

**CryptoFranc (XCHF)**  
**Introduction & Token Terms**  
**2025-Q1**

Version 3.6 – July 26, 2024



# Content

- Definitions.....3
- CryptoFranc (XCHF) Key Terms.....4
- Overview & Summary.....6
- Bitcoin Suisse AG.....7
- How to Trade XCHF.....8
- Fees and Melting.....8
- Legal Implementation.....9
- Technical Implementation.....9
- Changes.....10
- Appendix 1: Token Terms CryptoFranc (XCHF).....11
- Appendix 2: Risk Factors Related to the CryptoFranc (XCHF).....16
- Appendix 3: Bank Guarantee Sygnum Bank AG.....21



## Definitions

AML:	Anti-Money Laundering
BTC:	Bitcoin
BTCS:	Bitcoin Suisse AG
CHF:	Swiss Franc
ETH:	Ether
FINMA:	Swiss Financial Market Supervisory Authority
GAS:	Fuel to pay computation on Ethereum Blockchain paid in ETH <sup>1</sup>
ICO:	Initial Coin Offering
Issuer:	Bitcoin Suisse AG
KYC:	Know your Customer
Melting:	A technical process to implement a continuous usage fee
SNB:	Swiss National Bank
Website:	Issuer Website: <a href="http://www.bitcoinsuisse.com/cryptofranc">www.bitcoinsuisse.com/cryptofranc</a>
Token:	CryptoFranc payment token
Token Terms:	The terms applicable to the usage of XCHF set out in Appendix 1
Users:	Anyone interacting with the XCHF such as purchasers and holders
XCHF:	Refers to the CryptoFranc payment token

---

<sup>1</sup> <https://kb.myetherwallet.com/gas/what-is-gas-ethereum.html>

## CryptoFranc (XCHF) Key Terms

<b>General:</b>	The CryptoFranc token (XCHF) is a stablecoin bound to the Swiss Franc and classifies as a <b>payment token</b> in accordance with the FINMA ICO guidelines <sup>2</sup> . Each token represents a claim of one Swiss Franc against the Issuer.
<b>Issuer:</b>	Bitcoin Suisse AG (BTCS)
<b>Base Currency:</b>	Swiss Franc (CHF)
<b>Volume:</b>	Initial starting volume: XCHF 2'000'000 in January 2021 Please consult the website to see the current volume: <a href="http://www.bitcoinsuisse.com/cryptofranc">www.bitcoinsuisse.com/cryptofranc</a> ; <a href="https://etherscan.io/token/0xb4272071ecadd69d933adcd19ca99fe80664fc08">https://etherscan.io/token/0xb4272071ecadd69d933adcd19ca99fe80664fc08</a>
<b>Form:</b>	Token on Ethereum blockchain in a smart contract conforming to the ERC-20 standard
<b>Denomination:</b>	XCHF 1, divisible up to 18 digits
<b>Backing:</b>	Bank Guarantee issued by Sygnum Bank AG, Zurich
<b>Trading:</b>	The XCHF is available for trading at the Issuer and on the crypto exchanges as listed on the Website.
<b>Brokerage Fee:</b>	Standard fees apply for trades as per the crypto exchanges.
<b>Redemption Fee:</b>	Standard brokerage fees of the Issuer apply.
<b>Melting:</b>	0% per annum
<b>Participants:</b>	Participants may buy and sell via crypto exchanges as listed on the Website.
<b>Communication:</b>	Notices to XCHF holders may be communicated as appendices to this document and/or in the Swiss Official Gazette of Commerce SOGC.
<b>Redemption:</b>	The Issuer may fulfill the claim of one (1) CHF represented by each XCHF at any time at its own discretion. Token holders are required to cooperate with the redemption upon notice.

---

<sup>2</sup> <https://www.finma.ch/en/news/2018/02/20180216-mm-ico-wegleitung> and <https://www.finma.ch/en/news/2019/09/20190911-mm-stable-coins/>

**Statutory Auditor  
of the Issuer:** Grant Thornton AG, Zurich

**Jurisdiction/  
Governing Law:** Zug, Switzerland / Swiss laws

## Overview & Summary

**Overview:** This document introduces the features and functionality of the CryptoFranc and, in the Token Terms, sets out the legal terms for users and holders of the CryptoFranc (XCHF).

**Stablecoin:** The CryptoFranc is a Swiss Franc-backed stablecoin and **payment token** issued on the Ethereum blockchain by BTCS. One blockchain-based payment token is worth one Swiss Franc (CHF), creating a 1:1 relationship between XCHF and CHF (XCHF 1 = CHF 1).

