DigiGold

Whitepaper

V1.01

https://digigold.finance

Disclosure Statement

DigiGold is committed to transparency and integrity in all its operations, endeavours, and communications. This Disclosure Statement serves to provide stakeholders, investors, and interested parties with pertinent information about our business, operations, risks, and regulatory compliance.

Nature of DigiGold's Business

DigiGold operates as a platform that facilitates the tokenization of gold, enabling individuals and institutions to purchase, own, and trade fractions of physical gold through digital tokens. The platform leverages blockchain technology to ensure transparency, security, and traceability of transactions.

Regulatory Compliance

DigiGold is committed to compliance with all applicable laws and regulations governing the tokenization of assets, financial transactions, data protection, and any other relevant legal frameworks in the jurisdictions where it operates. We continually monitor regulatory developments and adapt our practices to remain compliant with evolving standards.

Risk Factors

Investing in digital assets, including tokenized gold, involves inherent risks. The value of digital tokens may be subject to market fluctuations, regulatory changes, and technological vulnerabilities. DigiGold acknowledges and discloses these risks to investors, emphasising the importance of conducting thorough research and seeking professional advice before engaging in transactions on our platform.

Security Measures

Ensuring the security and confidentiality of user data and assets is a top priority for DigiGold. We implement robust security measures, including encryption protocols, multi-factor authentication, cold storage solutions for digital assets, and regular security audits, to safeguard our platform against potential threats and vulnerabilities.

Transparency and Reporting

DigiGold is committed to providing transparent and accurate reporting of all transactions, ownership records, and other relevant information to our users. We maintain clear and accessible records on our platform to enable users to track their holdings and transactions securely.

Disclaimer

While DigiGold strives to provide accurate and reliable information, this Disclosure Statement is for informational purposes only and does not constitute financial, legal, or investment advice. Users are encouraged to conduct their due diligence and seek professional advice before making any investment decisions.

DigiGold values trust, transparency, and compliance in all aspects of our operations. This Disclosure Statement reflects our commitment to maintaining open communication and providing stakeholders with essential information about our business model, practices, and the inherent risks associated with investing in digital assets, particularly tokenized gold.

Should you require further details or have inquiries regarding DigiGold’s operations or this disclosure statement, please do not hesitate to contact us.

Note: This disclosure statement is subject to periodic updates to reflect changes in regulations, operations, or other pertinent factors affecting DigiGold.

Introduction

In an era characterised by rapidly evolving financial landscapes and digital innovation, DigiGold emerges as a trailblazer at the intersection of traditional assets and cutting-edge technology. As the world pivots towards embracing digitization in finance, DigiGold stands at the forefront, offering a groundbreaking solution that revolutionises the ownership and accessibility of one of the most coveted assets in human history: gold.

DigiGold was conceived with a singular vision: to democratise access to gold ownership and transform the way individuals and institutions engage with this timeless asset. Leveraging blockchain technology and the principles of tokenization, DigiGold bridges the gap between the physical and digital realms, allowing for fractional ownership of gold securely and transparently.

At its core, DigiGold operates on the concept of tokenization, a process where real-world assets, in this case, gold, are converted into digital tokens on a blockchain. Each token represents a specific fraction of physical gold, making it divisible, transferable, and easily traded while being backed by the intrinsic value of the underlying asset.

The implementation of tokenization through DigiGold presents a myriad of advantages. It eliminates many of the barriers traditionally associated with investing in gold, such as high entry costs and logistical constraints. With DigiGold, individuals can now invest in fractions of gold, enabling broader participation in gold markets and opening avenues for diversified portfolios.

Moreover, the transparency and security afforded by blockchain technology instil trust and confidence among investors. Immutable records of ownership and transactions ensure accountability and traceability, mitigating concerns related to counterfeiting or fraudulent activities.

DigiGold not only provides a means for convenient and secure gold investment but also facilitates seamless transactions and global accessibility. Whether it's buying, selling, or transferring ownership, the efficiency and speed offered by the DigiGold platform redefine the dynamics of gold trading, transcending geographical boundaries and time zones.

As the world embraces the digital evolution of finance, DigiGold emerges as a pioneering force reshaping the landscape of gold ownership. By harnessing the power

of blockchain technology and tokenization, DigiGold empowers individuals and institutions alike, offering a gateway to a more inclusive, efficient, and secure gold investment ecosystem.

In the pages that follow, this whitepaper will delve deeper into the intricacies of DigiGold, exploring its technological underpinnings, the mechanics of tokenization, the benefits it offers to investors, and the broader implications for the future of gold markets and financial innovation.

The Evolving Financial Ecosystem

The global financial landscape is undergoing a monumental shift, propelled by technological advancements that are reshaping how we perceive, access, and invest in assets. In this epoch of digital revolution, the evolution of traditional financial models is palpable, and at the forefront of this transformation lies the concept of tokenization, revolutionising the way we interact with valuable assets like gold.

The traditional financial ecosystem, characterised by intermediaries, geographical limitations, and complex processes, is being redefined by the advent of blockchain, smart contracts, and tokenization. These technologies are dismantling barriers, fostering transparency, and introducing unparalleled efficiency in asset ownership and transactions.

