



IPMB

Whitepaper

29th February 2024



CONTENTS

Problems with the Crypto Space and Existing Gold Ownership Options	3
Market Opportunities	4
Our Solution	6
IPM Group	6
The Technologies	7
Goldtrace360	9
Product - Investment-Grade Gold	10
Product Standards & Quality Control	10
IPMB Ecosystem	11
Competitive Advantage on Gold & Crypto	15
Competition Analysis	17
Target Audience	18
Roadmap & Developments	19
Tokenomics	20
Logistics	21
Use of Funds	21
Economics	22
Gold Audit Formulas	23
The Team	24
Risks and Regulations	29
Regulatory Environment	29
Regulatory Roadmap	31
Reporting & Auditing	32
Compliance Strategy	33
Risk Analysis	33
Summary	37

Problems with the Crypto Space and Existing Gold Ownership Options

One of the primary challenges in today's gold market is the manual, vague and outdated processes related to buying, selling, transferring, confirming and settling gold assets. These antiquated methods introduce errors, hamper market flow and limit liquidity. Additionally, the market is largely restricted to qualified investors, which limits accessibility to obtaining gold.

Investing in traditional gold poses unique challenges in verifying purity and authenticity, primarily due to the absence of standardised verification processes and the risk of counterfeits. Unlike digital or paper assets, the physical nature of gold requires specialised knowledge and equipment for accurate purity assessment, often necessitating expert analysis and advanced testing methods like X-ray fluorescence. The prominent global standard of quality is the benchmark set by the London Bullion Market Association (LBMA). Hence, individuals should source gold that is accredited by such associations. In this case, you then must rely on your retailer or bullion dealer to be up to that standard.

The physical nature of gold presents another set of challenges. The size, density and weight of gold bars make transportation and storage difficult and expensive, posing problems for both institutional and retail investors. This physicality not only adds to the investment's complexity but also limits market liquidity and accessibility.

The cryptocurrency markets are often characterised by their volatility, making them a source of concern for many. This worry is compounded by frequent scams and rug pulls, which have led to financial losses for many investors. Additionally, potential investors may be deterred by the industry's lack of centralised control and regulation. However, a significant appeal of blockchain and decentralised markets is the greater control they offer stakeholders over their funds, though this comes with its own set of risks.

The volatility of these markets is particularly a deterrent to low-risk investors, possibly leading to a decrease in the overall number of market participants. Furthermore, individuals who have already experienced financial losses from cryptocurrency investments are likely to be hesitant about making further investments in this area. IPMB (International Precious Metals Bullion) limits these risks by allowing digital access directly to gold.

Market Opportunities

The gold market presents substantial opportunities, especially when considering the intersection of technological advancements and gold's traditional investment benefits. They enhance transparency and expand market accessibility to a broader audience.

One of the key opportunities in gold investment is its role as a hedge against inflation. In economic scenarios where inflation devalues paper currencies such as the United States Dollar, gold often maintains or increases its value, preserving the purchasing power of the holder's capital. Additionally, gold is considered a safe-haven asset. In times of economic uncertainty or geopolitical unrest, gold tends to retain or increase its value, offering a reliable form of financial protection.

Furthermore, new technology and market venues are emerging, each offering unique characteristics to help address the challenges of investing in physical gold. These innovations contribute to a more dynamic and accessible gold market, allowing investors to engage with gold in ways that were not previously possible.

Blockchain technology presents a range of opportunities due to its unique features. Its decentralised nature means that information is distributed across a network of nodes, which reduces the risk of a single point of failure and enhances security against potential attacks or corruption. This decentralisation also ensures that there is no central authority with undue control over the system.

Transparency is another key aspect of blockchain. Transactions are recorded on a public ledger which provides a high level of clarity and visibility. This makes the use of blockchain technology ideal for applications that require audit trails or where transparency is paramount, such as in supply chain management or public governance.

In terms of security, blockchain excels by making recorded transactions nearly immutable. Once confirmed, it becomes exceedingly difficult to alter any data, ensuring the integrity and reliability of the information stored on the blockchain.

Blockchain also reduces transaction costs significantly. By eliminating the need for intermediaries, such as banks or third-party verification services, it offers a more cost-effective way of conducting transactions. This aspect is particularly appealing in the financial sector and for cross-border transactions.

The efficiency and speed of blockchain-based systems are notable. They streamline traditional systems, which are often paper-based and manual processes, leading to quicker and more efficient transaction processing.

Smart contracts are self-executing contracts with the terms written into code. They automate and enforce the execution of agreements. This innovation significantly increases efficiency and reduces the need for intermediaries in contract execution and management.