**Means of payment:** The main purpose of the CryptoFranc is to serve as a **means of payment** for the Swiss crypto ecosystem. For example, a crypto currency trader could use it to temporarily transfer funds into CryptoFrancs or a Swiss startup could use it to raise funds in its accounting currency instead of using volatile crypto currencies. It is not intended to be used as a long-term storage of Swiss Francs.

**Risks:** As with other blockchain-based tokens, the CryptoFranc comes with various known and unknown risks. While it is designed to be much less volatile than traditional crypto currencies, such as Bitcoin or Ether, it is not risk-free. Please refer to the risk section in Appendix 2 for further details.

**Bank guarantee:** All XCHF tokens are **backed by a bank guarantee** issued by Sygnum Bank AG, Zurich. In case bankruptcy proceedings have irrevocably been opened by the competent Swiss authorities against BTCS, the XCHF token holder can claim the underlying CHF directly from the guarantor Sygnum Bank AG, 8045 Zurich. **The submission of the payment request form must be done by no later than the 360th calendar day after the opening of bankruptcy proceedings against the Issuer. Client onboarding fees may apply (e.g., CHF 250).** Details are provided in the Appendix 3.

Further information and updates about the token can be found on the Website of the Issuer.

## Bitcoin Suisse AG

Bitcoin Suisse AG was founded in 2013 and is registered in the Canton of Zug, Switzerland's "Crypto Valley". Its purpose is to provide services about everything relating to crypto currencies, including comprehensive services related to the issuing of tokens, such as the initial issuance of its own tokens.

The Issuer is set up as a corporation (Aktiengesellschaft) under Swiss Law with a fully paid-in capital of CHF 100'000.00 (10'000 restricted registered shares with a nominal value of CHF 10.00 each) and is led by the CEO Andrej Majcen. The Issuer is wholly owned by BTCS Holding AG.

Bitcoin Suisse AG is a Member of the Swiss self-regulatory organization (SRO) VQF, based in Zug, Switzerland.

Address: Bitcoin Suisse AG, Grafenauweg 12, 6300 Zug, Switzerland

Website: [www.bitcoinsuisse.com](http://www.bitcoinsuisse.com)

Phone: +41 800 800 008

Email: [xCHF@bitcoinsuisse.com](mailto:xCHF@bitcoinsuisse.com)

UID-No.: CHE-472.481.853, see the commercial register of Zug ([zg.chregister.ch](http://zg.chregister.ch)) for further information.

## How to Trade XCHF

For trading XCHF, please refer to the crypto exchanges listed on the Website. Trading fees as per the crypto exchanges apply. Clients of the Issuer may trade XCHF via their account held with the Issuer.

## Fees and Melting

All fees and melting for subsequent XCHF are subject to change.

### Brokerage Fee

This fee applies when buying XCHF from brokers, including the Issuer, or crypto exchanges.

### Redemption Fee

This fee applies when redeeming XCHF for CHF at the Issuer to cover the Issuer's operational costs in connection with the redemption process and is equal to standard brokerage fees of the Issuer.

### Melting (usage fee)

Subsequently, the XCHF might come with a usage fee implemented through a melting process. The introduction or subsequent change of such usage fee will be notified to all users with prior notice on the Website. The intention is to not have a usage fee higher than **1% below the SNB rate on sight deposits**.<sup>3</sup>

The current melting rate can be found in the CryptoFranc (XCHF) Key Terms (see section above), as updated from time to time.

### Gas fees

For transacting XCHF, the usual fees of the Ethereum Blockchain will apply. These should be expected to be somewhat higher than with plain ERC-20 tokens due to special features of the smart contract. See section "Technical Implementation" for further information.

---

<sup>3</sup> [https://www.snb.ch/en/iabout/stat/statrep/id/current\\_interest\\_exchange\\_rates#t2](https://www.snb.ch/en/iabout/stat/statrep/id/current_interest_exchange_rates#t2)



## Legal Implementation

Each XCHF represents a claim of 1 (one) CHF towards the Issuer. The XCHF serves no investment purpose and classifies as a currency-backed stable coin and a payment token under Swiss law. The claim towards the Issuer is secured by a bank guarantee issued to the benefit of each XCHF holder by the regulated Swiss bank Sygnum Bank AG, Zurich. BTCS itself is not a regulated bank, but an SRO-affiliated financial intermediary.

In case bankruptcy proceedings have irrevocably been opened by the competent Swiss authorities against BTCS, the XCHF token holder can claim the underlying CHF directly from the guarantor. **The submission of the payment request form to Sygnum Bank AG must be done by no later than the 360th calendar day after the opening of bankruptcy proceedings against the Issuer.** Client onboarding fees may apply (e.g., CHF 250). Details are provided in the Appendix 3.

