, including coins not acquired directly from Fiat Republic (but obtained from other Customers).
- The Restrictions in Fiat Republic's Acceptable Use Policy applies to all Holders in relation to their redemption rights,
- Fiat Republic exclusively accepts payments from accounts in the name of the user; cash transactions are not allowed.
- Only fiat EURO and GBP are currently accepted for funding ENEUR and ENGBP, respectively; other fiat currencies are not accepted.
- Only payment accounts able to make payments via Faster Payments, BACS and CHAPS are accepted for transactions

**EagleNetCoin Obligations:**

Holders of the EagleNetCoin have the following obligations:

- They will hold and use EagleNetCoin in compliance with this White Paper and the applicable laws.

- They and their users are not restricted entities or persons appearing on the OFAC, UN, EU, or Dutch Sanction lists, and they are not holding EagleNetCoin on behalf of a restricted person.
- They will not offer, sell, trade, pledge, convert, transfer, or deliver, either directly or indirectly, the EagleNetCoin at any time within the United States.
- Only Customers and their End-Users with valid Know Your Customer (KYC)/Anti-Money Laundering (AML) and verified bank details can redeem their EagleNetCoin. Customers are obliged to provide Fiat Republic with adequate information in relation to KYC and AML requirements.
- In addition, all EagleNetCoin holders must comply with all applicable laws, including, but not limited to, the strict and absolute prohibition of the use of EagleNetCoin for money laundering, terrorist financing or any other financial crime.

Fiat Republic is an Electronic Money Institution that will and must report unusual transactions to the relevant authorities (Financial Intelligence Unit in the Netherlands).

Fiat Republic has the right to block EagleNetCoin addresses in case of violation of the mentioned obligations. We will monitor all EagleNetCoin transactions and test them against the relevant legislation, such as AML and Sanction Law.

EagleNetCoin holders agree that they have no claim to any interest or returns earned from these funds. The EagleNetCoin itself does not generate interest or returns for holders; it solely represents the right to redeem EagleNetCoin for an equivalent fiat currency amount in pound-sterlings, as outlined in this White Paper.

\* Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets (“MiCA”)

\* Terms of Use and Master Services Agreement are contractual documents agreed on between Fiat Republic and its Customers.

#### D.2: Conditions of modifications of rights and obligations

Fiat Republic reserves the right to periodically amend the rights and obligations outlined in this Policy. Any amendments affecting Fiat Republic or the holders of EagleNetCoin will be carried out in compliance with MiCA requirements and the provisions specified in Fiat Republic’s T&Cs. Holders of EagleNetCoin will be notified of

	<p>such changes through updates to the published White Paper and the Redemption Policy (available on Fiat Republic’s website) or via other valid communication channels.</p> <p>Amended versions of the White Paper will be submitted to the Autoriteit Financiële Markten (AFM) and De Nederlandsche Bank (DNB) in accordance with Article 51(12) of MiCA.</p> <p>The rights and obligations of EagleNetCoin holders may be modified under the following circumstances:</p> <ul style="list-style-type: none"> <li>• Compliance with applicable laws and regulations: changes may occur to ensure adherence to the prevailing laws and regulations within the operational territory of Fiat Republic</li> <li>• Improvement of services: modifications may be made to enhance the quality and efficiency of services provided to EagleNetCoin users, ensuring a better user experience and satisfaction.</li> <li>• Enhancing Security Measures: updates may be implemented to bolster security protocols, safeguarding user assets and data against evolving threats in the digital landscape.</li> <li>• A Force Majeure Event. As a result, it becomes impossible for Fiat Republic to fulfil its obligations, and the continuation of EagleNetCoin becomes definitively impossible.</li> </ul> <p>Proposed amendments will be communicated to holders with a 30-day notice period, allowing them adequate time to review and prepare for the updates. However, changes necessitated by legally binding requests from competent authorities or those required to meet urgent regulatory, legal, or compliance obligations will take effect immediately. In such cases, Fiat Republic will promptly notify holders through the same communication channels.</p>
<p>D.3: Description of the rights of the holders</p>	<p>Fiat Republic upholds high standards for safe and sound financial management to mitigate risks of insolvency. In situations of financial distress or economic uncertainty, Fiat Republic has established contingency plans to ensure the continuity of its operations, including the issuance of EagleNetCoin(s), and to protect the rights of EagleNetCoin holders.</p> <p>If Fiat Republic is unable to meet its obligations or faces insolvency,</p> <p>EagleNetCoin reserves are safeguarded in full compliance with applicable laws. Specifically, the funds received in exchange for the issuance of EagleNetCoin are held in a segregated account at Fiat Republic Foundation. This ensures that these funds are protected from claims by other creditors of Fiat Republic, including in the event of enforcement actions or insolvency proceedings." In the event of financial distress or insolvency, Fiat Republic will activate its Recovery and/or Redemption Plan, enabling EagleNet holders to exercise their redemption rights, as detailed in the next section of this Policy.</p>