Lastly, blockchain opens doors to financial inclusion by offering services to individuals outside of traditional banking systems. This is especially significant in regions where banking infrastructure is limited or non-existent, providing access to financial services and resources that were previously unattainable.

Our Solution

Our solution utilises blockchain, smart contracts and IoT devices to revolutionise gold ownership. It offers traceability, ownership identification, reduced costs and transactional freedom. The following section offers a detailed description of the IPMB Solution. In this section, we discuss the various components engineered in our product and how we aim to utilise them to change the gold industry forever.

IPM Group

IPM Group is a conglomerate engaged in the precious metals, banking and digital sectors.

IPM's mission is to provide the world access to economic freedom and opportunity, giving choice and control to accelerate a global transition to a low-cost, unified and transparent global currency.

The foundation of the IPM Group focuses on the procurement, distribution and refinement of gold. Operations centre around sourcing non-refined gold, commonly known as doré, directly from gold mines. This raw gold is then processed and refined into gold bars by accredited refineries in Europe. These refineries meet the standards set by the London Bullion Market Association (LBMA) for the production of investment-grade gold.

A critical aspect of IPM's business model is its commitment to responsible sourcing and transparency throughout its supply chain. This commitment is demonstrated in various ways:

- **Strategic Long-Term Sourcing Contracts:** IPM has established long-term contracts with carefully selected gold mines. These contracts not only ensure a stable and secure supply of gold doré but also allow IPM to maintain a comprehensive understanding of the labour and environmental practices at these mining locations. This approach is fundamental to IPM's commitment to responsible sourcing.
- **Choice of Refineries:** The company places a high emphasis on the selection of refineries. Refineries are chosen based on their industrial efficiency and compliance with specific environmental criteria. This meticulous selection process spans several continents, reflecting IPM's global reach and its dedication to environmental standards.
- **Experienced Management Team:** The management team at IPMB brings extensive experience in traditional finance and the precious metals industry. This expertise is crucial for ensuring that the entire value chain, from the sourcing of gold doré to the delivery of refined gold bars, is managed professionally, seamlessly and securely. The team's experience and track record are key components in maintaining the high standards of operation and product quality that characterise IPMB.

The Technologies

Blockchain Technology

Blockchain technology has emerged as a game changer in the world of real-world asset tokenization, offering unparalleled advantages for bridging real-world assets to the digital realm. Tokens leverage the power of blockchain to provide enhanced security, immutability and encryption.

Blockchain technology is a distributed ledger system that securely links together growing lists of records called blocks. Each block contains a cryptographic hash of the previous block, a timestamp and transaction data. The blocks form a chain, with each additional block linking to the ones before it, making the transactions recorded in the blockchain irreversible without altering subsequent blocks. Blockchains are typically managed by a peer-to-peer computer network using a consensus algorithm protocol to add and validate new transaction blocks.

This technology was created to serve as the public distributed ledger for cryptocurrency transactions, and it has since been applied to various industries due to its secure and decentralised nature.

Smart Contracts

Smart contracts are computer programs that automatically execute and enforce the terms of an agreement between two or more parties. These contracts are built on blockchain technology and employ code to ensure the transparent, efficient and secure execution of agreements. Smart contracts play a crucial role in enabling tokenization by providing the framework to represent, manage and transfer these digital assets.

By utilising smart contracts, the ownership and transfer of tokenized assets can be automatically and securely executed without the need for intermediaries or centralised authorities. Smart contracts ensure that the tokenized assets are governed by predefined rules, such as ownership rights, transfer conditions and any associated payments or royalties.

Asset Tokenization

Asset tokenization is a process that involves representing real-world assets as digital tokens on a blockchain, such as gold being represented as an NFT. Each token represents ownership of the underlying physical asset. This innovative approach offers several advantages in the financial and investment landscape.

With the use of tokenization, investors can achieve an undisputable identification of their assets while eliminating the need for intermediaries except for the vault and security services for physical assets. In addition, tokenization enables fractional ownership, allowing investors to own a portion of an asset, such as gold, with a lower minimum investment requirement. This improves accessibility to traditionally high-value assets, making them available to a broader range of investors.

Tokenizing assets allows them to be traded on blockchain networks, thereby enhancing liquidity and providing opportunities for 24/7 real-time settlement. By leveraging blockchain technology, tokenized assets can be bought, sold and transferred more efficiently, creating a more liquid market environment.

By converting physical assets like gold into digital tokens, management fees, storage costs and insurance costs associated with physical assets can be reduced or eliminated. Tokenization bridges the physical realm with the digital, ensuring proof of ownership of real-world assets or even a fraction of those assets and can streamline administrative processes, resulting in potential cost savings for asset owners and investors.

