

Copy

Introduction

This white paper follows the draft technical standards specifying certain requirements of the Markets in Crypto Assets Regulation (MiCAR), as published in ESMA's Final Report dated 3 July 2024.

WARNING:

The offer to the public of crypto-assets described in this white paper is exempted from the obligation to publish a white paper in accordance with article 4(2) MiCAR.

This whitepaper does not constitute a “white paper drawn up voluntarily” in the sense of Art. 4.8 of the MICA regulation. This white paper has not been notified to the CSSF. Consequently the CSSF has not notified this white paper to ESMA or any of the competent authorities of the host Member States indicated in the white paper so as to ensure that the information presented in this white paper is not misleading.

MICA requirement

Value

Date of notification

N/A

Statement in accordance with Article 6(3) of Regulation (EU) 2023/1114

This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The offeror of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

Compliance statement in accordance with Article 6(6) of Regulation (EU) 2023/1114

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

Statement in accordance with Article 6(5), points (a), (b), (c) of Regulation (EU) 2023/1114

The crypto-asset referred to in this white paper may lose its value in part or in full, may not always be transferable and may not be liquid.

Statement in accordance with Article 6(5), point (d) of Regulation (EU) 2023/1114

Not applicable

Statement in accordance with Article 6(5), points (e) and (f) of Regulation (EU) 2023/1114

The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council.

The crypto-asset referred to in this white paper is not covered by the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

Warning in accordance with Article 6(7), second subparagraph of Regulation (EU) 2023/1114

Warning

This summary should be read as an introduction to the crypto-asset white paper.

The prospective holder should base any decision to purchase this crypto-asset on the content of the crypto-asset white paper as a whole and not on the summary alone.

The offer to the public of this crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law.

This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council (36) or any other offer document pursuant to Union or national law.

Characteristics of the crypto-asset

The OffChain Luxembourg Token (OCLT) is the currency of an emerging community, the OffChain Luxembourg community. The aim of the OffChain Luxembourg community is to reinforce the social and economic ties binding the people living and working in Luxembourg and the Grande Région and generate new value, for the prosperity and well-being of the greatest number. Such communities can only scale if they issue and operate a currency functioning like unit of account, medium of exchange and store of value. OCLT is compliant with laws and regulations and is secured by Distributed Ledger Technology (DLT, or blockchain). Any person, without discrimination, can obtain one or more DLT wallets and acquire OCLT. The building of a cross-borders community with a currency is an experiment made possible by blockchain technology. The issuer and offeror of OCLT, OffChain Luxembourg a.s.b.l. (OCL) makes therefore no guarantees whatsoever toward the owners of OCLT. In particular, no guarantee, express or implied is specifically made as to the effectiveness of OCLT in acting as a

store of value. OCLT is and will be used as a voluntary and complementary unit of account and medium of exchange among persons who accept to use it as such. OCLT can be earned and transacted and can be transferred freely to any wallet. It can also be voluntarily locked ("staked") by its owner for any period of time, thus becoming non-transferrable but in exchange possibly accruing certain rights, yet to be specified. "Staked" OCLT can be unlocked and become transferrable again over a period of 30 days. Owning OCLT confers no defined rights at this time and owners of OCLT incur no obligations toward OCL. OCL has put in place an initial governance structure that is described hereafter and will decide over potential future modifications. All OCLT owners are treated equitably, taking into account their holdings, and are invited to collaborate in the framework of the governance structure to any future potential evolution of rights and obligations.

Key information about the offer to the public

The public is invited to participate in the experiment of building a cross-border community with a currency by making donations of less than 1000€ (but more than 50€) to OffChain Luxembourg a.s.b.l. The donor contributions will be recognized by awards of OCLT. The offer has no minimum. The maximum amount collected by this offer will be capped at 990 000€ and no awards of OCLT will be made once this amount has been reached. The amount of OCLT received in recognition by the contributors will depend on the moment at which the contributions are received and the speed at which they are received. The early contributors will be rewarded with 500 OCLT per euro until a total amount of 165 000€ has been donated. Later donators will receive 333 OCLT per euro until 330 000€ have been donated. After this milestone, ulterior contributors will receive 222 OCLT per euro until the threshold of 495 000€ in donations has been reached. The later contributors, until 660 000€ in donations have been made, will receive 167 OCLT per euro. The last contributors will receive 133 OCLT per euro until 990 000€ in donations have been made. Consequently, the maximum number of OCLT awarded will be 245,520 million OCLT. The prospective holders are natural and legal persons interested in supporting and / or participating in the social and economic experiment. This offer will run for 12 months, from 30 December 2024 at the earliest till 29 December 2025.