By using or otherwise interacting with the XCHF and / or its smart contract(s), the users and holders accept the Token Terms available in Appendix 1, as amended from time to time.

In case of legal uncertainty, we will always adhere to the interpretation of the law that treats the tokens in the most similar way to how a bank note would be treated.

Note that while we are confident that this legal setup is in line with Swiss law, it is novel and not proven in court. Thus, there is a certain risk that a court would interpret the relevant sections of the law differently than we do.

## Technical Implementation

The XCHF is issued on the Ethereum blockchain and adheres to the ERC-20 standard.<sup>4</sup>

The smart contract is in the Ethereum name system. Its current state – including individual balances and the total supply – and its source code can be inspected with the usual tools, most notably Etherscan.<sup>5</sup> All wallets that support ERC-20 tokens can be used to hold and transact with the token.

The smart contract is split into two smart contracts, the main smart contract and a second smart contract that specifies the current terms, in particular the melting (usage

---

<sup>4</sup> <https://github.com/ethereum/EIPs/blob/master/EIPS/eip-20.md>

<sup>5</sup> <https://etherscan.io/token/0xb4272071ecadd69d933adcd19ca99fe80664fc08>

fee). Whenever the terms are updated, the terms contract is replaced with a pre-announced new terms contract containing the latest terms. That way, the terms can only be changed in a predictable manner.

Any transactions performed on the Ethereum Blockchain are subject to the usual transaction fees of the Ethereum network. However, due to having additional features, the transaction fees associated with the transfer of XCHF can be slightly higher than those of plain ERC-20 token. When melting is enabled, the transaction fee can be a multiple of what can be usually expected from ERC-20 standard tokens.

To avoid dust (accounts with negligible remaining balances), transfers of amounts that leave less than 0.01 XCHF on the sender address are increased to include the full amount residing on that sender address. E.g., when sending 7.5 XCHF from an address containing 7.507 XCHF, the whole balance will be transferred, so no dust is left behind on the sending address.

The smart contract has been audited, analyzed under different aspects, with a variety of tools for automated security analysis of Ethereum smart contracts by Chain Security AG ([www.chainsecurity.com](http://www.chainsecurity.com)). They found no critical issues and their recommendations have been successfully mitigated before deployment of the smart contract.

## Changes

Terms are updated and published on a quarterly basis or anytime legally required. The latest version of the Token Terms is available on [www.bitcoinsuisse.com/cryptofranc](http://www.bitcoinsuisse.com/cryptofranc). Publications of new terms are usually done approximately two (2) weeks prior to the new start of the quarter (mid-March, mid-June, mid-September, and mid-December) of the calendar year. The Issuer reserves the right to update and publish the Terms more frequently for any reason.

Zug, July 26, 2024

Bitcoin Suisse AG, Grafenauweg 12, 6300 Zug, Switzerland

Web: [www.bitcoinsuisse.com/cryptofranc](http://www.bitcoinsuisse.com/cryptofranc)

Email: [xCHF@bitcoinsuisse.com](mailto:xCHF@bitcoinsuisse.com)

Phone: +41 800 800 008

## Appendix 1: Token Terms CryptoFranc (XCHF)

Version 3.4 – July 26, 2024

### Introduction

Bitcoin Suisse AG, whose XCHF-related deposits are secured by a bank guarantee, (the "Issuer") is a Swiss stock corporation that issued the Swiss Franc backed stable-coin XCHF (the "XCHF"), whereas one XCHF represents a claim of one Swiss Franc against the Issuer. The following terms (the "XCHF Token Terms" or "Terms") set out the CryptoFranc (XCHF) Key Terms relating to the XCHF, such as transfer and loss thereof.

These Terms as well as any related information such as the CryptoFranc (XCHF) Key Terms may be updated by the Issuer from time to time in accordance with these Terms. The current version is published on the Website. Please check the Website regularly for updates.

The XCHF are issued as ERC-20 tokens on the Ethereum Blockchain. For further information on the general functionality, security and immutability of the data stored on the Ethereum Blockchain, please visit <https://www.ethereum.org> or contact the Issuer directly.

### Scope of Token Terms

These Token Terms apply to all XCHF issued by the Issuer. By holding, using, accepting, owning, transferring, or directly or indirectly interacting with the XCHF, you explicitly acknowledge and agree to these Terms, as amended, and published on the Website from time to time.

### Connection between the Swiss Franc and XCHF and Transfer of XCHF

All Swiss Francs being tokenized and hence becoming XCHF tokens are covered by the bank guarantee granted to the Issuer. Each XCHF represents the claim of one Swiss Franc against the Issuer.

The claim to the Swiss Francs against the Issuer is tied to the XCHF in a way that the claim cannot be transferred without the XCHF, and the XCHF cannot be transferred without also transferring the claim against the Issuer.