In the rapidly evolving landscape of modern finance, traditional models of asset ownership and investment have encountered significant transformations. DigiGold finds its place amid this transformative era, leveraging technological advancements to redefine the ownership and trade of gold through tokenization. To understand the context in which DigiGold operates, it's essential to examine the shifts within the financial ecosystem, notably focusing on fiat money instability, the emergence of digital tokens like Bitcoin, and the rise of 'stablecoins.'

1. **Fiat Money & Financial Instability**

   Fiat currencies, backed by governments' trust and authority, have long served as the primary medium of exchange. However, the inherent susceptibility of these currencies to inflation, geopolitical instability, and central bank policies has led to concerns regarding their long-term stability and value retention. Economic uncertainties, exacerbated by factors such as quantitative easing and increasing national debts, have prompted individuals and institutions to seek alternative stores of value and investment options.

2. **Bitcoin & Digital Tokens**

The emergence of Bitcoin in 2009 marked a pivotal moment in the financial landscape. As the first decentralised digital currency, Bitcoin introduced the concept of a peer-to-peer electronic cash system, operating on a decentralised ledger known as the blockchain. Its finite supply and decentralised nature, immune to governmental control, positioned Bitcoin as a potential hedge against the uncertainties plaguing fiat currencies. Moreover, Bitcoin's success paved the way for the proliferation of digital tokens, each designed with unique use cases and functionalities beyond traditional fiat currencies.

3. **Stablecoins**

   Amidst the volatility associated with cryptocurrencies like Bitcoin, the need for stability within the digital asset space led to the creation of 'stablecoins.' These digital tokens are pegged to the value of established assets like fiat currencies, commodities, or other cryptocurrencies, aiming to minimise price volatility. By maintaining a stable value, stablecoins offer a bridge between the stability of traditional assets and the innovative potential of blockchain technology. Their popularity has surged due to their ability to facilitate faster transactions and serve as a medium for value transfer across borders.

In this metamorphosis, DigiGold emerges as a vanguard, steering the transformation in the domain of gold ownership. By embracing tokenization, DigiGold leverages the potential of blockchain to democratise access to one of humanity's most enduring stores of value—gold.

At its essence, tokenization represents the conversion of physical assets into digital tokens, each token representing a fraction of the underlying asset. DigiGold harnesses this transformative mechanism to tokenize gold, facilitating fractional ownership that was previously unattainable for many due to cost constraints and logistical challenges.

Through tokenization, DigiGold enables the division of gold into smaller, more manageable units, opening the doors for micro-investments and fostering inclusivity. This approach aligns with the evolving financial preferences of a new

generation of investors seeking accessibility, flexibility, and diversified portfolios.

The integration of gold into the digital realm via tokenization via DigiGold yields numerous advantages. It augments liquidity by enabling seamless and instantaneous transactions, irrespective of geographical boundaries. Additionally, the immutable nature of blockchain ensures transparent ownership records, assuaging concerns about authenticity and provenance.

Moreover, tokenized gold on the DigiGold platform transcends the limitations of traditional gold ownership, offering heightened security, lower transaction costs, and enhanced fungibility. Investors can now engage with gold markets more actively, leveraging the advantages of both digital assets and tangible commodities.

DigiGold enters this evolving financial ecosystem by combining the intrinsic value and stability of gold with the efficiency and transparency of blockchain technology. By tokenizing gold, DigiGold offers a solution that addresses the concerns surrounding fiat currency instability while harnessing the advantages of digital tokens. It provides a secure, transparent, and fractionalized ownership model for gold, catering to investors seeking a reliable store of value amidst the uncertainties pervading traditional financial markets.

In the subsequent sections of this whitepaper, we will delve deeper into the technical infrastructure of DigiGold, its operational processes, the mechanisms ensuring security and transparency, and the potential impact of tokenized gold on the broader financial ecosystem. DigiGold remains steadfast in its commitment to revolutionising gold ownership, ensuring that investors can seamlessly navigate the evolving financial terrain with confidence and security.

Unravelling Monetary Principles: Tracing the Evolution of Money

Throughout history, the concept of money has continuously evolved, transitioning from barter systems to the sophisticated financial instruments we have today. This evolution has been marked by the emergence of various forms of currency, each reflecting the needs, beliefs, and technological advancements of its time. DigiGold stands as a modern manifestation of this evolution, combining the enduring value of gold with the innovative potential of tokenization. To understand the significance of DigiGold, it's crucial to trace the historical trajectory of money and its underlying principles.

Barter Systems and the Birth of Currency

The earliest forms of trade relied on barter systems, where goods and services were exchanged directly for other goods and services. However, the limitations of bartering, such as the lack of a standardised measure of value and the inefficiency of finding double coincidences of wants, led to the introduction of commodity money. Commodity money, often in the form of precious metals like gold and silver, served as a medium of exchange due to its inherent value and scarcity.

The Emergence of Fiat Currency

With the advent of centralised authorities and governments, fiat currency emerged as the predominant form of money. Fiat money derives its value from

government regulation or law rather than its intrinsic worth. While fiat currency facilitated economic growth and trade on a broader scale, it introduced vulnerabilities linked to inflation, manipulation, and geopolitical influences.