IoT (Internet of Things) Devices

IoT devices are non-standard computing devices that connect wirelessly to a network and can transmit data. They include a wide range of physical objects, such as appliances, sensors, wearables and industrial tools, which are embedded with technology to communicate, interact and exchange data over the Internet.

These devices can be remotely monitored, controlled and integrated into various applications and environments, enabling automation and improving efficiency in both consumer and enterprise settings. IoT devices play a crucial role in extending internet connectivity beyond traditional devices like smartphones and laptops, facilitating the exchange of information and enabling new opportunities for innovation and optimisation in diverse industries.

Goldtrace360

Goldtrace360, a critical part of the IPMB Ecosystem, is a proprietary product focused on providing refined pure gold from certified sources. Scheduled for launch in Q4 2024, it aims to enhance transparency and responsibility in the gold supply chain. Goldtrace360 involves sourcing gold doré from selected mines under long-term contracts, prioritising awareness of labour and environmental practices at these mines.

The sourced gold is processed by accredited refineries across various continents, chosen for their compliance with environmental standards and efficiency. All gold bars provided under Goldtrace360 must be produced by LBMA, EPMF or OECD-approved and accredited refineries that meet fine gold investment standards, hence becoming a part of the IPMB Ecosystem.

A key feature of Goldtrace360 is the amalgamation and integration of blockchain technology, smart contracts, IoT devices and sensors throughout the supply chain, from the mine to the vault and in the cloud. These technologies are deployed to maintain transparency in the supply chain and to preserve detailed records within the metadata of each GeM NFT.

The product enables stakeholders to verify critical information about the gold, such as its origin, responsible sourcing practices, certifications, and supply chain data. The verification process ensures that the gold adheres to ethical and sustainability standards. Goldtrace360 also enforces criteria for responsible gold mining, including fair labour practices and environmental impact mitigation. The product's ability to enforce these criteria is instrumental in maintaining responsible mining practices.

The use of blockchain technology in Goldtrace360 allows for transparency, enabling stakeholders, including consumers and regulatory bodies, to monitor and validate adherence to sustainability standards. This aspect of Goldtrace360 is designed to facilitate trust and credibility in the IPM gold supply chain.

In the case that additional gold is required to be added to the ecosystem, IPMB will purchase gold from external parties. It should be noted again that only bars produced by accredited LBMA refineries will be introduced into the IPMB Ecosystem.

Product - Investment-Grade Gold

IPM follows strict rules to make sure its gold is of the highest quality and meets international standards. IPM works with trusted refineries to make gold bars and coins. IPMB offers 1kg bars of 99.99% purity and 12.5kg bars of 99.5% purity, which are quality standards observed in professional markets like the London OTC Bullion Market, the Chicago Mercantile Exchange and the Shanghai Gold Exchange. IPMB also produces gold coins varying in weight and will produce coins of 10 grams, 25 grams and 33 grams.

Following the refinement of 22-carat gold doré into 24-carat gold bars, IPMB (a company within the IPM Group) purchases and takes control of the investment-grade products.

IPMB will also have smaller physical bars available from 1 gram, 2.5 grams, 5 grams, 10 grams, 20 grams, 50 grams, 100 grams, 250 grams and 500 grams. All redeemable products will be of 24-carat quality, which can be bought via the IPMB Ecosystem. Each IPMB refined bar and coin has a unique number to show where and when it was made and to track its provenance as part of Goldtrace360.

Product Standards & Quality Control

Insurance

IPMB has built strong relationships with various partners in the gold production process, which facilitates reliable operations. To keep the gold safe at every step, IPMB works with third parties to obtain extensive insurance coverage. Furthermore, IPMB also employs world-class legal professionals to assist and maintain its security and process manuals to the highest standards.

Gold Bar Quality

IPMB only works with LBMA-accredited refiners but also has other strict control measures to guarantee the quality of the gold bars. These include having their materiality and quality verified by trusted well-known verification companies. This process ensures that IPMB gold bars meet investment-grade standards.

Audit of Proof of Reserves

IPMB ensures transparency and accountability in its operations by having its inventory regularly confirmed by Grant Thornton's subsidiary, Grant Thornton Cyprus. These regular, agreed-upon procedures to confirm the quantity and quality of reserves by a globally reputable firm help maintain high standards and reliability of the company's handling of gold bars.

IPMB Ecosystem

IPMB (International Precious Metals Bullion) introduces its dual-token ecosystem, consisting of the hybrid utility/payment token IPMB and stablecoin product GeM NFT. Both tokens work together to create the seamless integration of gold onto the blockchain.

There are other products within the IPMB Ecosystem such as Goldtrace360 and our proprietary Web3 Wallet. Other products may be released in the future.