The transfer of the claim is legally effective irrespective of the validity of the underlying obligatory transaction (*abstract effect*). No grounds for invalidity, such as lack of will, material error or withdrawal of consent to the transfer, may be invoked.

In case of acquisition of XCHF from unauthorized persons, Art. 1006 para. 2 of the Swiss Code of Obligations applies *mutatis mutandis*, that is:

If a XCHF has been lost in any way by a previous token holder, the current token holder may be obliged to surrender the XCHF only if he/she has acquired it in bad faith or if he/she is guilty of gross negligence in the acquisition. The Issuer will only pay out Swiss Francs to the current holder of the XCHF upon redemption of the token. Previous token holders, even if they can reasonably demonstrate loss or theft, have under no circumstances any claim against the Issuer.

Neither the transfer of the claim or the XCHF nor the underlying purchase agreement, if any, require written form. The Issuer, as the debtor of the claim, explicitly agrees to such transfer without written form and to any future transfer of the claim with the transfer of the XCHF.

## **Fees**

The Issuer may charge fees such as for trading (Brokerage Fee) or redemption (Redemption Fee) as well as usage fees (melting) or other fees as it deems appropriate. The fees are published and updated in BTCS Online.

## **Eligibility**

The XCHF are currently only available for purchase, sale and/or redemption at the Issuer to individuals of at least 18 years of age and legal entities and institutions, each of them domiciled in Switzerland.

## **Minting and Trading Restrictions**

The availability of the XCHF is subject to internal and external operational requirements, some of which are beyond the Issuer's control. Therefore, the Issuer does not guarantee that orders related to the minting or trading of XCHF can be executed immediately and/or in full.

## **Applicable Laws and Regulations, KYC**

Your use of the XCHF is subject to the laws, regulations, and rules of any applicable governmental or regulatory authority, including, without limitation, all applicable tax, anti-money laundering and counter-terrorist financing provisions.

## **Privacy**

The Data Protection Policy of the Issuer as published on the Website applies.

## Risks

Any Blockchain-related project is inherently risky. Please refer to the non-exhaustive list of risk factors provided in Appendix 2 for further details.

## Positions in XCHF of Bitcoin Suisse AG and Related Parties

Users of the XCHF should be aware that Bitcoin Suisse AG, its affiliates and third parties with which Bitcoin Suisse AG maintains legal relationships may acquire, dispose of and/or hold XCHF for purposes such as to facilitate issuance and redemption of XCHF, to manage XCHF as a treasury position, and/or to trade XCHF. Such positions in XCHF may lead to a conflict of interest between users and Bitcoin Suisse AG.

## Loss of XCHF

The Issuer is technically unable to retrieve lost XCHF and the loss of XCHF is at the sole risk of the token holders. The Issuer is under no circumstance liable for any loss of XCHF.

## Hard Fork

In case of a split of the underlying blockchain (hard fork), the Issuer decides, at its own discretion, which version of the blockchain will be supported for the XCHF. The smart contract will be continued in one chain only and in all other versions of the chain it will be 'paused', i.e., no transactions can be made anymore.

## Important Note About the Merge in Ethereum (section published on August 18<sup>th</sup>, 2022)

The smart contracts of the stablecoin XCHF will remain operational on the Ethereum blockchain after the "Merge" to the Proof-of-Stake consensus protocol. Users should be aware that Bitcoin Suisse AG, as the issuer of XCHF, will only consider the Proof-of-Stake forked version of the Ethereum blockchain to be legally binding under the Token Terms as published on the website [www.bitcoinsuisse.com/cryptofranc](http://www.bitcoinsuisse.com/cryptofranc), updated quarterly. XCHF smart contracts may be 'paused' on other chains, including Proof-of-Work forked chains, in which case no transactions could be made any more on those chains. Users are advised to temporarily abstain from using the XCHF smart contracts during the period around the Merge to avoid increased risk associated with the transition to the Proof-of-Stake consensus protocol. No action is required to upgrade on the part of users. Users should be on high alert for scams trying to take advantage of them during the transition. Furthermore, Bitcoin Suisse AG will not technically support the XCHF smart contracts on chains other than the Proof-of-Stake forked version of the Ethereum blockchain.



## Amendments & Notices

The Issuer may amend this Terms in its reasonable discretion from time to time. Any changes to these Token Terms will be communicated on the Website.

## Exclusion of Representations / Liability

To the extent permitted by law, all representations and warranties with regard to the XCHF and the linked claim for Swiss Francs and any liability by the Issuer or any person acting on behalf of the Issuer with regard thereto are herewith excluded. The token holder herewith waives any and all claims related to misrepresentations or breaches of warranties it may have under the applicable law.