Digital Transformations and Cryptocurrencies

The 21st century witnessed a paradigm shift in the concept of money with the advent of cryptocurrencies. Bitcoin, introduced in 2009, challenged traditional notions of currency by leveraging blockchain technology to create a decentralised and transparent system. Its finite supply and cryptographic security addressed some concerns associated with fiat currencies, offering an alternative store of value and a means of peer-to-peer transactions.

DigiGold: Fusing Traditional Value with Technological Innovation

Amidst this continuum of monetary evolution, DigiGold enters the stage by combining the age-old value and stability of gold with the efficiency and security of blockchain technology. By tokenizing gold, DigiGold bridges the gap between physical assets and digital currencies, enabling fractional ownership of gold through secure and transparent digital tokens.

The underlying principles of DigiGold are rooted in providing a reliable, secure, and easily accessible avenue for individuals and institutions to invest in gold. By tokenizing this precious metal, DigiGold preserves the timeless value of gold while harnessing the benefits of blockchain technology, offering a new

paradigm for gold ownership and investment in the ever-evolving landscape of monetary systems.

In the subsequent sections, we delve deeper into the mechanics of DigiGold's tokenization framework, its technological architecture, and the advantages it brings to investors seeking exposure to gold within this dynamic and evolving monetary environment.

Existing Markets for Gold

In the world of finance, gold has held a revered status as a timeless store of value and a hedge against economic uncertainties. Before the advent of tokenization through platforms like DigiGold, several established markets and investment instruments have facilitated the trade and ownership of gold. Understanding these existing markets provides valuable insights into the traditional methods of accessing gold investments.

a. **Physical Gold**

   The most fundamental and traditional form of gold investment involves physical ownership. Individuals and institutions acquire gold in the form of bars, coins, or bullion. This tangible asset allows direct possession and ownership of the precious metal. While physical gold offers a sense of security and permanence, it presents challenges related to storage, insurance, authenticity verification, and the divisibility of large gold holdings.

b. **Exchange-Traded Products (ETPs)**

   Exchange-traded products, including Exchange-Traded Funds (ETFs) and Exchange-Traded Commodities (ETCs), have emerged as popular alternatives for gold investment. These products represent fractional ownership of physical gold held by a custodian. Investors can buy and sell shares of these funds on stock exchanges, providing liquidity and

flexibility without the need for direct gold ownership. ETPs offer convenience but are still subject to counterparty risks and management fees.

c. Derivatives

Derivatives, such as gold futures contracts and options, enable investors to speculate on the future price movements of gold without owning the physical asset. Futures contracts involve agreements to buy or sell gold at a predetermined price at a specified future date. Options provide the right, but not the obligation, to buy or sell gold at a set price within a specified time frame. While derivatives offer leverage and potential returns, they also carry higher risks due to their speculative nature and require a deep understanding of market dynamics.

Challenges and Limitations of Existing Markets

While these traditional markets have facilitated access to gold investments, they are not without limitations. Physical gold ownership presents hurdles related to storage, insurance, and divisibility, making it less accessible to smaller investors. ETPs and derivatives, while offering liquidity and speculative opportunities, are subject to market risks, counterparty risks, and operational complexities.

DigiGold's Innovation in Gold Ownership

DigiGold redefines the landscape of gold investment by addressing the limitations of existing markets. Through tokenization, DigiGold provides fractional ownership of physical gold in a secure, transparent, and easily accessible digital format. By leveraging blockchain technology, DigiGold offers a solution that combines the stability of physical gold ownership with the efficiency and accessibility of digital assets, thereby revolutionising the way individuals and institutions invest in gold.

In the subsequent sections, we delve deeper into the mechanics of DigiGold's tokenization framework, its technological infrastructure, and the advantages it brings to investors seeking exposure to gold within this evolving financial landscape.

Introducing the DigiGold Token ($DGOLD)

Representing 1g of 99.9% pure gold, each DigiGold Token ($DGOLD) is an electronic document of title representing ownership of physical gold from the Dubai Gold Souk market, one of the most sophisticated gold markets in the world.

The physical gold is held in secure vaults managed by a reputable company in Dubai, who safe-keep the physical gold that backs the $DGold tokens. The gold is custodied in a segregated manner, meaning that each physical gold bar backing the $DGold token is uniquely identified via a serial number, in accordance with the Dubai Gold Souk's good delivery standards.

DigiGold acts as the issuer of the $DGOLD token, which is a digital representation of ownership minted on the Klaytn blockchain. Klaytn is an ERC-20 compatible blockchain well-known for its trustless infrastructure enabled by verifiable transparency.

By making use of the blockchain, we ensure that the DigiGold token is accessible to anyone with an internet-enabled cell phone or computer, regardless of their physical location. By tokenizing gold on the blockchain, DigiGold also makes it possible for average investors to own fractions of high-quality gold, as opposed to full gold bars that cost a premium to own and come with the trouble of securing and storing it.

Each DigiGold token represents one gram of physical gold from a specific serialised gold bar. If customers own enough $DGOLD to represent an entire gold bar, they can redeem their tokens for a bar of gold. Otherwise, ownership can be divided into fractional units of up to 18 decimal points, making it possible to own even small amounts of top-quality gold.

A reputed auditing firm conducts regular audits to verify that the total supply of $DGOLD tokens aligned precisely with the reserve of physical gold. These reports are published on the DigiGold website, emphasising DigiGold commitment to full transparency.