IPMB Token

The IPMB Token is the hybrid utility/payment token that cements the IPMB Ecosystem together. The IPMB Token supply is backed by 22-carat gold doré bars. We guarantee at least 1 gram of gold doré per IPMB Token. Despite this, IPMB is not a stablecoin. It is not pegged to the price of gold. It floats due to several value considerations. Unlike our GeM NFTs, the underlying gold behind an IPMB Token is not allocated, nor can it be redeemed. Allocated gold means that each token is assigned a piece of physical investment-grade gold. IPMB Tokens are not allocated because they are backed by 22-carat gold and have not been refined, whereas each GeM NFT is linked to a specific, refined 24-carat gold bar/coin with an original serial number.

The IPMB Token is deployed on the Polygon network, chosen for its compatibility with the Ethereum Virtual Machine (EVM) and its capability to facilitate fast and low-cost transactions. The choice of the Polygon network is also influenced by its holistic approach, which aligns with Environmental, Social and Governance (ESG) principles.

In terms of technical standards, the IPMB Token adheres to the ERC20 standard, common for Ethereum-based tokens. This enhances security through standardised interoperability, safety features, efficient smart contract transactions, reduced complexity and globalised security.

The total supply of IPMB Tokens is capped at a maximum of 200 million, which corresponds to 200,000 kilograms or 200 tons of 22-carat gold doré bars.

The initial release of IPMB Tokens is supported by over 4,000 kilograms of gold doré, ready to be refined into investment-grade bars. This amount translates to more than 4 million IPMB Tokens. Additionally, IPMB has an annual supply chain of over 65,000 kilograms of gold doré from compliant mines, which can be used for future releases of tokens.

As previously mentioned, the price of the IPMB Token is influenced by several factors. Primarily, the price of gold has some implication of the IPMB Token price given its gold backing.

The elimination of traditional costs associated with gold investments, like storage and insurance fees, also enhances the value of the token. The IPMB Token will also offer staking rewards, where token holders can receive discounts on GeM NFTs, based on the duration of staking.

The reward structure for staking IPMB Tokens is as follows;

- 2% discount on GeM NFTs for a 3-month staking period
- 5% discount on GeM NFTs for a 6-month staking period
- 8% discount on GeM NFTs for a 9-month staking period
- 11% discount on GeM NFTs for a 12-month staking period

The conversion rate from IPMB Tokens to GeM NFTs is floating and changes depending on the price of gold and the price of the IPMB Token.

If the price of IPMB falls below the price of 1 gram of gold, then IPMB guarantees a conversion rate of 1 IPMB to 1 gram of GeM NFT, protecting the weight value of the IPMB Token.

In the case where IPMB Tokens are worth more than 1 gram of gold, then to convert IPMB Tokens to GeM, you only exchange the value equivalent of IPMB Tokens.

For example, assume IPMB Tokens are worth twice the price of 1 gram of gold and you have staked for 12 months for an 11% discount.

For a GeM100, you would only need to tender 44.5 IPMB Tokens for the conversion, after staking 50 IPMB Tokens.

This mechanism protects IPMB holders when the price falls below the underlying price of gold, but maximises the value of their tokens when the price is above that threshold.

IPMB holders who have opted into the staking process are subject to a counter-incentive, forfeiting the discount if they break the staking contract at any time prior to maturity, although no additional penalties would be incurred.

For example, should one 'un-stake' their tokens 10 months into a 12-month staking agreement, one would forfeit the entire discount rate that would have been received upon completion of the staking period.

Additionally, IPMB Tokens may be used to purchase real-world goods at a discounted rate, such as watches, automobiles and other retail items. This further enhances the utility and value proposition of the IPMB Token. IPMB may also reward token holders with loyalty rewards for participating in marketing events and promotions.

GeM NFTs

Globally exchanged Metal Non-Fungible Tokens (GeM NFTs) are offered by IPMB and represent quantified allocations of investment-grade, 24-carat gold. These Non-Fungible Tokens are directly backed on a 1:1 ratio by gold reserves securely held by IPMB. Each GeM NFT corresponds to a specific weight of gold, providing a digital representation of real-world gold holdings. Each GeM NFT is directly allocated to a specific bar by an allocated identification number.

A significant attribute of GeM NFTs is the option for physical redemption. Holders are entitled to demand the free delivery or collection of underlying gold behind their GeM NFT 12-months after the GeM NFT's creation (or 'minting' as NFT creation is known in the crypto industry), provided the holding equates to at least 100 grams of gold.

Upon redemption, the associated GeM NFT is burned, signifying the exchange from digital ownership to physical possession.