## Taxes

The token holder bears the sole responsibility to determine if its purchase of the XCHF, the sale of XCHF and/or any other action or transaction related to the XCHF has tax implications for the token holder.

## General Provisions

**Communication:** The Issuer may communicate notices to XCHF holders in particular by means of placing a notice as an appendix to this document, which is available on the Website, and/or by publishing a notice in the Swiss Official Gazette of Commerce SOGC, which can be accessed at <https://shab.ch/>. Any notices communicated by these means shall be deemed received and acknowledged by all holders of XCHF.

**Fulfillment of the Claim:** The claim of one (1) CHF against the Issuer Bitcoin Suisse AG represented by each XCHF may be fulfilled by the Issuer at any time at its own discretion. In particular, the claim towards the Issuer of one (1) CHF represented by each XCHF may be fulfilled by bank transfer to a bank account in the name of the holder.

To this end, any holder of an XCHF duly notified of the Issuer's intent to fulfill the claim represented by the XCHF token is obliged to transfer the XCHF token to an address controlled by the Issuer and to provide all information necessary for the Issuer to fulfill its obligation, in particular any information necessary for the Issuer to fulfill all relevant anti-money laundering (AML) regulations and obligations with respect to the onboarding of the token holder. Failure to provide necessary information or failure to carry out acts of cooperation by the holder of an XCHF upon request of the issuer may lead to consequences according to the Swiss Code of Obligations. If, in particular, the token holder does not fulfill his/her obligations under Swiss law, the Issuer may request a court's permission to deposit the amount owed with an escrow agent, e.g. a Swiss bank,

at the risk and expense of the token holder and thereby release itself from the contractual obligations towards the XCHF holder under the Token Terms.

**Severability / Good Faith:** Should any part or provision of these Terms be held to be invalid by any competent court, governmental or administrative authority having jurisdiction, the other provisions of these Terms shall nonetheless remain valid. In this case, the Issuer shall dictate a substitute provision that best reflects the economic intentions without being unenforceable and shall execute all agreements and documents required in this connection. The same shall apply if and to the extent that these Terms are found to contain any gaps or omissions.

**Jurisdiction and Governing Law:** All disputes arising out of or in connection with the present Terms, including disputes on its conclusion, binding effect, amendment, and termination, shall be resolved by the ordinary courts in Zug, Switzerland. These Terms shall be governed by and construed in accordance with the substantive laws of Switzerland.

## Appendix 2: Risk Factors Related to the CryptoFranc (XCHF)

### General Risks

Purchasing XCHF does not offer an opportunity for capital gains or any other investment purpose. To the contrary, the XCHF entail the possibility of a complete loss of the Swiss Francs. This document does not represent any solicitation for the purchase or sale of XCHF. Instead, each purchaser is requested to engage in his own independent research and make his own decisions with respect to the purchase of XCHF. It is assumed that prospective Users, to the extent necessary, consult a Blockchain expert, lawyer, accountant, and/or tax professional to evaluate the risks entailed.

The risks described herein are not the only risks that come into question and are by no means intended to represent a comprehensive list. Potential purchasers should be aware that buying XCHF may also be exposed to other risks of another nature. The order in which the individual risks were chosen to be presented does not provide any indication of the probability of occurrence or the seriousness or importance of the individual risks or their impact in the event that they occur. Additional risks that are not business-specific and that are not yet currently known to the Issuer or that the Issuer does not currently deem to be relevant may likewise have an impact.

Prospective Users should ensure that they fully understand the nature of the XCHF and the extent of their exposure to risks and they should consider the suitability of the XCHF as a means of payment in the light of their own circumstances.

**The XCHF involve a high degree of risk, including the potential risk of being worthless or not legally representing a Swiss Franc. Potential buyers should be prepared in certain circumstances to sustain a total loss of the capital used to purchase XCHF.**

### Regulatory Risk

The blockchain technology allows new forms of interaction and it is possible that certain jurisdictions will apply existing regulations on or introduce new regulations addressing blockchain technology-based applications which may be contrary to the current setup of the XCHF. This may, *inter alia*, result in substantial modifications of the XCHF including their loss.

### Operational and IT Risks

The smart-contract concept on which the XCHF are built and the blockchain technology in general are still in an early development stage and unproven, hence there is no warranty that the process of creating, receiving, holding, using, and storing XCHF will be uninterrupted or error-free and there is an inherent risk that the software could contain



weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of XCHF. Furthermore, it is possible that there may take place hacking attacks and other unexpected activities which could result in the theft or loss of XCHF. Moreover, the underlying protocol may be subject to future changes and unforeseen problems which can affect the proper functioning of the smart-contract and cannot be influenced by the Issuer.