Next

Part A: Information about the offeror or the person seeking admission to trading

Last updated

1 month ago

Copy

Part A: Information about the offeror or the person seeking admission to trading

This whitepaper follows the draft technical standards specifying certain requirements of the Markets in Crypto Assets Regulation (MICA) as published in ESMA's Final Report from 3 July 2024

MICA requirement

Value

Name

OffChain Luxembourg a.s.b.l.

Legal form

2JEI

Registered address

LU - 22, rue Antoine Hirsch, L-1752 Luxembourg

Head office

LU - 22, rue Antoine Hirsch, L-1752 Luxembourg

Registration date

2024/06/04

Legal entity identifier

not applicable

Another identifier required pursuant to applicable national law

2024 61 01982

Contact telephone number

+352691652147

E-mail address

info@offchain.lu

Response time

P1D

Parent company

not applicable

Members of management body

Name, First name; Date and place of birth; Nationality(-ies); Country; Function;

CRISTESCU, Adrian-Sorin; 18/12/1970 à Bucarest (Roumanie); Luxembourgeoise, française, roumaine; Luxembourg; Président;

MARTY, Tomas; 31/07/1984 à Buenos Aires (Argentine); Allemande, argentine; Allemagne; Trésorier;

ALMEIDA DE SOUSA GOMES, Wilson Filipe; 26/12/2003 à Leiria (Portugal); Portugaise; Portugal; Vice-Président;

Business activity

non profit

Business activity of parent company

not applicable

Newly established

TRUE

Recent financial condition

not applicable

Financial condition since registration

OffChain Luxembourg has less than one year since it has been registered. It's capital resources are donations (4200€), membership fees (2000€), income from educational activities (1000€). These have been disbursed in paying an intern (5600€) and software licenses and registrations (600€). The rest is in reserves (1000€). Medium term, the main source of income will be donations linked to the community project and the OCLT offer. The funds received will serve to hire professional teams in order to implement a Minimum Viable Product (MVP) and prepare a larger donation campaign that will allow the development of the platform that we think is needed to support the project.

Previous

Introduction

Next

Part B: Information about the issuer, if different from the offeror or person

seeking admission to t

Last updated

9 months ago

Copy

Part B: Information about the issuer, if different from the offeror or person seeking admission to t

This whitepaper follows the draft technical standards specifying certain requirements of the Markets in Crypto Assets Regulation (MICA) as published in ESMA's Final Report from 3 July 2024

Information about the issuer, if different from the offeror or person seeking admission to trading:

Not applicable: the issuer is identical to the offeror

Previous

Part A: Information about the offeror or the person seeking admission to trading

Next

Part C: Information about the operator of the trading platform in cases where it draws up the crypt

Last updated

9 months ago

Copy

Part C: Information about the operator of the trading platform in cases where it draws up the crypt

This whitepaper follows the draft technical standards specifying certain requirements of the Markets in Crypto Assets Regulation (MICA) as published in ESMA's Final Report from 3 July 2024

Information about the operator of the trading platform in cases where it draws up the crypto-asset white paper

Not applicable: the crypto-asset white paper is drawn up by the offeror.

Previous

Part B: Information about the issuer, if different from the offeror or person seeking admission to t

Next

Part D: Information about the crypto-asset project

Last updated

9 months ago

Copy

Part D: Information about the crypto-asset project

This whitepaper follows the draft technical standards specifying certain requirements of the Markets in Crypto Assets Regulation (MiCA) as published in ESMA's Final Report from 3 July 2024

MiCA requirement

Value

Crypto-asset project name

OffChain Luxembourg Token

Crypto-asset name

OffChain Luxembourg Token

Abbreviation

OCLT

Crypto-asset project description

The project aims to establish a trustworthy, community-centered economic and social ecosystem across the Greater Region. By utilizing a MiCA-compliant token, it seeks to build a decentralized platform that empowers users to connect securely, while ensuring safety and regulatory compliance.