<p>D.4: Rights in implementation of recovery plan</p>	<p>Fiat Republic is committed to maintaining robust safeguards for the issuance of EagleNetCoin by implementing a comprehensive Recovery Plan. This plan will include an expanded set of recovery plan indicators, covering both quantitative and qualitative metrics to address events that could lead to a breach of applicable regulatory requirements.</p> <p>Fiat Republic will also put in place specific mitigants to protect the rights of the Holder and the value of the coins, e.g. the assets will be placed in segregated accounts and thus not affected by any insolvency proceedings Fiat Republic may face. In case of any breaches of these recovery plan indicators, Fiat Republic's recovery options, including those that would strengthen the capital position and improve the liquidity position of Fiat Republic, are aligned with the triggered threshold indicator and its escalations and communication plans are adapted to cover the stakeholders concerned.</p> <p>Fiat Republic might take the following measurements to execute the recovery plan:</p> <ul style="list-style-type: none"> <li>● Restriction on Inflow of new Customers.</li> <li>● As part of the recovery plan, Fiat Republic might limit the number of new EagleNetCoin holders. This will help us manage its resources better and keep the operations stable during challenging times.</li> <li>● Limitation on EagleNetCoin volume. This helps us to manage our financial responsibilities and reduce potential risks. We are committed to quickly informing Customers about any such limits to ensure transparency and support effective cooperation.</li> </ul> <p>Other measurements may include:</p> <ul style="list-style-type: none"> <li>● Liquidity fees on redemptions.</li> <li>● Daily limits on the amount of EagleNetCoin that can be redeemed are set both at an aggregate level (e.g., as a percentage of the total coins issued) and at the individual wallet level.</li> <li>● Suspension of redemptions, as a last resort, EagleNetCoin holders will be promptly informed of any such restrictions via the Fiat Republic website.</li> </ul> <p>The Recovery Plan will be published within six months after publication of this White Paper. This White Paper will be updated to reflect the approved recovery plan once regulatory authorisation has been received.</p>
<p>D.5: Rights in implementation of redemption plan</p>	<p>In the context of the implementation of the redemption plan for EMTs under MiCA, certain rights ensure that the process is carried out fairly, transparently, and efficiently. These rights are crucial for maintaining the integrity of the redemption process and protecting the interests of all stakeholders involved.</p>

Key rights on the purchasers in the implementation of the Redemption Plan:

- Rights to Secure Transactions: Holders have the right to secure and private handling of the redemption requests and associated data. All transactions must be conducted through secure channels to protect against fraud and unauthorised access.
- Right to Timely Redemption: Holders are entitled to timely processing of their redemption requests. Subject to completing due diligence checks, EagleNetCoin repayments must be completed within five business days, ensuring purchasers have access to their funds promptly.
- Right to Equitable Treatment: All holders must be treated equitably, with their redemption requests processed in a fair and impartial manner. This guarantees no favouritism or discrimination, preserving trust in the redemption process.
- Right to Dispute Resolution: In case of any issues during the redemption process, holders have the right to access an efficient process for dispute resolution as detailed in section D.8 of this White Paper, and any grievances are addressed promptly and fairly.
- Right to Regulatory Recourse: If disputes are unresolved, holders have the right to escalate their concerns to relevant regulatory authorities, providing an additional layer of protection and ensuring compliance with MiCA regulations.
- Right to Information and Updates: Holders have the right to receive timely updates on the status of their redemption requests and any changes to the redemption process. This transparency helps holders stay informed and confident in the redemption process.
- Right to effective execution: The holders have the right to expect that the redemption plan is implemented effectively and in accordance with the outline's procedures. This ensures that all aspects of the redemption process are carried out as promised and without unnecessary delays.
- Right to Access Support and Resources: The holders have the right to access support services and resources to assist with the redemption process. This includes customer service support, detailed FAQs, and guidance documents to help navigate the redemption procedures.

The rights associated with the implementation of the redemption plan are essential to ensure that the process is carried out effectively, transparently, and fairly. These rights protect stakeholders' interests and uphold the integrity of the redemption process under MiCA, fostering trust and confidence in the crypto asset market.