In particular, blockchains are susceptible to mining attacks, including but not limited to double spend attacks, majority mining power attacks, “selfish-mining” attacks, timestamp manipulation, and race condition attacks. Any successful attacks present a risk to the XCHF, expected proper execution and sequencing of transactions in XCHF, and expected proper execution and sequencing of contract computations and may result in the loss of XCHF.

In some applications, it may be desirable to use a smart contract to autonomously manage XCHF. Depending on the precise implementation, this could lead to a situation where a malicious claim on the XCHF held by the contract address cannot be cleared by the rightful owner. The Issuer cannot be held liable for loss of tokens resulting from incompatible implementation of third-party smart contracts.

### **Positions in XCHF of Bitcoin Suisse AG and Related Parties**

Users of the XCHF should be aware that Bitcoin Suisse AG, its affiliates and third parties with which Bitcoin Suisse AG maintains legal relationships may acquire, dispose of and/or hold XCHF for purposes such as to facilitate issuance and redemption of XCHF, to manage XCHF as a treasury position, and/or to trade XCHF. Such positions in XCHF may lead to a conflict of interest between users and Bitcoin Suisse AG.

### **Loss of Swiss Francs and Bank Guarantee**

The underlying Swiss Francs may be lost and, while the claim against the Issuer is guaranteed by a Swiss bank in case of bankruptcy of the Issuer, such guarantee may be held to be invalid or the guaranteeing bank itself may not have sufficient funds for repayment.

### **Loss of Keys**

XCHF may be lost or become inaccessible in particular if the holder of XCHF loses the respective private key to their XCHF or due to malfunctioning or incompatibilities of the wallet in which the XCHF are stored. This could also lead to the loss of the XCHF. Moreover, it is the responsibility of the User not to lose the key or password that allows access to the wallet.

## Risk of Invalid Transfer

XCHF represent a claim towards the Issuer according to Swiss law and a portion of legal scholars argue that a legally valid transfer of a claim requires a *written* declaration of assignment despite the explicit waiver of the debtor of the written form requirement. If XCHF are transferred without adherence to this requirement, the transfer of XCHF may not be a legally valid and/or enforceable transfer of the claim towards the Issuer and the record on the blockchain may not provide legal ownership.

Moreover, the legal qualification of cryptographic tokens and blockchain based systems as well as their transfer may not be clear in other jurisdictions. This is why the valid and/or enforceable transfer may depend on applicable law in each jurisdiction.

## Risks Related to Business Operations

There are risks related to a failure of the Issuer to comply with applicable law, rules and regulations or a change in law, rules, or regulations regardless of the nature of the issuing authority. The most significant areas of legislation and regulation for the Issuer refer especially, but not only, to the financial market and personal data protection.

## Risks Related to the Prohibition of Distribution and Dissemination in Restricted Jurisdictions

The distribution or dissemination of the XCHF or any part thereof may be prohibited or restricted by the laws, rules, and regulations of any jurisdiction. In case any restriction applies, each User is responsible to inform themselves about, and to observe, any restriction which is applicable to the User's possession of the XCHF at its own expenses and without liability to the Issuer. Persons to whom a copy of these Token Terms have been distributed or disseminated, provided access to or who otherwise have these Token Terms in their possession shall neither circulate it to any other persons, reproduce or otherwise distribute these Token Terms or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

## “Security” under U.S. Federal Securities Laws and EU Regulation or in Other Jurisdictions

The Issuer does not assess the XCHF towards US or EU law or any other jurisdiction. Resale of the XCHF happens at the sole risk of the seller.

## Risks Related to Catastrophic Events, Disasters, and Business Interruption

The XCHF could be negatively affected in several ways by various catastrophic events and disasters including terrorist acts, acts of war, armed conflicts, widespread outbreaks

of infectious disease, major natural disasters (such as earthquakes, hurricanes, tornados, flooding), and other events (such as power loss, loss of water supply, internet and telecommunications failures, cyber-crimes, fire, chemical and biological release).

### **Risks Related to Hard Forks**

A fork happens when a blockchain is irrecoverably split into two separate blockchains that have a common past. For Ethereum, this has happened when “Ethereum Classic” and “Ethereum” split. In such cases, issuers of security tokens must specify which of the two chains is the binding one and there may be confusion about who owns which tokens, in particular, when the software and services used to interact with the blockchain follow the “wrong” chain. Forks pose extraordinary risks, therefore the Issuer recommends refraining from transacting with the blockchain while a fork is in progress.