Who is DigiGold Targeted At?

1. **Individual Investors Seeking Stability and Diversification:**

   DigiGold extends a unique opportunity to individual investors looking for stability in their portfolios. It caters to those seeking a reliable and timeless asset like gold, offering a seamless entry point through fractional ownership. Whether it's a seasoned investor looking to diversify their portfolio or a newcomer desiring exposure to gold without the logistical complexities of physical ownership, DigiGold serves as a convenient and accessible avenue.

2. **Institutional Investors and Funds:**

   Institutional investors, including funds and asset managers, often seek reliable assets to hedge against market volatility. DigiGold presents an attractive proposition as a stable and globally recognized asset, allowing institutions to diversify their portfolios and manage risk effectively. Moreover, the liquidity and transparency of tokenized gold provide flexibility in managing large-scale investments.

3. **Retail Consumers Embracing Digital Finance:**

   The evolution of digital finance has spurred an interest in cryptocurrencies and digital assets among retail consumers. DigiGold appeals to this demographic by offering a secure and straightforward means to invest in gold through a digital format. Its user-friendly interface and accessibility through various digital platforms make it an appealing option for Web3 businesses seeking alternative investment opportunities to offer its customers by leveraging DigiCask Investment API.

4. **Global Investors Seeking Sovereign-Neutral Assets:**

   Amid geopolitical uncertainties and currency volatilities, global investors are increasingly seeking sovereign-neutral assets. DigiGold's tokenized gold transcends geographical boundaries and governmental influences,

making it an appealing choice for those looking to safeguard their investments against specific country risks.

5. **Businesses and Treasuries Diversifying Reserves:**

   Companies and treasuries often look to diversify their reserve holdings beyond traditional assets. DigiGold offers a reliable and transparent solution for businesses seeking to include gold in their reserve strategies. Whether as a store of value, a hedge against inflation, or a means to diversify reserves, DigiGold provides a secure and efficient avenue for treasury management

Why DigiGold

Enhanced Transparency and Security

DigiGold leverages blockchain technology to ensure unparalleled transparency and security in the tokenization of gold. Every $DGOLD token represents a fraction of securely stored physical gold, stored in allocated vaults, and can be traced back to its origin. This transparency instils confidence and trust among investors, mitigating concerns regarding counterfeit or unauthorised claims on gold.

Fractionalized Ownership and Accessibility

Unlike conventional gold investments that often require significant capital for ownership, DigiGold offers fractionalized ownership of gold. Investors can buy and trade fractions of gold easily, enabling access to the gold market at a scale suitable for diverse investment portfolios. This fractional ownership feature democratises access to gold, making it accessible to a broader range of investors.

Efficient Transactions and Low Fees

DigiGold streamlines the process of buying, selling, and transferring $DGOLD tokens, ensuring swift and cost-effective transactions. The platform maintains a transparent fee structure, minimising costs associated with purchasing or redeeming tokens compared to traditional gold investment methods. This efficiency and cost-effectiveness make $DGOLD an attractive option for both retail and institutional investors.

Innovative Backed Loans Feature

One distinguishing feature of DigiGold is the introduction of backed loans, offering an additional dimension to the utility of $DGOLD tokens. Through this feature, token holders can leverage their gold holdings to obtain loans or liquidity without selling their underlying gold assets. By using their $DGOLD tokens as collateral, investors can unlock immediate liquidity, allowing for strategic investments, diversification, or handling urgent financial needs.

Gold-Backed Debit Card

DigiGold has partnered with a payment company to issue a Master Debit card that is directly linked to users DigiGold $DCASK wallet. This can be compared to a financial institution Investment account, giving customers the benefit of investment and spending combo.

API for Web3 Businesses

With the rise of Web3 Neo Banks, Wallets & DEXes. There is the need to introduce more interesting products with reliable yields, beyond staking which are not back with real world yields and mostly fail after a period of time due to their pyramid scheme nature. DigiGold will be offering $DCASK purchase and investment via its API with interesting cases such as allowing users from 3rd World countries to save in Gold as a form of hedging against inflation.

Advantages Over Other Platforms

While other platforms may offer tokenized gold, DigiGold's incorporation of the backed loans feature, API for Web3 business and Debit Cards for Individual to spend directly from their $DGOLD vault sets us apart. This feature enhances the utility of $DGOLD tokens by providing liquidity while maintaining ownership of gold assets. It enables investors to benefit from the intrinsic value of gold while utilising its value for other financial needs, making DigiGold a comprehensive solution for both long-term investment and short-term liquidity requirements.

Process Lifecycle for DigiGold Token ($DGOLD)

DigiGold Token ($DGOLD) is a groundbreaking initiative in the realm of digital asset tokenization, specifically focusing on the representation of gold in the digital space. Its operational process encapsulates various facets including storage, purchase, utilisation through mediums like direct deposits, card transactions, loans, KYC/AML compliance, and withdrawal procedures. This section outlines the comprehensive life cycle of $DGOLD, elucidating each stage's intricacies and technological frameworks involved.