	<p>Depending on the specific circumstances under which the redemption plan is triggered, we may need to impose restrictions on the redemption of EagleNetCoin. EagleNetCoin holders will be notified of any such restrictions on the Fiat Republic website.</p> <p>The Redemption Plan will be published within six months after publication of the White Paper. The White Paper will be updated to reflect the approved redemption plan once regulatory authorisation has been received.</p>
D.6: Complaint Submission Contact	<p>If you have a complaint, please contact us at <a href="mailto:complaints@fiatpublic.com">complaints@fiatpublic.com</a>.</p>
D.7: Complaints Handling Procedures	<p>Handling a complaint will be fair, reasonable, prompt and in line with relevant timeframes. Upon receiving a complaint, the Complaints Team will log and review it. Fiat Republic's Complaints Team will acknowledge your complaint within 5 business days (from when the complaint was received). The Complaints Team will investigate and determine the appropriate action for the complaint within 15 business days, including any escalations.</p> <p>If more than 35 business days have passed and you have not received a final response, or if you are not satisfied with the final response provided by our Complaints Team (at any stage of the process), you may be eligible to refer your complaint to the local Financial Ombudsman Service.</p> <p>For more details, see our complaints procedure <a href="#">here</a>.</p>
D.8: Dispute Resolution Mechanism	<p>Holders of ENGBP may submit any complaints they may have in connection with the coin and their rights and obligations under this White Paper and the T&amp;Cs in accordance with the complaints handling process as detailed in this White Paper.</p> <p>Where no satisfactory solution is found, ENGBP holders have the right to submit a complaint to the local financial ombudsman (kifid) as detailed on their website: <a href="https://www.kifid.nl/">https://www.kifid.nl/</a></p> <p>Where, following the financial ombudsman's assessment, no satisfactory solution is found, or where the complaint is not deemed receivable by the financial ombudsman, holders of ENGBP have the right to initiate legal proceedings with the competent Dutch courts, in accordance with the provisions of our T&amp;Cs.</p>
D.9: Token Value Protection Schemes	<p>Yes</p>

D.10: Token Value Protection Schemes Description	As an e-money token that falls under MiCA regulation, ENGBP is fully backed by an equivalent amount of GBP-denominated assets held by Fiat Republic with regulated financial institutions in segregated accounts apart from Fiat Republic's corporate funds on behalf of and for the benefit of ENGBP holders.
D.11: Compensation Schemes	No
D.12: Compensation Schemes Description	Not applicable.
D.13: Applicable law	The rights and obligations of ENGBP holders based in the EEA arising from the use or ownership of ENGBP will be governed by the laws of the Netherlands.
D.14: Competent court	Any dispute arising out of the use or ownership of ENGBP shall be brought to the Competent Dutch Court as outlined in our T&C's, except where prohibited by Applicable Laws.

### Part E - Information on the underlying technology

E.1: Distributed ledger technology	<p>Distributed Ledger Technology (“<b>DLT</b>”) is a digital record-keeping approach where transaction data is stored simultaneously across multiple locations. DLT differs from other database systems because there’s no central authority or single control point. Rather, the system works as a network of independent nodes, each node holding its own identical copy of the transaction record. A consensus among nodes within a decentralised structure helps with transparency, robust security, improved tracking, and enhanced transaction processing speed.</p> <p>The most common implementation of DLT technology is blockchain technology. A blockchain system bundles transactions into blocks that then form an unbroken chain. Each new block is encrypted so it is attached to the previous block in the chain using complex cryptographic techniques. This structure makes it virtually impossible to modify historical records without disrupting the entire chain of subsequent blocks.</p> <p>Many blockchain platforms are open source, which brings extra advantages regarding user autonomy and system compatibility. These platforms are powered by underlying code, which users can freely examine and evaluate thoroughly and select the solutions that match their specific requirements. The transparency of blockchain architecture creates user trust and informed decision-making.</p>
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	<p>ENGBP runs on the Algorand blockchain, a proof-of-stake L1 blockchain with a high transaction speed (4.5-second block finalisation target) and security through its Pure Proof-of-Stake (PPoS) consensus mechanism. The platform relies on Algorand Standard Assets (ASAs), which are native to the Algorand protocol and include built-in functionality to create and manage digital assets without complex smart contracts.</p> <p>Key Features of the Algorand Blockchain include:</p> <ul style="list-style-type: none"> <li>• Pure Proof-of-Stake (PPoS) Consensus: Algorand uses PPoS which ensures security and decentralisation without sacrificing speed. Based on the random selection of network participants to propose and validate new blocks, PPoS is highly reliable against malicious activity and, at the same time, reduces computational burden compared to Proof of Work.</li> <li>• Fast and Scalable Transactions: Algorand is known for its low transaction latency and high throughput, which allows it to handle thousands of transactions per second. Block finality is achieved within seconds, giving users confidence that transactions are completed without delay or risk of reversal.</li> <li>• Energy Efficiency: Due to its PPoS mechanism, Algorand is environmentally friendly, requiring minimal energy compared to other blockchains like Bitcoin and Ethereum. This efficiency aligns with Algorand's commitment to a sustainable blockchain ecosystem.</li> </ul> <p>Fiat Republic's secure API infrastructure processes transactions through the Algorand network, managing token issuance, redemption, and transfer. Fiat Republic secures the tokens in custodial wallets on the Algorand blockchain, specifically created and managed by Fiat Republic, providing institutional-grade security and compliance.</p> <p>The PPoS consensus mechanism used on the Algorand network verifies each transaction by participating nodes, guaranteeing immediate finality and eliminating chain reorganisations. This is an important feature for a pound-sterling- backed stablecoin such as ENGBP.</p>
<p>E.2: Protocols and technical standards</p>	<p>ENGBP is deployed as an Algorand Standard Asset (ASA) on the Algorand blockchain network. Initially, Fiat Republic will be operating on Algorand but may expand its blockchain support over time. We will publish updates on supported blockchain networks on our Website.</p> <p><b>Network Security &amp; Incidents</b></p> <p>Fiat Republic will use commercially reasonable efforts to maintain the availability of all ENGBP services to its Customers. However, the decentralised nature of blockchain networks means Fiat Republic cannot control, prevent, or resolve technical issues affecting the Algorand network. Customers acknowledge that network</p>