Details of all natural or legal persons involved in the implementation of the crypto-asset project

Adrian-Sorin Cristescu, Wim Stalmans, Christina Agudo, Anthony Mansour, Umberto Benti, Elodie Hamm, Gianfranco Laera, Frank Christiaens, Iulian Nita, Kevin Colgan, Paul Tryoulère-Roberjot, Edgar Moussin

Utility Token Classification

FALSE

Plans for the token

OffChain Luxembourg a.s.b.l. has been founded in June 2024 and issued the OCLT token in the Hive ecosystem on 9 May 2024 at Hive block 85250550. The next milestone is to conduct a token offering starting on 30 December 2024 as the first token adhering to the Markets in Crypto-Assets (MiCA) regulation and all applicable laws being offered to the public in Luxembourg.

Resource Allocation

To date, the association has paid €5,600 in intern salaries over a period of four months, along with an additional €600 allocated to other operating expenses. Additionally, members of the association have collectively contributed more than 1000 human hours towards the development of the project.

Planned Use of Collected Funds or Crypto-Assets

The collected funds will be allocated to create a minimum viable product (MVP) of our platform, to generate employment opportunities within the blockchain sector, and to prepare a bigger token offering for the platform implementation.

[Previous](#)

Part C: Information about the operator of the trading platform in cases where it draws up the crypt

[Next](#)

Part E: Information about the offer to the public of crypto-assets

Last updated

9 months ago

Copy

Part E: Information about the offer to the public of crypto-assets

This whitepaper follows the draft technical standards specifying certain requirements of the Markets in Crypto Assets Regulation (MICA) as published in ESMA's Final Report from 3 July 2024

MICA requirement

Value

Public Offering or Admission to trading

OTPC

Reasons for Public Offer or Admission to trading

OCLT will be offered to the public in order to raise funds that will allow OffChain Luxembourg a.s.b.l to hire a professional team in order to implement a MVP and to foster community growth. By making the token accessible to a broader audience, we aim to engage more users, and build a strong, vibrant community around our project. This increased community engagement will drive network effects, enhance the platform's ecosystem, and create long-term value for all stakeholders.

Fundraising Target

990,000 €

Minimum Subscription Goal

not applicable

Maximum Subscription Goal

990,000 €

Oversubscription Acceptance

FALSE

Oversubscription Allocation

not applicable

Issue Price

0,002€ - 0,0075€

Official currency or any other crypto-assets determining the issue price

EUR

Subscription fee

0.00 €

Offer Price Determination Method

Variable, time-dependent price offer. The early contributors will be rewarded with 500 OCLT per euro until a total amount of 165 000€ has been donated. Later donors will receive 333 OCLT per euro until 330 000€ have been donated. After this milestone, ulterior contributors will receive 222 OCLT per euro until the threshold of 495 000€ in donations has been reached. The later contributors, until 660 000€ in donations have been made, will receive 167 OCLT per euro. The last contributors will receive 133 OCLT per euro until 990 000€ in donations have been made.

Total Number of Offered Crypto-Assets

245 520 000 OCLT at most

Targeted Holders

ALL

Holder restrictions

US persons and persons from OFAC sanctioned countries

Reimbursement Notice

Contributors participating in the offer to the public of this crypto-asset will be able to be reimbursed if the minimum target subscription goal is not reached at the end of the offer to the public, if they exercise the right to withdrawal foreseen in Article 13 of Regulation (EU) 2023/1114 or if the offer is cancelled

Refund mechanism

No refund is envisioned as the funds constitute donations to OffChain Luxembourg a.s.b.l., the offer has no minimum subscription goal, the right of withdrawal does not apply as the OCLT token is already admitted to trading on a decentralized market and the offer cannot be cancelled

Refund timeline

Not applicable

Offer phases

Phase 1: until 165000€ are donated. Phase 2: until 330000€ are donated. Phase 3: until 495000€ are donated. Phase 4: until 660000€ are donated. Phase 5: until 990000€ are donated

Early purchase discount

In order to encourage donations, the early contributors will be rewarded with 500 OCLT per euro until a total amount of 165 000€ has been donated. Later donators will receive 333 OCLT per euro until 330 000€ have been donated. After this milestone, ulterior contributors will receive 222 OCLT per euro until the threshold of 495 000€ in donations has been reached. The later contributors, until 660 000€ in donations have been made, will receive 167 OCLT per token. The last contributors will receive 133 OCLT per euro until 990 000€ in donations have been made.