Storage of $DGOLD

The foundation of $DGOLD's security is established through Multi-Party Computation (MPC) wallets provided by Particle Network. These wallets leverage cryptographic techniques, dividing private keys among multiple parties, ensuring enhanced security against potential threats like single-point vulnerabilities. By leveraging on this approach DigiGold platform doesn't have access to user funds unless authorised by the user from the frontend, a signing key is stored directly on the user device and the second signing key on Particle Network server. For both purchase and transfer of $DGOLD the two signing keys need to generate a signature, which can only be approved by the user.

Purchase

The journey of acquiring DigiGold Tokens ($DGOLD) begins with the purchase phase, wherein interested investors or individuals utilise Klaytn's native token, $KLAY, as the medium of exchange. $KLAY serves as the entry point for obtaining $DGOLD. To facilitate this process seamlessly, DigiGold leverages a decentralised Oracle, DigiOracle to get updated price feed for $KLAY/USD and GOLD/USD prices.

$KLAy token can be purchased indirectly from Centralised exchanges, DEX or using Card or Bank transfer via a fiat to crypto On-ramp directly available on the platform.

DigiOracle plays a pivotal role in this phase by updating the current price of $KLAY through reliable market data feeds and analytics. This mechanism ensures that users purchase $DGOLD at the current market rate tracking Dubai Souk market and their $KLAY is converted also at the current market price.

Once the price of $KLAY is established, DigiOracle facilitates the conversion process for users who intend to acquire $DGOLD using $KLAY.

Following the acquisition of $KLAY, DigiGold's innovative tokenization process comes into play. The acquired $KLAY serves as the foundation for the tokenization of physical gold. DigiGold ensures the seamless and secure conversion of $KLAY into DigiGold Tokens ($DGOLD), each representing a specific amount of gold based on the prevailing market rates.

Once the conversion into $DGOLD is completed, users' holdings are securely stored and managed on the blockchain. DigiGold employs robust security protocols and decentralised storage mechanisms to safeguard the value and integrity of the tokenized gold assets, providing users with transparency and confidence in their investments.

DigiGold remains committed to maintaining transparency and reliability in its operations. Continual monitoring of market fluctuations, gold prices, and blockchain integrity ensures that the value of $DGOLD remains reflective of the underlying gold assets, providing users with updates and reassurance regarding the value of their investments.

Medium

$DGOLD acquisition occurs via various mediums. Users can directly deposit from exchanges or non-custodial wallets like Metamask. Purchase options include card transactions or transfers using Alchemy Pay, providing users with convenient and diverse methods for obtaining $DGOLD.

DigiGold tokens can be acquired through multiple channels, ensuring convenience and accessibility for users:

a. **Direct Deposit from Centralized Exchanges**:
   Users can acquire $DGOLD tokens directly by depositing funds from supported exchanges that facilitate the trading of DigiGold tokens. Or if they prefer, deposit $KLAY into their Non-Custodian MPC wallet on the platform, powered by Particle Network, then facilitate the purchase of $DGOLD.

b. **Non-Custodian Wallets (e.g., Metamask)**:
   Alternatively, individuals can purchase $DGOLD tokens through non-custodian wallets such as Metamask by connecting with supported DEX's such as Klayswap. By interfacing with the Klaytn blockchain, users can execute transactions securely, leveraging their wallet's private keys while maintaining control over their assets. Or if they prefer, deposit $KLAY from their external

wallet into our more secured Non-Custodian MPC wallet on the platform, powered by Particle Network, then facilitate the purchase of $DGOLD.

c. **Purchase via Card or Bank Transfer:**
   The platform further facilitates the purchase of $DGOLD tokens by offering payment options via cards or through transfers utilising Alchemy Pay. This approach enables users to seamlessly integrate traditional payment methods for acquiring $KLAY tokens which is in turn used to purchase the $DGOLD tokens, thereby expanding accessibility to a broader audience.

Once acquired, the tokenization process begins, where the real-world value of gold is digitally represented by $DGOLD tokens on the blockchain. Each $DGOLD token corresponds to a specific amount of physical gold, backed by the platform's reserves, ensuring a 1:1 ratio between the token and the underlying asset.

Following tokenization, DigiGold employs robust security measures to safeguard users' assets. The allocated gold reserves are securely stored in trusted vaults in Dubai, and the corresponding tokens are recorded and tracked on the blockchain, ensuring transparency and auditability.

Users retain the flexibility to redeem their $DGOLD tokens for physical gold or liquidate them for fiat currencies or other cryptocurrencies, providing versatility and liquidity within the ecosystem. This feature empowers users with the freedom to utilise their digital gold assets as per their preference.

DigiGold upholds transparency and regulatory compliance throughout the process lifecycle. Regular audits, adherence to regulatory standards, and transparent reporting mechanisms are integral components ensuring the trust and confidence of users and stakeholders.

Gold Backed Debit Card

At DigiGold, we've pioneered a seamless and secure process to tokenize physical gold into the DigiGold Token ($DGOLD), offering unparalleled accessibility and utility to gold assets. One of the key integrations enhancing its usability is the Gold Backed Debit Card powered by Alchemy Pay, marking a significant milestone in bridging the gap between traditional commodities and the digital economy.

Card Issuance and Account Setup

Users interested in utilizing the Gold Backed Debit Card undergo a straightforward application process for card issuance. Once approved, users set up their accounts, linking their $DGOLD token holdings to the card. This step establishes the necessary connection between their digital assets and the physical card for spending purposes.