disruptions could impact ENGBP functionality, including but not limited to delays or interruptions in sending and receiving tokens. Fiat Republic bears no liability for losses resulting from underlying blockchain issues.

#### **Service Interruptions**

Fiat Republic may need to temporarily suspend ENGBP services in response to certain blockchain events or security concerns. Such interruptions could affect:

- Token issuance
- Redemption processing
- Transfer capabilities
- Network operations

Customers should be aware that service interruptions may occur with minimal advance notice, particularly in cases of emergency network events.

#### **Future Protocol Updates**

As blockchain technology evolves, Fiat Republic may determine it necessary to transition ENGBP to alternative protocols or standards. In such cases:

- Customers will receive advance notification
- Migration instructions will be provided
- Sufficient time will be allowed for the transition
- Support will be available throughout the process

Customers remain responsible for completing any required migration steps within specified timeframes. Fiat Republic assumes no responsibility for losses resulting from failure to follow migration procedures.

Fiat Republic bears no responsibility or capability to intervene in, prevent, or address technical incidents or security breaches affecting any supported blockchain networks. Network disruptions, security compromises, or other technical issues on these blockchain networks may significantly impact or prevent users from conducting transactions with their digital assets. Fiat Republic cannot be held liable for any financial losses from such blockchain network issues or limitations.

<p>E.3: Technology Used</p>	<p>ENGBP utilises the Quantoz Blockchain Services B.V. NEXUS technology platform, a resilient, cost-efficient SaaS infrastructure in production since 2016. The NEXUS platform manages the execution of ENGBP transactions on the Algorand blockchain, where tokens are issued as Algorand Standard Assets (ASA tokens).</p> <p>Through NEXUS, ENGBP has access to:</p> <ul style="list-style-type: none"> <li>● Enabling payments between custodial wallets held and operated on behalf of verified users</li> <li>● Account whitelisting functionality to ensure regulatory compliance</li> </ul> <p>The NEXUS platform has demonstrated reliability with:</p> <ul style="list-style-type: none"> <li>● Over 1 million accounts processed</li> <li>● Over 10 million transactions handled</li> <li>● Transaction volume exceeding 5 billion euros</li> <li>● ISO 27001 certification and ISAE 3402 compliance</li> </ul> <p>All ENGBP transactions are executed through the integration of the NEXUS platform with the Algorand blockchain. Quantoz maintains the technical infrastructure and manages transaction execution, while Fiat Republic maintains operational responsibility and oversight.</p>
<p>E.4: Purchaser's technical requirements</p>	<p>ENGBP is exclusively accessible through Fiat Republic's single API integration and limited to authorised Fiat Republic Customers operating as licensed CASPs. Technical specifications, integration requirements, and detailed implementation documentation are provided directly to Customers through secure channels as part of the onboarding process. Customers must demonstrate the ability to:</p> <ol style="list-style-type: none"> <li>1. Process fiat-to-crypto and crypto-to-fiat transactions within MiCA's compliance framework</li> <li>2. Integrate with Fiat Republic's single API infrastructure</li> <li>3. Meet Fiat Republic's security and operational standards</li> <li>4. Meet Fiat Republic's compliance's acceptable use policy</li> </ol>
<p>E.5: Consensus Mechanism</p>	<p>ENGBP operates on the Algorand blockchain, which utilises the Pure Proof of Stake (PPoS) consensus mechanism. Under this system, validators are selected for consensus based on the proportion of Algorand tokens they have staked. Block validation and transaction processing on the Algorand network are handled through this consensus mechanism, which ensures network security and transaction finality.</p>