Should the GeM NFT holders own less than 100 grams, they must pay for the delivery charges themselves.

Physical delivery of gold is subject to relevant jurisdiction of the delivery address.

GeM NFTs are distinguished by their comprehensive adherence to Environmental, Social and Governance (ESG) criteria.

Under the umbrella of Goldtrace360, each gold bar linked to a GeM NFT is accompanied by data detailing its environmental and social footprint, ensuring compliance with stringent ESG standards. This data is immutable and transparent, providing GeM NFT holders with verifiable assurance of the gold's sustainability and origin.

One of the key advantages of GeM NFTs is the exclusion of traditional custodial costs typically associated with gold ownership. For the first five years after GeM NFTs have been minted, holders of GeM NFTs are exempt from storage, insurance and management fees, reducing the financial overhead of gold ownership and enhancing the asset's net value.

Following the initial five-year period, a fee for each GeM NFT is decided on a case-by-case basis by IPMB. If no agreement can be reached, IPMB will sell a portion of the holding on behalf of the owner to cover any fees due. If there is not a sufficient amount to cover the fees, IPMB will decide whether to liquidate the holding or hold the gold until all payments due are made.

GeM NFTs offer a streamlined mechanism for owners to utilise their gold. This fluidity in conversion from digital to physical assets, or vice versa, is a substantial benefit for stakeholders in the gold market.

The minting options for GeM NFTs extend to many standard denominations with the number equating to the underlying weight of gold in grams: GeM1, GeM2.5, GeM5, GeM10, GeM20, GeM50, GeM100, GeM250, GeM500, GeM1000, GeM12500.

In addition to these features, an important and unique selling point for GeM NFTs is that holders, upon the company's discretion, may receive an annual loyalty reward in the form of physical 24-carat gold.

Loyalty rewards are exclusive to GeM NFT holders who own any GeMs of 100 grams or greater.

Those who hold GeMs less than 100 grams would not be eligible to receive loyalty rewards.

Approved Members of IPMB

In addition to the above, clients who own physical, investment-grade gold can deposit their holding into IPMB vaults and receive a bespoke GeM NFT of equivalent value. This will provide the client access to the benefits that GeM NFTs offer such as free storage, insurance and security for five years.

To effect this, gold owners must become "Approved Members of IPMB". Like a membership to any club, to become an approved member of IPMB, you must own 10% of the equivalent value of your gold deposit in IPMB Tokens.

For example, to deposit \$1,000,000 of physical gold, the Approved Member must own \$100,000 worth of IPMB Tokens. Approved members who deposit precious metals must undergo an Enhanced Due Diligence assessment to gain Approved Member status.

Competitive Advantage on Gold & Crypto

IPMB's approach to digital tokens and gold offers several advantages over traditional means. These advantages stem from a combination of physical gold backing, enhanced access to physical assets, reduced costs, commitment to fair trade gold, regulatory compliance, security, transparency and professional management.

Physical Gold Backing: One of the primary features setting IPMB apart from many other digital tokens is its backing by physical gold. In a market where most digital currencies are subject to rapid and unpredictable fluctuations, IPMB's gold backing aims to provide stability and security.

Limited Supply and Inflation Resistance: The maximum supply of IPMB Tokens is capped, mirroring the finite nature of physical gold. This finite supply contrasts with many digital tokens, which can be subject to inflationary pressures due to increasing token supplies. By limiting the number of tokens, IPMB maintains its scarcity and value over time, making it an attractive proposition in the face of potential inflation.

Access to Physical Gold: IPMB introduces token holders to discounts on GeM NFTs which can be redeemed for investment-grade, 24-carat gold. This option adds a tangible aspect to digital asset ownership, allowing holders to possess physical gold if they choose, thus bridging the gap between digital and physical assets.

Staking and Rewards: Token holders receive discounts on GeM NFTs, offering a cost-effective way to participate in physical gold ownership. By staking IPMB Tokens, holders gain access to physical gold at a discounted rate, enhancing the value proposition of holding IPMB Tokens for prolonged periods of time.

Waived Fees: Unlike traditional gold ownership, IPMB waives common fees such as storage, security, insurance and management. This elimination of fees reduces the overall cost of gold ownership, making it more accessible and financially attractive to a broader range of parties.

Commitment to Fair Trade Gold: IPMB's focus on responsibly sourced gold ensures that all gold is compliant with LBMA and EPMF certifications. This commitment underscores the company's dedication to ethical and environmentally friendly practices in gold sourcing and refining.

Regulatory Compliance: IPMB actively seeks to work with regulatory authorities and deploys top-tier Know Your Client (KYC) and Anti-Money Laundering (AML) compliance software. This proactive approach to compliance enhances the trustworthiness of the product proposition and ensures adherence to financial regulations.