Time-limited offer

TRUE

Subscription period beginning

2024-12-30

Subscription period end

2025-12-29

Safeguarding Arrangements for Offered Funds/Crypto-Assets

OffChain Luxembourg a.s.b.l. will not receive any funds. Instead, funds donated will be converted on the fly by an on-ramp service into cryptocurrencies. The crypto-assets will be safeguarded on the blockchain as the right to withdrawal does not apply. OffChain Luxembourg will also accept donations in crypto currencies that will be safeguarded by bitFlyer.eu, a MiCA-compliant CASP that provides custody and administration of crypto-assets on behalf of clients.

Payment Methods for Crypto-Asset Purchase

For donations of funds, OffChain Luxembourg a.s.b.l. has integrated an on-ramp service provided by Transak, a MiCA-compliant CASP, that converts on the fly euros donated to a specific crypto-asset, HIVE. For crypto asset donations, other than HIVE, OffChain Luxembourg will publish its addresses with bitFlyer Europe S.A.

Value Transfer Methods for Reimbursement

No reimbursement of the donation is envisioned

Right of Withdrawal

Right of withdrawal does not apply as the offer is structured as a reward and recognition of a donation not as a sale; in addition, OCLT has already been admitted to trading on a decentralized exchange (Art.13-4.)

Transfer of Purchased Crypto-Assets

Donors who register a valid DLT address will receive OCLT to that address. OffChain Luxembourg a.s.b.l. will create a DLT address for donors who provide a valid e-mail address or phone number and will send there the credentials. OCLT tokens will be transferred to the newly created address.

Transfer time schedule

2025-12-30T00:00:00

Purchaser's Technical Requirements

The contributor will need to be in control of at least one active private key on the HIVE blockchain on which OCLT is offered.

Crypto-asset service provider (CASP) name

not applicable

Placement form

NTAV

Trading Platforms name

not applicable

Offer Expenses

The conversion of funds into HIVE will incur fees that will be deducted from the amount donated

Conflicts of Interest

To the best of our knowledge, no conflicts of interest of the persons involved in the offer to the public are arising in relation to the offer. No member of OffChain Luxembourg works for the designated intermediaries Transak or Binance (where Transak will exchange the funds into HIVE)

Applicable law

Luxembourg law

Competent court

Tribunal de Luxembourg

Previous

Part D: Information about the crypto-asset project

Next

Part F: Information about the crypto-assets

Last updated

9 months ago

Copy

Part F: Information about the crypto-assets

This whitepaper follows the draft technical standards specifying certain requirements of the Markets in Crypto Assets Regulation (MICA) as published in ESMA's Final Report from 3 July 2024

MICA requirement

Value

Crypto-asset Type

Crypto-asset other than asset-referenced token or electronic money token

Crypto-asset Functionality

OCLT will have two functionalities at the time the offer to the public begins, namely as "currency" and for "staking". More functionalities may be added during the project.

Planned Application of Functionalities

The two functionalities mentioned above will be available from the beginning of the offer. More functionalities may be added at a later time.

Type of white paper

OTHR

The type of submission

NEWT

Crypto-asset Characteristics

Type of crypto asset: token. Name: "OffChain Luxembourg Token". Symbol: OCLT. Precision: 8 digits. Maximum Supply: 1000000000000

Commercial name or trading name

OffChain Luxembourg a.s.b.l.

Website of the issuer

offchain.lu

Starting date of offer to the public

2024-12-30

Publication date

2024-11-22

Any other services provided by the issuer

Training, education, event organization

Identifier of operator of the trading platform

not applicable

Language of the white paper

EN

Digital Token Identifier Code

not available

Functionally Fungible Group Digital Token Identifier

not available

Voluntary data flag

TRUE

Personal data flag

TRUE

LEI eligibility

TRUE

Home Member State

Luxembourg

Host Member States

Luxembourg, France, Germany, Belgium

Previous

Part E: Information about the offer to the public of crypto-assets

Next

Part G: Information on the rights and obligations attached to the crypto-assets

Last updated

9 months ago

Copy

Part G: Information on the rights and obligations attached to the crypto-assets

This whitepaper follows the draft technical standards specifying certain requirements of the Markets in Crypto Assets Regulation (MICA) as published in ESMA's Final Report from 3 July 2024

MICA requirement

Value

Purchaser rights and obligations

The owners of OCLT have the right to transfer any amount of tokens in their possession to any other address on the DLT; they have the right to increase the amount of tokens under their control. They have no limit in the amount of token they can stake. Owners do not have any specific obligation toward the offeror arising from the mere possession of OCLT tokens.