Utilization and Spending

Armed with the Gold-Backed Debit Card, users can leverage their $DGOLD holdings to make purchases, pay bills, or conduct transactions at any merchant that accepts traditional debit card payments. The card seamlessly converts $DGOLD tokens into fiat currency at the point of sale, providing users with the flexibility and convenience of using their gold-backed assets in everyday transactions.

Real-Time Asset Management

One of the significant advantages of this integration is the real-time asset management capabilities it offers. Users have access to a user-friendly interface that displays their $DGOLD holdings, transaction history, and real-time conversion rates. This transparency empowers users to manage their gold-backed assets efficiently and make informed financial decisions.

Security and Compliance

Security and compliance are paramount in our operations. The entire process, from tokenization to card usage, adheres to robust security protocols and complies with regulatory standards. Multi-layered encryption, identity verification measures, and smart contract technology are deployed to ensure the utmost security of users' assets and transactions.

Continuous Improvement and Innovation

DigiGold remains committed to enhancing the user experience and expanding the utility of $DGOLD tokens. Ongoing collaborations with Alchemy Pay and other industry leaders drive innovation, fostering new functionalities and integrations that further amplify the benefits of holding and utilizing gold-backed digital assets.

Stable Coin Gold-backed Loan (up to 80%)

One of the key features of DigiGold is the provision of stablecoin gold-backed loans, empowering users to leverage their $DGOLD holdings. Through this feature, users can borrow up to 80% of the value of their $DGOLD holdings as a stable coin loan, thereby unlocking liquidity without having to sell their gold-backed tokens.

Users interested in leveraging their $DGOLD holdings for loans submit their applications through the DigiGold platform. The smart contract system automates the verification process, ensuring transparency, efficiency, and security in loan processing.

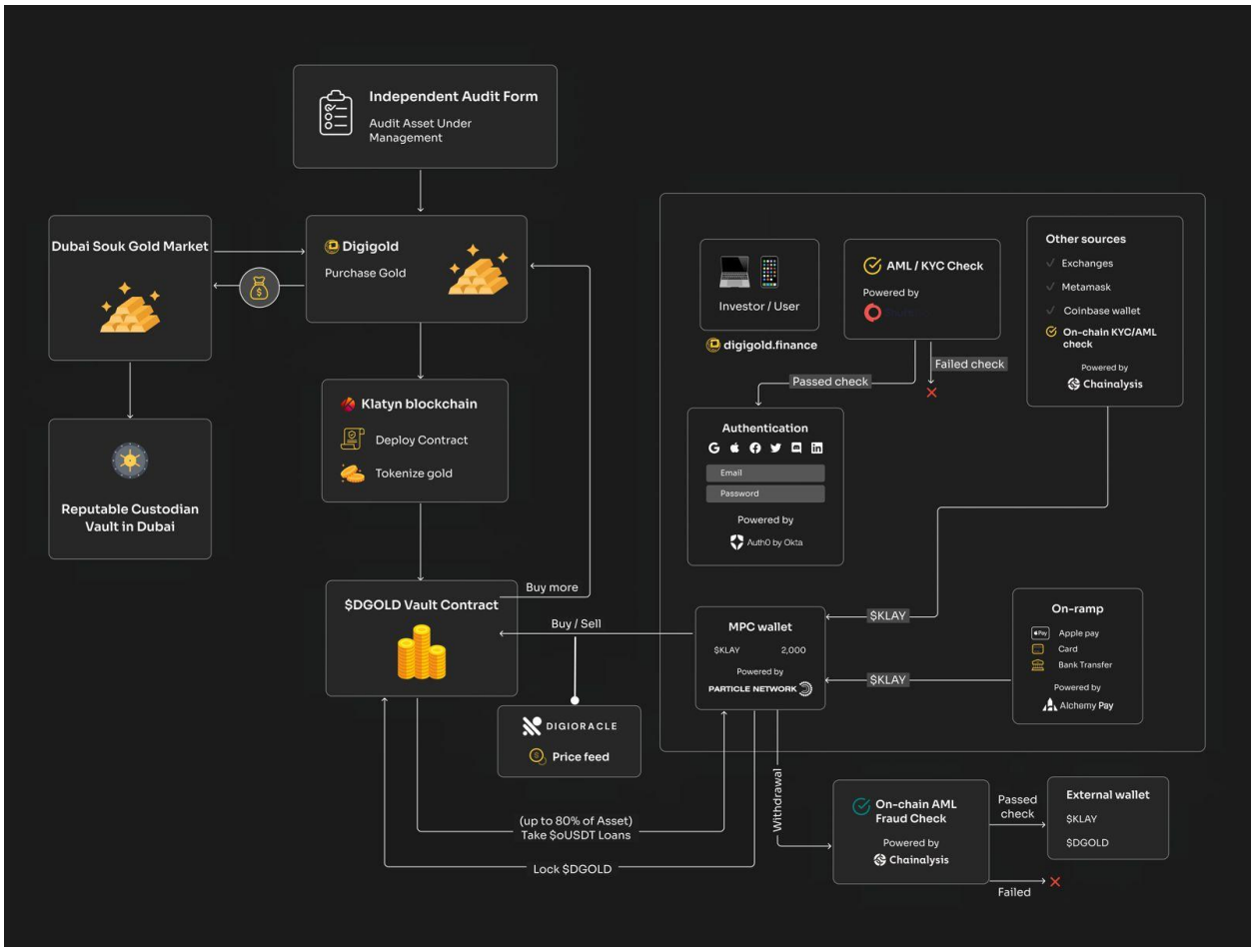
Once approved, the stablecoin gold-backed loan is disbursed to the user's designated wallet. The amount of the loan is determined based on the current value of the $DGOLD holdings pledged as collateral.