E.6: Incentive Mechanisms and Applicable Fees	<p>Network fees on Algorand are handled transparently by Fiat Republic. A minimum transaction fee required by the Algorand network is covered by Fiat Republic. Customers do not incur additional blockchain-related fees for ENGBP transactions.</p> <p>However, Customers do pay a fee for access to Fiat Republic's EagleNet network, and as part of that, they might be subject to paying a fee, which is detailed in our T&amp;Cs.</p>
E.7: Use of Distributed Ledger Technology	No
E.8: DLT Functionality Description	No
E.9: Audit	Yes
E.10: Audit outcome	<ol style="list-style-type: none"> <li><b>1. Fiat Republic payment service:</b> DSecure.me conducted penetration testing of the payment service, following OWASP Web Application Testing Methodology v4.2. All vulnerabilities have been addressed</li> <li><b>2. SOC 2</b> <ol style="list-style-type: none"> <li>a. SOC 2 Type 1 audit completed</li> <li>b. SOC 2 Type 2 audit completed</li> </ol> </li> <li><b>3. Infrastructure Security (via Quantoz Blockchain Services B.V.):</b> A comprehensive audit of Algorand blockchain technology was conducted. The annual ISO/IEC 27001 certification has been maintained since 2020. Lastly, their NEXUS technology platform undergoes yearly external audits.</li> </ol>

## Part F - Information on the risks

F.1: Issuer-Related Risks	<ol style="list-style-type: none"> <li><b>1. Bankruptcy Risk:</b> Although the likelihood of bankruptcy is minimal due to Fiat Republic's supervision by the Dutch Central Bank</li> </ol>
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(DNB) and compliance with strict prudential requirements, it cannot be entirely ruled out. Additionally, challenges could arise if one of Fiat Republic's partner banks faces financial difficulties or insolvency.

**2. Third-Party Risk:**

Fiat Republic relies on multiple third parties to deliver critical services, including:

- Quantoz Blockchain Services B.V. for the blockchain infrastructure
- Payment service providers for access to payment schemes
- Technology providers supporting technical operations

Disruptions to these services could impair Fiat Republic's ability to operate effectively, potentially affecting ENGBP holders' rights and redemption processes.

**3. Market Risk:**

Market risk involves the possibility that ENGBP reserves may include assets that are not easily liquidated (e.g., certain short-term financial securities). In scenarios of exceptionally high redemption demand, Fiat Republic may face challenges in fulfilling all redemption requests within the timeframe stipulated by its Redemption Policy.

**4. Technology Risk:**

The blockchain infrastructure that supports ENGBP is robust. However, it may be susceptible to vulnerabilities or cyber threats. Although regular independent security audits are conducted, unforeseen risks, including the loss of secret keys for custodial wallets, could threaten the integrity of ENGBP.

**5. Compliance Risk:**

Fiat Republic must adhere to an extensive range of regulatory requirements, including anti-money laundering (AML), know-your-customer (KYC), counterterrorism financing (CTF), sanctions compliance, consumer protection, and data privacy laws. Non-compliance could result in penalties, legal actions, or reputational damage.

**6. Personal Data Breach Risk:**

Customer data breaches remain a concern. Unauthorised access or theft of personal information could result in significant harm to both Customers and Fiat Republic's reputation.

**7. Legal Risk:**

Fiat Republic operates in a complex legal environment, subject to numerous laws and regulations across its jurisdictions. Failure to comply could lead to investigations, enforcement actions, or penalties. The company is also exposed to private litigation risks, which may impact its operations and financial standing.

**8. Operational Risk:**

Operational risks stem from potential failures in processes, internal controls, or implementation. Inefficiencies or disruptions could damage Fiat Republic's reputation and erode stakeholder trust. Ensuring continuous improvement and maintaining robust operational systems are key to mitigating these risks.

**9. Environmental, Social, and Governance (ESG) Risk:**

ENGBP operates on the Algorand blockchain, which aligns with environmentally conscious practices. However, failing to uphold sustainable, ethical, and transparent governance could harm Fiat Republic's reputation. ESG considerations include the environmental impact of blockchain activities, adherence to social responsibility commitments, and maintaining high governance standards.

**1. Debanking Risk:**

Financial services businesses engaged in the provision of services within the cryptocurrency ecosystem can be at risk of the removal of service by their underlying banks and payment service providers due to a change in their macro risk appetite, not relating to the individual businesses' performance. Fiat Republic may be at risk of such "de-banking", which could cause a short-term loss of access to payment services.