Exercise of rights and obligations

There are no preconditions to owners of OCLT exercising their rights. In order to do so, they should have available their active private key and a HIVE wallet that implements Hive-Engine transfers and staking.

Conditions for modifications of rights and obligations

OffChain Luxembourg a.s.b.l. will never modify in any way the right of the OCLT owners to transfer any amount of tokens they possess. OffChain Luxembourg a.s.b.l. will agree on and publish any modifications to the conditions for the staking and unstaking of OCLT tokens. Possible modifications will only be done in accordance with its articles of association and internal regulations.

Future Public Offers

OffChain Luxembourg a.s.b.l. reserves the right to future public offers if it deems, in accordance with its internal procedures, that the underlying value-creation process is hampered by an insufficient quantity of OCLT tokens in circulation.

Issuer Retained Crypto-Assets

99975448000

Utility Token Classification

FALSE

Key Features of Goods/Services of Utility Tokens

not applicable

Utility Tokens Redemption

not applicable

Non-Trading request

FALSE

Crypto-Assets purchase or sale modalities

OCLT is already freely negociable on decentralized exchanges such as tribaldex.com or hive-engine.com

Supply Adjustment Protocols

FALSE

Supply Adjustment Mechanisms

not applicable

Token Value Protection Schemes

TRUE

Token Value Protection Schemes Description

OffChain Luxembourg a.s.b.l. operates an internal "monetary policy node" ("MonPol") with the mandate of maintaining the value of the OCLT token with respect to the work provided. The MonPol will monitor the "internal GDP" of the "economic zone" and the velocity of OCLT and estimate the trajectory of the economy of the zone. It will take measures to adjust monetary mass and velocity in consequence, so as to encourage additional value creation through work. The marketing node ("MktCom") and the onboarding node ("Newcomers") will take measures to increase the number of participants in the token economy. The other core value creation nodes will take measures to stimulate the overall value-creating social and economic activity in the community.

The mechanisms for Token Value Protection will include:

- Adaptive Staking Incentives -> To support token stability and reduce circulation velocity, OffChain Luxembourg will implement a dynamic staking incentives model. Based on real-time economic conditions, the MonPol may adjust staking rewards to align with the organization's goals. Staking incentives are structured to encourage long-term holding and active participation, with three primary tiers:

a) Standard Incentives

b) Enhanced Incentives (based on necessity)

c) Flexible Adjustments

- Governance Driven Value Control -> The governance model links influence to both membership and token staking, ensuring that only committed and engaged members actively shape token policies, decisions and values.

- Liquidity Management through ocl-paymaster and ocl-trez - OffChain Luxembourg utilizes two key reserves—ocl-paymaster for daily operations and ocl-trez for secure, long-term holding. Together, they provide flexible control over token liquidity, allowing the organization to adjust supply based on community demand and market conditions. During the public offer, a segregated account, ocl-ito1 will hold the tokens reserved for the offer.

Compensation Schemes

FALSE

Compensation Schemes Description

not applicable

Applicable law

Luxembourg law

Competent court

Tribunal de Luxembourg

Previous

Part F: Information about the crypto-assets

Next

Part H: Information on the underlying technology

Last updated

9 months ago

Copy

Part H: Information on the underlying technology

This whitepaper follows the draft technical standards specifying certain requirements of the Markets in Crypto Assets Regulation (MICA) as published in ESMA's Final Report from 3 July 2024

MICA requirement

Value

Distributed ledger technology

OCLT is offered on Hive (<https://hive.io>) distributed ledger technology as a token on the Hive-Engine (<https://hive-engine.com>) L2 chain

Protocols and technical standards

The Hive blockchain and its Hive-Engine sidechain make use of state-of-the-art protocols and technologies. Hive, a "hard fork" of the Steem blockchain, is written in C++ and has been in extensive use for more than 8 years, processing more than 1 Million transactions per day, every day for the last 7 years. Its underlying "Graphene" blockchain protocol also powers other well-established public blockchains such as EOS, Telos, bitShares and others. Hive-Engine (HE) is a lighter blockchain written in Javascript and using the popular Node.js technology. In order to increase security, Hive-Engine backs up its state to the more robust Hive blockchain, which allows HE to act as a secure, resilient, and faithful ledger.