Users have a flexible repayment schedule to settle their loans, including interest, within the agreed-upon timeframe. Upon complete repayment, the lien on the $DGOLD tokens is released, and the tokens are returned to the user's wallet.

DigiGold maintains a rigorous monitoring system to ensure the security and stability of the $DGOLD tokens. Regular audits and verifications of the underlying gold reserves back each token, guaranteeing transparency and reliability for token holders.

Through this comprehensive process lifecycle, DigiGold ensures the seamless tokenization of physical gold, providing users with a secure, transparent, and accessible means to engage with the gold market. The inclusion of stablecoin gold-backed loans adds a layer of utility and flexibility, empowering users to leverage their gold holdings without compromising on stability or security.

Architectural Diagram



Before diving into the lifecycle, understanding the architectural framework is pivotal. Here is an overview of the DigiGold ecosystem:

- Token Creation and Smart Contract:
  The process begins with the creation of $DGOLD tokens, underpinned by a smart contract deployed on the Klaytn blockchain network. This smart contract specifies the token's properties, including its link to physical gold, total supply, and functionality.

- Gold Custody and Verification:
  DigiGold partners with renowned custodial services for securely storing physical gold. Each unit of $DGOLD token is pegged to a certain amount of gold, verifying its existence through regular audits and ensuring a 1:1 backing.

- Independent Audit Firm:

The initial minted Gold is Audit by an independent Audit Firm regulated in the UAE, and subsequently the Asset under management is Audited quarterly for full transparency and disclosure, matching the AUM with the Onchain circulating $DGOLD supply.

- Token Issuance and Distribution:
  Upon verification of gold reserves, $DGOLD tokens are issued and distributed to users. Investors can purchase these tokens through authorised exchanges or directly from DigiGold's platform, backed by the assurance of holding physical gold with mandatory KYC process.

- Trading and Exchange:
  $DGOLD tokens are tradable on various cryptocurrency exchanges, offering liquidity and enabling users to trade or convert them into other digital assets. The immutable nature of blockchain ensures transparency and reliability in transactions.

- Redemption and Withdrawal:
  Holders of $DGOLD tokens have the right to redeem their tokens for physical gold. DigiGold facilitates this process by ensuring the seamless conversion of tokens back into physical gold, providing flexibility and tangibility to investors. All withdrawal of $KLAY or $DGOLD to third party addresses or deposits of these assets from them goes through an Onchain AML powered by ChainAnalysis and DigiGold reserves the right to disable accounts if violation of AML is proven.

Before Getting $DGOLD: Shufti Pro for KYC & AML

- Step 1: Know Your Customer (KYC) Verification
  Prior to obtaining $DGOLD tokens, individuals are required to undergo a robust Know Your Customer (KYC) verification process, including Face Identification, ID Document verification and Address verification. DigiGold partners with Shufti Pro, a leading identity verification service, to authenticate and validate the identities of users. Through Shufti Pro's advanced AI-driven technology, users are prompted to submit government-issued identification documents, such as passports or driver's licences, along with additional supporting information as per regulatory requirements.

- Step 2: Anti-Money Laundering (AML) Compliance

In conjunction with the KYC process, DigiGold meticulously adheres to Anti-Money Laundering (AML) standards to prevent and mitigate any potential risks associated with financial crimes. Shufti Pro's AML screening procedures are integrated into the verification process, allowing for comprehensive checks against global watchlists, ensuring compliance with regulatory frameworks Off-chain while ChainAnalysis is used for On-chain verification to check if addresses have not in the past been linked to terrorism or money laundering.

- Step 3: Verification Completion and Token Access
  Upon successful completion of the Shufti Pro KYC and AML verification procedures, users are granted access to acquire $DGOLD tokens through our secure platform. This verification step is pivotal in maintaining a trusted and compliant ecosystem for all participants within the DigiGold network.

Why Shufti Pro for DigiGold's KYC/AML Processes?

Shufti Pro stands as a cornerstone in our process lifecycle for several reasons:

Reliability and Security: Shufti Pro's AI-powered verification system ensures a high level of accuracy and reliability in verifying user identities, reducing the risk of fraudulent activities within our ecosystem.

Global Compliance: The platform's extensive database and screening capabilities align with global regulatory standards, enabling DigiGold to comply with diverse AML and KYC requirements across jurisdictions.

Efficiency and User Experience: Shufti Pro's streamlined verification process enhances the user experience by swiftly validating identities, allowing users to seamlessly participate in the acquisition of $DGOLD tokens.

The collaboration between DigiGold and Shufti Pro for KYC and AML verification forms a crucial initial stage in the lifecycle of acquiring $DGOLD tokens. This robust process underscores our commitment to maintaining a secure, compliant, and trustworthy environment for our users, ensuring the seamless integration of digital gold assets into the cryptocurrency landscape.