### **Risks Related to Dissolution**

It is possible that, due to any reason, including, but not limited to, an unfavorable fluctuation in the value of cryptographic currencies, the inability of the Issuer to establish the token’s utility, the failure of commercial relationships, legal and regulatory reasons, or intellectual property ownership challenges, the Issuer may no longer be viable to operate thus may dissolve or take actions that result in a dissolution of the token.

### **FATCA**

FATCA (US Foreign Account Tax Compliance Act) may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the token holder if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate Investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate Investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation, or consents that may be necessary for the payments to be made free of FATCA withholding. Token holders should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation, or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Token holders should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer’s obligations under the Token Terms are discharged once it has paid the common depositary or common safe keeper for the ICSDs (as bearer / registered holder

of the token) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the ICSDs and custodians or intermediaries.

### **Cautionary Note on Forward-looking Statements**

The risk disclaimers in these Token Terms may contain forward-looking statements including, but not limited to, statements as to future operating results and plans that involve risks and uncertainties. Words such as “expects”, “anticipates”, “believes”, “estimates”, the negative of these terms and similar expressions identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the tokens to differ materially from any future results, performance or achievements expressed or implied by those projected in the forward-looking statements for any reason.

## Appendix 3: Bank Guarantee Sygnum Bank AG

### Default Guarantee No. FID-002

<b>Guarantor:</b>	Sygnum Bank AG (CHE-134.733.288) Uetlibergstrasse 134a, CH-8045 Zurich
<b>Issuer:</b>	Bitcoin Suisse AG (CHE-472.481.853) Grafenauweg 12, CH-6300 Zug
<b>XCHF Token:</b>	The ERC-20 token with ticker "XCHF" and Ethereum contract address 0xb4272071ecadd69d933adcd19ca99fe80664fc08, each representing a legal claim of one Swiss Franc (CHF) towards the Issuer <a href="https://etherscan.io/token/0xb4272071ecadd69d933adcd19ca99fe80664fc08">https://etherscan.io/token/0xb4272071ecadd69d933adcd19ca99fe80664fc08</a>
<b>Beneficiary:</b>	Anyone who holds XCHF Tokens, except for the Issuer itself
<b>Guarantee Amount:</b>	Amount equal to the current total amount of XCHF Tokens in circulation as published on <a href="https://bitcoinsuisse.com/cryptofranc">https://bitcoinsuisse.com/cryptofranc</a> and/or <a href="https://etherscan.io/token/0xb4272071ecadd69d933adcd19ca99fe80664fc08">https://etherscan.io/token/0xb4272071ecadd69d933adcd19ca99fe80664fc08</a>

#### Guarantee Promise

- (1) In case bankruptcy proceedings having been irrevocably opened by the competent Swiss authorities against the Issuer, the Guarantor, irrespective of the validity and the legal effects of the agreements governing the terms and conditions of the XCHF Tokens between the Issuer and the relevant Beneficiary, and waiving all rights of objection and defense arising therefrom, hereby irrevocably undertakes to pay to any Beneficiary, in accordance with the provisions of this Default Guarantee, any amount owed by the Issuer to such Beneficiary in relation to its claim of one Swiss Franc (CHF) for each XCHF Token, up to an aggregate amount for all Beneficiaries collectively equal to the Guarantee Amount, upon receipt of:
  - (a) the completed duly signed payment request according to the form in the appendix hereto ("Payment Request"), including personal identification and indication of the XCHF Token(s) in relation to which the Beneficiary requests to be paid;
  - (b) the indicated XCHF Token(s) on a destination wallet address specified by the Guarantor;
  - (c) everything necessary for the Guarantor to fulfill all relevant anti-money-laundering (AML) regulations and obligations with respect to the payment of any amounts to the Beneficiary, it being understood that client onboarding fees of the Guarantor may apply.
- (2) A Beneficiary's claim will be considered as having been made once the Guarantor is in possession of such Beneficiary's written and duly signed Payment Request. However, the obligation under (1) shall only apply to claims for which the Guarantor has received the Payment Request by no later than the 360th calendar day after the opening of bankruptcy proceedings against the Issuer.
- (3) Any payment by the Guarantor under this Default Guarantee shall be made in reduction of the Guarantor's total obligation under this Default Guarantee. The Guarantor's obligation under this Default Guarantee is strictly limited to the Guarantee Amount for all Beneficiaries collectively (i.e. the respective claims of all XCHF Token Holders, to the extent they are Beneficiaries, will be added together for the purposes of calculating the upper limit and once the aggregate amount of all guarantee claims paid by the Guarantor has reached the Guarantee Amount, the Guarantor has no obligation to make any additional payments or honor any claims under whatsoever title).
- (4) The Guarantor shall pay the indicated guarantee amount to the relevant Beneficiary within 60 (sixty) days upon receipt of the items listed in Section (1) unless AML regulation prohibits the Guarantor to execute such payment. In the latter case, Guarantor can delay the payment until conditions permit its execution.