Security and Transparency: The integration of blockchain technology and IoT devices in tracking gold from mining to delivery offers a high level of security and transparency. Gold owners can track the movement of their gold and receive detailed information about its journey, instilling confidence in the company and its operations.

Frequent Verification of Reserves: Engaging Grant Thornton Cyprus to provide regular reports on gold reserves adds another layer of transparency and confidence. This practice ensures that the physical backing of IPMB Tokens is verifiable and that the portfolio value is accurately reflected.

Professional Management: IPMB benefits from the oversight and management of experienced professionals well-versed in both the gold market and financial regulations. This expertise ensures that the entire process, from the sourcing of gold to the issuance of tokens, is handled with a high degree of professionalism and in compliance with industry standards.

Competition Analysis

PRODUCT	OTC GOLD	GOLD ETF	PAX GOLD	TETHER GOLD	IPMB Ecosystem
Gold-backed	✓	✓	✓	✓	✓
Gold-pegged	✓	✓	✓	✓	✓
On-chain	✗	✗	✓	✓	✓
Free physical access	✗	✗	✗	✗	✓
Waived fees	✗	✗	✗	✗	✓
Exchangeable for digital assets	✓	✗	✗	✗	✓
Offers staking and rewards to holders	✗	✗	✓	✓	✓
Audits	✗	✓	✓	✓	✓
Traceable to origin	✗	✗	✗	✗	✓
Supports local communities	✗	✗	✗	✗	✓
Vertically integrated	✗	✗	✗	✗	✓

Target Audience

IPMB has the benefit of holding a plethora of use cases and therefore, appeals to many markets. IPMB holds no bias toward any organisation or body and therefore, is fully non-political, not institutionalised and not influenced by economic groups or entities.

Institutions: Institutions seeking a gold-backed blockchain token for their liquidity, scalability, transparency and auditability. These tokens meet their compliance and reporting requirements, offering reduced counterparty risks linked to gold reserves.

Corporate Treasurers: The use of IPMB Tokens or GeM NFTs within the IPMB Ecosystem offers a viable alternative to traditional gold exposure for corporate treasurers. These tokens offer security, avoid the complexities of physical gold management and incur no storage, insurance, or management costs.

Fund Managers: Fund Managers can use GeM NFTs as a cost-effective alternative to gold ETFs and structured products. These tokens provide the benefits of financial gold with physical gold security, offering liquidity, accurate gold price tracking and conversion options to investment-grade gold.

Retail Investors: Retail investors value the convenience, security and flexibility of IPMB Tokens. The IPMB Token opens avenues for access to gold not previously available in such an affordable and liquid way to the retail market. The IPMB Token also offers discounts on real-world products that may appeal to the retail market.

Brokers & Liquidity Providers: For brokers, IPMB Tokens or GeM NFTs fill a gap in offering a fully backed gold product for retail investors. Unlike gold spots, futures, or CFDs, these tokens are backed by physical gold and offer the benefits of digital gold with lower transaction and maintenance fees.

Roadmap & Developments

2023

Q2:

- Initiation of the business idea to digitise the physical business
- Brainstorming, networking and conducting market research

Q3:

- Execution of the business plan
- Whitepaper preparation
- Development and testing of ERC-20 Smart Contracts

Q4:

- ERC-20 Smart Contract audit
- Obtained an EU VASP licence from the Czech Republic
- Listing on exchanges

2024

Q1:

- Audited Proof of Reserves
- Listing on further exchanges
- Obtain FINMA Licence (Switzerland)
- Launch of a proprietary Web3 wallet
- Development, testing and audit of GeM NFT and staking smart contracts
- Partnerships with premium brand merchants

Q2:

- Listing on further exchanges
- Preparation of 3 smelters, a refinery and a vault to be operated and managed in-house for the IPMB Ecosystem (these sites have already been agreed upon)
- Development and testing of Goldtrace360
- Partnerships with premium brand merchants

Q3:

- Partnerships with premium brand merchants
- Goldtrace360 beta

Q4:

- Apply for a Money Transmitter License for IPMB or a no-action letter confirming that a licence is not required in the U.S.
- Register as a Money Services Business with the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN)
- Goldtrace360 launch

Tokenomics

Issuance

The initial issuance of IPMB Tokens is backed by over 4,000 kilograms of gold doré, ready to be refined into investment-grade bars. This quantity equates to more than 4 million IPMB Tokens.

This initial backing, accompanied by an audited Proof of Reserves, provides a tangible asset base for IPMB Tokens.

The total supply of IPMB Tokens is capped at a maximum of 200 million, corresponding to 200,000 kilograms or 200 tons of 22-carat gold doré bars.