By leveraging Shufti Pro's cutting-edge technology, DigiGold reinforces its dedication to fostering a transparent and regulated ecosystem, making the tokenization of gold

accessible to a broader audience while upholding the highest standards of security and compliance.

Withdrawing $DGOLD to External Wallet (Onchain AML using ChainAnalysis)

The process begins when a user initiates a request to withdraw $DGOLD from their digital wallet to an external wallet. To ensure secure and authorized transactions, the user undergoes robust authentication protocols, including multi-factor authentication and Know Your Customer (KYC) verification. This step is pivotal in maintaining the platform's security and compliance standards.

Before processing the withdrawal, DigiGold employs advanced compliance checks using ChainAnalysis. This step involves scrutinising the transaction details, verifying the user's identity, and assessing the transaction's compliance with Anti-Money Laundering (AML) and Know Your Transaction (KYT) regulations. ChainAnalysis provides real-time insights into the transaction history, allowing DigiGold to identify any suspicious or illicit activities associated with the $DGOLD being withdrawn.

Upon successful verification of compliance standards, the withdrawal request triggers the execution of a smart contract encoded with predefined conditions and protocols. This smart contract governs the transfer of $DGOLD from the user's digital wallet to the specified external wallet address. The contract's conditions ensure transparency, security, and adherence to predefined rules, minimizing human error and unauthorized access.

During the transaction process, ChainAnalysis continues to play a crucial role in maintaining on-chain AML compliance. It continuously monitors the movement of $DGOLD tokens, analyzing the transaction trails and validating the legitimacy of the transaction parties involved. Any suspicious activity or deviation from compliance protocols triggers immediate alerts, prompting necessary interventions to prevent potential fraudulent actions.

Once the transaction is validated and deemed compliant by ChainAnalysis, confirmation of the $DGOLD withdrawal is relayed to the user. Simultaneously, the smart contract finalizes the transfer, securely sending the specified amount of $DGOLD to the external wallet address provided by the user. DigiGold ensures that the transaction details are recorded on the blockchain, offering transparency and immutable records of the transaction for auditing and verification purposes.

Fees and Structure

DigiGold employs a transparent fee structure, ensuring that investors are informed about any associated costs. These fees may include creation & destruction fees, transaction fees, storage fees and redemption fees as shown below. The clear delineation of fees aligns with DigiGold commitment to transparency and investor trust.

Creation & Destruction Fee

Volume	**Fee**
$65 - $500	2%
$500 - $2,000	1.5%
$2,000 - $10,000	1%
$10,000 - $100,000	0.5%
$100,000 - $500,000	0.4%
$500,000 - $1,000,000	0.35%

Creation Fee Structure

DigiGold implements a nominal creation fee upon the issuance of $DGOLD tokens. This fee covers operational costs associated with auditing, assaying, custody, and tokenization processes. The creation fee is calculated as a percentage of the total value of gold being tokenized and is subject to variations depending on the prevailing market conditions and operational expenses. However, DigiGold is committed to maintaining competitive and transparent fee structures to encourage wider participation in the tokenization of gold assets.

Destruction Fee Structure

When users opt to destroy $DGOLD tokens for the redemption of physical gold, a destruction fee is levied. This fee accounts for operational expenses associated with the validation, processing, and conversion of tokens back into physical gold. Similar to the creation fee, the destruction fee is calculated as a percentage of the total value of $DGOLD tokens being redeemed and may vary based on market conditions and operational costs

Transaction Fee:

DigiGold is committed to offering a transparent and cost-effective platform for users engaging in gold tokenization. Transaction fees associated with $DGOLD are minimal and are primarily designed to cover operational costs, ensuring the sustainability and scalability of the platform. These fees are charged when users buy, sell, or transfer $DGOLD within the ecosystem. DigiGold would charge a transaction fee of 0.1% for all transfers except from whitelisted addresses

- Buy/Sell Fees: A nominal transaction fee is applied when users buy or sell $DGOLD. This fee is typically a percentage of the transaction amount and is subject to variations based on market conditions and network demand.
- Transfer Fees: Transferring $DGOLD between wallets within the DigiGold ecosystem incurs minimal fees. These fees contribute to maintaining the security and efficiency of transactions on the blockchain.

Storage Fees

DigiGold provides secure storage solutions for physical gold backing the $DGOLD tokens at no cost to customers.

Loan Fees

DigiGold introduces the capability for users to leverage their $DGOLD holdings as collateral for loans, offering flexibility and additional utility to tokenized gold assets. The platform facilitates loans against $DGOLD holdings, enabling users to access liquidity without selling their gold assets.

- Loan Origination Fees: When users initiate loans against their $DGOLD holdings, a one-time origination fee is charged. This fee covers administrative and processing costs associated with setting up the loan agreement.
- Interest Rates: Loans against $DGOLD holdings accrue a 2% interest rate per month over the loan term. Interest rates are competitive and are structured based on prevailing market conditions, the loan duration, and the amount borrowed. These rates are subject to periodic reviews to align with market trends.

Redemption Fees

In scenarios where users opt to redeem their $DGOLD tokens for physical gold, a redemption fee may be applied. This fee covers the costs associated with converting

digital tokens back into physical gold, including handling, insurance, and delivery charges.