- (5) The Issuer is not a Beneficiary under this Default Guarantee. The XCHF Tokens held by the Issuer at the time of the opening of bankruptcy proceedings against the Issuer, regardless of their ultimate beneficial owner (except for XCHF Tokens beneficially owned by clients of the Issuer and which may be segregated in the event of the bankruptcy of the Issuer), and the XCHF Tokens minted thereafter, regardless of their current holder or beneficial owner, are not covered by this Default Guarantee. For the purposes of this provision, the term "Issuer" shall include parent companies, subsidiaries, and sister companies of the Issuer at the relevant time, whereby the existence of a subsidiary requires that the Issuer directly or indirectly holds at least 50% of the capital and/or voting rights or can in some other way significantly influence the business activities of the subsidiary.
- (6) This Default Guarantee shall enter into force at the date of signing and is valid for an unlimited period, unless terminated in accordance with the terms hereof. The Guarantor or the Issuer may terminate the separate bilateral agreement pursuant to which this Default Guarantee shall hereby be issued ("the Agreement") at the earliest with effect as of 1 January 2024 with a 12-month notice period. After 1 January 2024, the Agreement may be terminated at any time by the Guarantor or the Issuer with a 12-month notice period. In addition, the Agreement may be terminated by the Guarantor at any time and with immediate effect in the event that the Issuer does not fulfil certain obligations under the Agreement, in particular obligations to provide sufficient collateral. In case of termination of the Agreement, for any reason whatsoever and at any time, the Default Guarantee shall automatically terminate in its entirety as of date on which the termination of the Agreement is effective, unless the Issuer has been declared bankrupt by the competent Swiss court prior to such termination of the Default Guarantee and the bankruptcy has not been revoked.
- (7) This Default Guarantee and any claims hereunder are governed by and construed in accordance with substantive Swiss law (i.e., without consideration for the rules on the conflict of laws). The exclusive place of jurisdiction for all court proceedings shall be Zurich, Switzerland, with the possibility of appeal to the Swiss Federal Supreme Court.

### Sygnum Bank AG

Place, Date:

Place, Date:

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

### Acknowledged and agreed by Bitcoin Suisse AG

Place, Date:

Place, Date:

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

**Appendix to the Default Guarantee No. FID-002: Payment Request Form**

*[Letterhead of the XCHF Token Holder]*

To: Sygnum Bank AG ("the Guarantor")  
From: *[insert name and address of the XCHF Token Holder]* ("I/we" or the "the XCHF Token Holder")  
Dated: *[insert date]*

**Default Guarantee No. FID-002 ("the Default Guarantee") regarding the XCHF Tokens issued by Bitcoin Suisse AG – Payment Request**

1. I/We refer to the Default Guarantee. This is a Payment Request. Terms defined in the Default Guarantee have the same meaning in this Payment Request unless given a different meaning in this Payment Request.
2. I/We refer to Section (1) of the Default Guarantee and request the payment under the Default Guarantee as follows:
  - a. Guarantee Claim Amount (in CHF): CHF *[insert amount]*
  - b. Ethereum address at which the according XCHF Tokens are currently located: *[insert address]*
  - c. Name and address of the XCHF Token Holder:  
*[insert name and address of the XCHF Token Holder]*
  - d. Payment details:  
*[insert payment details, including name of the bank, name and address of the account holder, account number or IBAN, SWIFT number etc.]*
3. I/We hereby confirm that:
  - a. I am / we are entitled to the entire amount claimed; and
  - b. I/we give this confirmation being familiar with Art. 251 of the Swiss Penal Code, according to which any person who has an intention to cause financial loss or damage to the rights of another person or aims to obtain an unlawful advantage for himself or another person, produces a false document, falsifies a genuine document, uses the genuine signature or mark of another to produce a false document, falsely certifies or causes to be falsely certified a fact of legal significance or, makes use of a false or falsified document in order to deceive, is punishable.
  - c. I am / we are ready to send the indicated XCHF Tokens to the address provided by the Guarantor prior to receiving any payments from the Guarantor.
  - d. I am / we are ready to provide any documents that the Guarantor might need in order to fulfill its duties under any applicable AML regulation.

Yours faithfully,

*[insert Company Name, if applicable]*

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

Bitcoin Suisse AG  
Grafenauweg 12  
6300 Zug  
Switzerland

Web: [www.bitcoinsuisse.com](http://www.bitcoinsuisse.com)  
Email: [xCHF@bitcoinsuisse.com](mailto:xCHF@bitcoinsuisse.com)  
Phone: +41 800 800 008