Technology Used

The technology stack is completed by several modules including databases (Redis for Hive, MongoDB for Hive-Engine), APIs and SDKs for several popular languages such as Python, JS, Ruby, and PHP

Consensus Mechanism

Hive uses the Delegated Proof of Stake (DPoS) consensus mechanism also used by EOS and other blockchains, a member of the Proof of Stake (PoS) family of consensus mechanisms. Hive-Engine also uses DPoS.

Incentive Mechanisms and Applicable Fees

Perhaps the most important feature that sets Hive and Hive-Engine apart from other blockchain systems is that there are no transaction fees. Thus transferring tokens on both Hive and Hive-Engine incurs no fee for the users.

Hive validators get incentivized through a fixed per-block reward and the number of blocks they get to sign depends on their reputation. Hive users "vote" using their staked HIVE (also called "Hive Power") for up to 30 validators that they deem more performant. Validators who receive a higher amount of weighted votes

are called by the protocol more often to validate and sign new blocks. They are thus incentivized to offer a good service in order to get more "votes", hence more blocks to validate and higher rewards.

Hive-Engine (HE) is a smart-contract-capable blockchain that offers an expanded set of popular smart-contracts. Its validators also receive a fixed per-block reward. In addition, executing smart-contracts such as token creation on HE incurs an one-off upfront cost. The amount paid by users are pooled and distributed among validators in addition to the per-block fees. Thus validators are incentivized to attract new users wanting to take advantage of HE smart contracts.

Use of Distributed Ledger Technology

FALSE

DLT Functionality Description

not applicable

Audit

FALSE

Audit outcome

not applicable

Previous

Part G: Information on the rights and obligations attached to the crypto-assets

Next

Part I: Information on risks

Last updated

9 months ago

Copy

Part I: Information on risks

This whitepaper follows the draft technical standards specifying certain requirements of the Markets in Crypto Assets Regulation (MiCA) as published in ESMA's Final Report from 3 July 2024

Offer-Related Risks

This MiCA-compliant token offering aims to enable social and economic community use cases. As a pilot initiative within a non-profit framework, it seeks to establish a model for community engagement and token adoption, though there are inherent risks in early-stage offerings.

Market Demand: As a new offering, demand for the tokens may be uncertain or initially limited, as community-driven token adoption can be gradual. Without broad adoption or active community engagement, token usage and trading activity may remain minimal, potentially affecting the token's perceived utility and value within the community.

Regulatory Evolution of MiCA: while MiCA is currently being rolled out, the regulatory landscape may evolve as the market matures. Future adjustments to MiCA could introduce additional compliance requirements or standards, impacting the project's operations or necessitating further compliance measures.

Issuer-Related Risks

As a non-profit organization pioneering a MiCA-compliant token offering, the issuer faces unique risks related to financial sustainability and effective governance.

Financial Sustainability: As an asbl, the organization relies on funds raised through the token to support both initial project development and ongoing community engagement initiatives. Thus, the organization's ability to sustain ongoing operations and community initiatives may be affected by token demand.

Governance and Internal Control: The asbl's governance structure and internal controls are critical to the project's success. Given the focus on community building, any gaps in decision-making processes or resource management could hinder project implementation, reduce transparency, potentially affecting community trust and engagement.

Crypto-assets-Related Risks

Given the relatively new and evolving nature of crypto-assets, there are several risks associated with their adoption and use, particularly within a community framework.

Community Knowledge and Education: many community members may have limited experience with digital assets, blockchain, or tokenomics. The varying levels of understanding among the community may lead to confusion, reluctance to participate, or loss of the tokens.

Price Volatility: while the project is focused on community engagement and tokens are not intended for speculative purposes, the tokens may still experience price fluctuations due to external market forces. These fluctuations could cause concern or misunderstanding among community members, particularly if the tokens are perceived as having inconsistent or unreliable value.

Legal Risks: Although the token offering is MiCA-compliant, the legal landscape around crypto-assets is still evolving. Future changes in regulations or new legal frameworks could introduce additional compliance requirements or restrictions that may impact the operation of the token or its intended use within the community.

Project Implementation-Related Risks

Implementing the token offering and its associated community-building project introduces several risks that could affect the overall success of the initiative.

Project Delays: Unforeseen operational delays in launching the token offering or achieving key milestones could disrupt the project's timeline.

Community Engagement: active participation from the community is essential for the success of the project. If the community is not adequately engaged or if there is insufficient buy-in, the token's utility and adoption may be limited, reducing its effectiveness in driving the intended social and economic impact.