**2. Taxation Risk:**

The accounting treatment and taxation applying to the purchase and sale of ENGBP will depend on the holder's jurisdiction. Fiat Republic cannot guarantee the tax treatment of the conversion of ENGBP to or from fiat currency. Dependent on the interpretation of national competent authorities, based on the current provisions of MiCA, ENGBP could qualify both as a crypto-asset or as electronic money, thereby affecting the possible tax treatment.

**3. Platform Risk:**

Since ENGBP tokens can only be accessed through Fiat Republic's platform, which uses Quantoz's NEXUS infrastructure, several platform-specific risks exist:

a. If the platform becomes unavailable, holders will temporarily be unable to access their tokens. Although the

underlying value is fully protected and tokens are still on the Algorand blockchain, they would be unusable to redeem or transfer.

b. CASPs integrated with the platform may compromise Customer money from security or accessibility perspectives if they are not secured appropriately. Any technical issues, vulnerabilities, or failures in the Algorand blockchain network could affect the functionality and transferability of ENGBP tokens.

c. In extreme market conditions or high redemption volume periods, when liquidity cannot be managed appropriately, the platform may not be able to process redemption requests.

**4. Liquidity Risk:**

This risk relates to when there is an exceptionally high demand for redemption of ENGBP, and Fiat Republic may not be able to fulfil all the redemption requests within the timeframe provided by the Redemption Policy. Such risk could also cause a secondary market price risk.

**5. Under-Collateralisation Risk:**

This is the risk that, due to fraud or mismanagement (by either Fiat Republic or a third-party provider), the reserve of assets that guarantees the redeemability of ENGBP becomes lower than the outstanding quantity of ENGBP. That risk would likely cause a price dislocation of the market value of ENGBP and affect the ability of Fiat Republic to redeem holders at par or in a timely manner.

**6. Market Risk:**

ENGBP's value and demand may be affected by overall market conditions and may affect its liquidity and stability.

**7. Fraud Risk:**

This is the risk of loss resulting from a scam or fraud suffered by ENGBP holders from other malicious actors. These scams include – but are not limited to – phishing on social networks or by email, fake giveaways, identity theft of Fiat Republic or its Customers, and the creation of fake ENGBP tokens, among others.

**F.3: Technology-Related Risks**

**1. Blockchain Risk:**

● **Operational Availability:**

While the Algorand blockchain historically demonstrates robust availability (>99.9%), there remains a

theoretical risk of technical disruptions affecting transaction processing.

- **Blockchain Security:**

Although unlikely, a successful attack on the Algorand blockchain could impact operations. However, ENGBP holder funds would remain secure as funds are held in segregated accounts at Fiat Republic Foundation, with balances and transactions recorded in EagleNet's core systems.

- **Scalability Risk:**

Public blockchains like Algorand have transaction throughput limitations. While Algorand's current capacity exceeds our needs, future network congestion could potentially impact transaction speeds or costs.

## 2. API Integration Risks

- **Technical Complexity:**

Integration between traditional banking infrastructure and blockchain systems presents inherent complexities that could affect transaction processing.

- **Integration Failures:**

Potential disruptions in API connections could temporarily affect service availability.

- **API Security:**

Vulnerabilities in API infrastructure could pose security risks requiring immediate mitigation measures.

## 3. Network Infrastructure Risks

- **EagleNet Operations:** Operational risks specific to EagleNet's internal network infrastructure could affect transaction processing.

- **Cross-Customer Transactions:** Technical failures could impact transactions between network Customers.

- **Wallet Security:**

Security considerations specific to EagleNet's wallet infrastructure require ongoing monitoring and management.

#### 4. Custody Risks

- **On-chain Custody:**  
Security risks related to the custody of tokens on the Algorand blockchain.
- **Segregated Wallet Management:** Technical risks associated with maintaining proper segregation of wallets and funds.
- **EMT Technical Operations:** Specific risks related to the technical aspects of token issuance and redemption processes.

#### 5. Platform and Access Risks

- **Platform Availability:**  
Users can only access their ENGBP through Fiat Republic's systems. Platform downtime could temporarily prevent access to tokens.
- **Key Management Risks:**  
The loss of private keys could result in the temporary inaccessibility of funds until Fiat Republic can verify ownership and reissue tokens to the wallet.

#### 6. Privacy and Data Protection Risks

- **Transaction Privacy:**  
While blockchain transactions are public, Fiat Republic implements measures to prevent transactions from being linked to specific users or merchants.
- **GDPR Compliance:**  
Algorand's architecture separates erasable from non-erasable data, supporting GDPR compliance. No personal data is stored on-chain.