Token Vesting Schedule

The vesting schedule for the Founders' tokens involves a gradual release of their allocation over a period of time, managed by a smart contract.

Cliff Period: After 6 months from the Token Generation Event, the Founders will be entitled to receive 2.5% of their total token allocation. This marks the end of the initial waiting period, allowing them to access a small portion of their tokens.

Gradual Distribution: Following the Cliff Period, the remaining 97.5% of the Founders' token allocation will be distributed to them over the next 60 months. This extended period ensures a steady and controlled release of tokens, promoting long-term commitment and alignment of interests with the Annual Supply Chain.

For its annual supply chain, IPM has access to over 65,000 kilograms of gold doré each year from compliant mines. This substantial supply is intended to support future issuances of IPMB Tokens, ensuring a consistent and reliable asset base for the token's ongoing stability and value.

Logistics

The organisational process for IPMB Tokens involves several key steps. Digital sales of IPMB Tokens generate funds for the operation. The gold sourcing and supply phase includes obtaining gold from IPM's dedicated mines, joint ventures, partner mines, local smelters and other providers. Gold may also be sourced from government departments. All sources undergo ESG checks to ensure responsible production and sourcing.

Once the gold is received from all sources, it must be in the form of approximately one-kilogram bars with a minimum quality of 91.67% gold (22-carat). These bars are taken to the local government assay office, where royalties and export fees are paid and export documents are generated. Logistics companies are engaged to facilitate transportation. The logistics companies handle the secure delivery of the gold directly to an accredited refinery in Europe.

Upon arrival, the refinery assays the gold to verify its quality. Once the quality is agreed upon, the refining process begins. The refinery transforms the gold bars into London Good Delivery bars, which are stamped, numbered, dated and certificated. These standardised and certificated bars are then delivered to IPMB-affiliated vaults and allocated to the appropriate GeM NFT contracts as required. This ensures transparency, traceability and the highest standards of quality for the gold backing the IPMB Token and GeM NFTs.

Use of Funds

The primary use of funds is the purchase of gold. IPMB ensures a secure and compliant supply chain for its tokens, sourcing gold from various channels. The main focus is on obtaining gold directly from dedicated mines and on-the-ground resources, establishing a direct link from the mine to the vault and in the cloud. Complementing this process, IPMB also collects gold from other compliant operations in source countries. When necessary, IPMB purchases investment-grade bars from accredited refiners to supplement its existing stocks in the vaults.

Alongside acquiring physical gold, funds will be used to support local production requirements in terms of processing and equipment as well as the maintenance and expansion of the ecosystem's own smelting operations.

All gold undergoes rigorous compliance checks and is delivered to accredited partner refineries in Europe to produce investment-grade, stamped bars, which are then recorded in the IPMB ledger. Through these measures, IPMB maintains the highest standards of quality and compliance in its gold supply chain.

Funds will also be used to expand the operation of the company in areas such as marketing activities. Allocating funds for marketing initiatives is essential for promoting the company's products and services, increasing brand awareness and reaching target customers. Marketing activities can include advertising campaigns, digital marketing strategies, social media marketing, content creation, promotions, public relations and market research that will enhance brand awareness and allow us to form global partnerships with vendors. These initiatives will increase the value proposition and expand the benefits of IPMB Tokens and GeM NFTs.

Another portion of funds will be allocated for research and development of proprietary technologies, such as Goldtrace360, to gain a competitive advantage in the market. This will further enhance operational efficiency through technology implementation which can help differentiate IPMB's offering from its competitors, enhance the value proposition and potentially open new market opportunities.

Economics

The following steps are involved in the economic aspect of the operations:

- Gold is purchased directly from the source by IPM at local source prices, with the LBMA-quoted price serving as the base. IPM applies a percentage discount to the LBMA price, which generates the physical business profit.
- The purchased gold is then taken to the government assay office, where royalties, export taxes and fees are paid by IPM. These costs typically amount to approximately 4% of the value; however, it varies from country to country.
- Next, the gold is handed over to a logistics company along with the necessary documentation, and the export company transports it to a refinery located in Europe.
- Upon arrival at the refinery, the metals undergo the refining process to achieve a minimum purity level of 99.95% gold (24-carat). The refinery also provides the necessary stamping, assay and certification documents for the refined gold.
- The refined gold is then taken under the management of IPMB and moved to approved vaults for safekeeping and allocation to specifically nominated GeM NFTs.
- At this stage, the gold is stored as a 24-carat bar within the IPMB Ecosystem, ensuring its quality and integrity

Gold Audit Formulas

Total Ecosystem Gold Reserves = IPMB Tokens in Circulation + GeM NFTs Minted

IPMB Tokens in Circulation: These are IPMB Tokens issued within the ecosystem. It is important to note that IPMB Tokens in circulation exclude tokens that are not actively in circulation. These excluded tokens are held by IPMB in a master wallet, to be released back to the ecosystem through sales. This process occurs as part of the company's gold sourcing and mining operations.