Resource Allocation: proper management of financial and human resources within the asbl is critical for project success. If the organization struggles to allocate resources efficiently, it could impact the execution of the project's community-building initiatives and its long-term sustainability.

Partnerships and Ecosystem Integration: Building and maintaining relationships with other organizations, stakeholders, or platforms that align with the project's mission is essential for success. Without successful partnerships, the token's social and economic impact may be limited, preventing the achievement of its intended goals.

Technology-Related Risks

OCLT will be initially launched in the Hive blockchain ecosystem comprised of the Hive blockchain at layer 1 and Hive-Engine blockchain at Layer 2. This blockchain ecosystem has been proven during more than 8 years (for Hive) and more than 4 years (Hive-Engine). These two blockchains can experience downtimes. During downtimes, the OCLT tokens would not be transferable. This blockchain ecosystem implements an advanced security system with a series of private keys of limited authority and a system for account recovery. As a consequence, there were no documented exploits during the whole period of operation. However, exploits cannot be authoritatively ruled out in the future. If an exploit happened, the affected users may lose part or all of their OCLT tokens.

Mitigation measures

OCL will dedicate a part of the funds to take measure to mitigate technology risk. In particular, the code of the blockchains is open source. It will be cloned and a copy maintained by OCL as an additional guarantee. In addition, OCL will run their own full API node of Hive and Hive-Engine, maintain a "seed" server and take regular snapshots of the state of the accounts holding OCLT, which it will conserve in a segregated data storage.

Previous

Part H: Information on the underlying technology

Next

Part J: Information on the sustainability indicators in relation to adverse impact on the climate an

Last updated

9 months ago

Copy

Part J: Information on the sustainability indicators in relation to adverse impact on the climate and

This whitepaper follows the draft technical standards specifying certain requirements of the Markets in Crypto Assets Regulation (MICA) as published in ESMA's Final Report from 3 July 2024

Adverse impacts on climate and other environment-related adverse impacts

Objective

:

The goal is to estimate the yearly energy consumption linked to the OCLT token, which is a key indicator required by the European regulation 2023/1114. This regulation provides guidelines on sustainability indicators for crypto-assets, focusing on adverse impacts on climate and the environment. The estimate will help ensure that the environmental impact of the OCLT token is properly understood and complies with relevant regulations.

Methodology

:

The assessment involves three primary inputs:

- 1) Active Witnesses: Estimation of the average number of active witnesses for the two blockchain systems involved (Hive and Hive-Engine).
- 2) Power Consumption: A best effort estimate of the power consumption of typical Hive and HE nodes.
- 3) Percentage of OCLT Transactions: An estimate of the percentage of transactions related to the OCLT token if the project succeeds.

Key Assumptions:

Energy Consumption of Blockchain Systems: Both Hive (L1) and Hive-Engine (L2) are estimated to consume less than 300,000 kWh per year, which is below the threshold set by the EU regulations (500,000 kWh/year).

OCLT Impact: In a scenario where the OCLT token is widely adopted, it is assumed that no more than 0.1% of Hive transactions and no more than 1% of Hive-Engine transactions will involve the OCLT token.

Calculation:

The table provided (in appendix?) illustrates the details of the calculation. The total energy consumption of the blockchain systems is determined based on

the number of active witnesses, average power consumption, and transaction percentages related to OCLT.

Breakdown of Calculation:

Hive Blockchain (L1):

- Active witnesses: 150
- Average power consumption per witness: 200 watts
- Total DLT energy consumption (annual): 262,800 kWh
- Percentage of transactions related to OCLT: 0.1%
- Energy consumption due to OCLT: 262.8 kWh

Hive Engine (L2):

- Active witnesses: 40
- Average power consumption per witness: 100 watts
- Total DLT energy consumption (annual): 35,040 kWh
- Percentage of transactions related to OCLT: 1%
- Energy consumption due to OCLT: 350.4 kWh

Total:

Total annual energy consumption across both systems: 297,840 kWh

OCLT's estimated energy consumption: 613.2 kWh per year

Total hours in a year: 8,760 hours

Conclusion:

Based on these estimates, the validation of OCLT transactions will add approximately 613.2 kWh to the total yearly energy consumption. This is a minimal impact in comparison to the overall energy use of the two blockchain systems involved.

Previous

Part I: Information on risks

Last updated

9 months ago