#### 7. Technical Implementation Risks

- **Whitelisting System:**  
Our system requires maintaining accurate whitelisting of authorised addresses. Any technical issue with this system could temporarily affect token transfers.

- **Transaction Finality:**

Algorand gives near instant finality, but users should be aware that blockchain transactions are irreversible once confirmed.

Regarding the different risks identified in Sections F.1, F.2 and F.3, Fiat Republic implements appropriate measures to mitigate these risks and protect ENGBP holders:

**Mitigation measures concerning issuer-related risks (F.1)**

- **Bankruptcy Risk:**

Fiat Republic's management team operates with professionalism, integrity, and fairness. Under the oversight of the supervisory board, the company has implemented robust procedures to monitor financial performance, both internally and with financial partners. In the unlikely event of bankruptcy, ENGBP holders' rights are protected by law. ENGBP reserves are legally segregated from other creditors of Fiat Republic Foundation and will be refunded in accordance with bankruptcy proceedings.

- **Third-Party Risk:**

Fiat Republic mitigates third-party risks through comprehensive vendor risk assessments, ensuring all service providers adhere to high standards of reliability and security.

- **Market Risk:**

Despite potential market volatility, Fiat Republic guarantees ENGBP redemptions under its Redemption Policy. Even if the company experiences losses, ENGBP holders retain their redemption rights. Contingency plans are in place to address extreme scenarios, safeguarding stakeholders' interests.

- **Technology Risk:**

Fiat Republic employs advanced cybersecurity measures, conducts regular security audits, and continuously monitors for vulnerabilities. These proactive measures ensure robust protection against cyber threats and system vulnerabilities.

- **Compliance Risk:**

Fiat Republic has established a rigorous compliance framework that includes ongoing monitoring, periodic risk assessments, and the implementation of effective controls. Open communication with regulators, adherence to evolving regulatory standards, and periodic compliance audits further strengthen this

F.4: Mitigation measures

framework. To mitigate AML/CFT risks, transactions are restricted to verified wallets, with provisions to freeze suspicious activities as required by law.

- **Personal Data Breach Risk:**

Fiat Republic prioritises data security through a comprehensive data protection framework that complies with EU GDPR standards. These measures safeguard the integrity and confidentiality of personal data, protecting against unauthorised access and potential breaches.

- **Legal Risk:**

Fiat Republic mitigates legal risks by maintaining a dedicated legal and compliance team that ensures adherence to all relevant laws and regulations across jurisdictions. The company proactively monitors regulatory developments and adapts its policies to remain compliant. Periodic risk assessments and preemptive legal strategies are in place, such as engaging external counsel for complex issues to mitigate potential litigation and enforcement risks.

- **Operational Risk:**

To mitigate this risk, Fiat Republic has implemented robust internal controls, standardised processes, and automation to minimise errors and inefficiencies. Regular audits are conducted to ensure the continuous effectiveness of the controls in place. The company also invests in business continuity planning, including disaster recovery protocols, to handle unexpected disruptions.

- **Environmental, Social, and Governance (ESG) Risk:**

Fiat Republic addresses ESG risks by adopting sustainable practices, promoting transparency in governance, and actively participating in social responsibility initiatives. These efforts ensure alignment with stakeholder expectations and long-term resilience.

#### **Mitigation measures concerning token-related risks (F.2)**

- **Debanking Risk:**

To mitigate debanking risk, Fiat Republic aims to operate with at least two service providers for each fiat currency payment scheme it operates to ensure the minimum possible disruption of service in case a provider offboards. Contractual agreements with service providers include provisions that prevent termination without sufficient notice, reducing the likelihood of sudden interruptions. Additionally, Fiat Republic has established internal contingency procedures to ensure minimal disruption in case a critical service provider ends their agreement or becomes incapable of delivering services. All third-party

providers are subject to rigorous due diligence processes to evaluate their financial stability and compliance practices, further mitigating risks.

- **Taxation Risk:**

Each ENGBP holder must independently evaluate their tax position based on applicable regulations in their jurisdiction. Neither Fiat Republic nor its affiliates offer tax guidance. ENGBP holders with questions about tax treatment should obtain advice from qualified tax experts.

- **Platform Risk:**

a. Access to ENGBP is only through the Fiat Republic systems, but robust infrastructure and backup systems guarantee high availability. Contingency plans involve support for Customers and keeping essential services alive if there are technical issues.

b. ENGBP holder funds are protected through a segregated account structure, even in cases of third-party CASP issues, through Fiat Republic's default management system. Regular reconciliation and automated monitoring help with proper fund management

c. Fiat Republic has sufficiently large liquidity buffers and automated processing systems in place that allow it to deal with redemption requests promptly. Fiat Republic has implemented a redemption policy to facilitate the smooth processing of redemptions under extreme market conditions

**5. Under-Collateralisation Risk:**

In the unlikely event of under-collateralisation, Fiat Republic's Recovery and Redemption Plans provide mechanisms to address deficits. These measures may include reinforcing the company's capital position to restore full collateralisation.

**6. Market Risk:**

Fiat Republic's operational systems and protocols are designed to uphold the timely redemption of ENGBP, as specified in the Redemption Policy. This ensures resilience even amidst heightened volatility in crypto-asset markets, safeguarding ENGBP holders' rights.

**7. Fraud Risk:**

While Fiat Republic cannot eliminate the risk of fraud or scams associated with ENGBP, it works to mitigate these risks by raising client awareness through regular communications. The general terms and conditions governing ENGBP issuance clarify that Fiat Republic is not liable for losses incurred due to fraudulent activities. Ongoing education and risk awareness efforts further protect ENGBP holders.

### Mitigation measures concerning technology-related risks (F.3)

- **Blockchain Risk:**

We believe that the stability and security of the Algorand blockchain provides a stable foundation. Nonetheless, ENGBP holder funds are even safe in case of blockchain disruption; funds are held in segregated accounts and transaction records are kept in EagleNet core systems.

- **API Integration Risk:**

The single API abstraction layer simplifies banking integration while maintaining security. Regular testing, monitoring, and security audits ensure reliable operation. Fallback procedures maintain service continuity during any integration issues.

- **Network Infrastructure Risk:**

EagleNet's infrastructure undergoes regular security audits and monitoring. Cross-Customer transactions are tracked in real-time with automated verification systems. Wallet security is maintained through multi-layer security protocols.

**Custody Risk:**

For custody security, Fiat Republic implements strict key management procedures with regular audits. Token issuance and redemption processes include multiple security checks and automated verification.

In the event of wallet access issues, Fiat Republic maintains robust safeguards through parallel record-keeping systems. Our backup infrastructure enables the recreation of wallet balances and issuance of equivalent tokens to new addresses, ensuring client assets remain secure. While temporary service interruptions may occur, no permanent loss of funds will result.

Part G - Information on the sustainability indicators in relation to adverse impact on the climate and other environment-related adverse impacts

General information

G1.

Fiat Republic, acting as an issuer of EMTs, is providing information on principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism used to validate transactions in ENGBP and to maintain the integrity of the distributed ledger of transactions. As the Algorand consensus mechanism consumes less than 500,000 kWh per year, we will only report on the mandatory indicator 1 - energy consumption. Should things change, we will update accordingly.

The information covers the period from 01.01.2023 to 31.12.2023, with estimates used for the entire period as ENGBP has not yet launched as of December 2024 yet.

Assuming 1,000,000 transactions annually, the validation of transactions in ENGBP and the maintenance of the integrity of the distributed ledger of transactions has led to a total estimated energy consumption of 8 kilowatt-hours (kWh) on average during 2023 (estimates are provided on the basis of 2023 as ENGBP is not launched as of December 2024 yet).

The validation of one transaction in ENGBP has led to a total estimated energy consumption of 0.000008 kWh per validated transaction during one calendar year (estimates are provided on the basis of 2023 as ENGBP is not launched as of December 2024 yet).

The calculation method is available on the Algorand website:  
<https://algorandtechnologies.com/news/sustainable-blockchain-calculating-the-carbon-footprint>

The table below shows the mandatory indicator (indicator 1) for ENGBP transactions from 01.01.2023 to 31.12.2023

Table 1: Climate and other environment-related indicators for ENGBP on the Algorand blockchain

<b>Type</b>	<b>Adverse Sustainability Indicator</b>	<b>Metric</b>	<b>Source of information, review by third parties, use of data providers or external experts</b>	<b>Methodology to calculate metrics from information and data obtained</b>
<b>Energy</b>	Energy consumption	<p>Total amount of energy used, expressed in kilowatt-hours (kWh) per calendar year, for the validation of transactions and the maintenance of the integrity of the distributed ledger of transactions (rounded to the 3rd decimal place):</p> <p>Assuming 1,000,000 transactions annually, the validation of transactions in ENGBP and the maintenance of the integrity of the distributed ledger of transactions has led to a total estimated energy consumption of 8 kilowatt-hours (kWh) per calendar year.</p>	Provided by Quantoz Blockchain Services B.V. as an external party.	Methodology: The total energy consumption is driven by node devices. The number of validating nodes and their power demand are key metrics. Data on energy consumption is generated through real-world measurements using a reference hardware set.