GeM NFTs Minted: These are NFTs representing physical gold and are minted when physical gold is deposited into the ecosystem or when IPMB Tokens are exchanged to mint the GeM NFTs.

Total Ecosystem Gold Reserves: This is the sum of the gold that backs the IPMB Tokens in circulation and the gold that underlies the minted GeM NFTs. In other words, it calculates the total amount of gold that is being managed within the IPMB Ecosystem.

IPMB Gold Audits in Supply Chain: This refers to audits conducted on the gold stock within the supply chain. These audits are carried out to ensure that the actual amount of physical gold corresponds to the amount represented by the IPMB Tokens.

GeM Gold Audits in Vaults: This pertains to audits conducted on the gold that is stored in the vaults and prepared for physical delivery. These audits ensure that the physical gold stored matches the amount represented by the GeM NFTs.

The IPMB Ecosystem aims to provide a way to represent physical gold digitally through IPMB Tokens and GeM NFTs, allowing for easier trading and management. Audits are crucial to ensure transparency and trust in the ecosystem, making sure that the amount of physical gold matches the digital representations.

The Team

The IPMB team is formed of a group of industry-leading professionals from the finance, block-chain and precious metals sectors. The team comprises over 250 combined years of experience.

JOHN VAKIS - Chief Executive Officer & Founder

John Vakis is a professional with a diverse background in corporate insolvency, trading and mining operations. He began his career in corporate insolvency before transitioning to trading at LIFFE, where he executed trades for major banks such as Credit Suisse, UBS and Barclays. John then developed his own trading system and joined Commodities Corporation in Paris before moving to Goldman Sachs in London, where he provided pricing and hedging strategies in metals. After leaving Goldman Sachs, he ventured into the mining industry in South America and established compliant operations in various countries, including Peru, Ghana, Zambia and Mongolia and now has over 25 years of physical gold experience across the value chain.

MIHAI ALBU - Director & Co-Founder

Mihai has more than 22 years of entrepreneurial experience, starting his career in close protection security and then transitioning to advising governments and corporations on international security and cyber solutions. Throughout his career, Mihai has built a significant network of High Net Worth (HNW) and Ultra-High Net Worth (UHNW) individuals and governments. He has also played a crucial role in establishing relationships between multinational companies and governments across Europe, the United Kingdom, Africa and the Middle East. Mihai's extensive experience and network position him to introduce IPMB (International Precious Metals Bullion) at the government level in Europe, Africa and the Middle East. His expertise in security and cyber solutions, combined with his established relationships, will likely contribute to the successful implementation of IPM's initiatives and partnerships within these regions.

SCOTT PAGEL - Head of Investment Strategy & Co-Founder

Scott is a highly accomplished professional in the finance industry. He graduated as valedictorian with a BA in Economics from Northwestern University in 1994. Scott began his career at Goldman Sachs Asset Management (GSAM) in New York, specialising in equity and global tactical asset allocation strategies. He later transferred to GSAM's London office as a research analyst covering technology securities. Scott's involvement in hedge fund management included the start-up and management of two successful European equity hedge funds with assets over \$1 billion. In 1997, he joined Adelphi Capital Limited as a research analyst/portfolio manager before co-founding Gradient Capital Partners LLP in 2001. Over two decades, Scott led Gradient Capital as a managing partner, later transitioning it into a family office focused on managing internal capital. His expertise and experience in investment management, particularly in European equities and hedge funds, have been instrumental in his successful career.

GEORGE AGATHANGELOU - Chief Operating Officer

George Agathangelou has served most of his career as an executive for Cyprus Investment Firms and is a holder of the CySEC professional competence certificate. With over 16 years of experience in regulated financial markets and a decade of experience in Bitcoin, as an international public speaker, George has delivered presentations on DLT (Distributed Ledger Technology) and blockchain in numerous countries. George holds a MSc in Digital Currencies and Blockchain Technology (Cum Laude), an MBA and a BA in Economics. His experience across the board in Distributed Ledger Technologies, Virtual Asset Service Providers' services, DeFi (Decentralised Finance), Asset Tokenization, Metaverse, Web3 and NFTs (Non-Fungible Tokens) will prove invaluable as the ecosystem grows across different platforms.

Dr. KLITOS CHRISTODOULOU - Technical Advisor

Dr. Klitos Christodoulou stands out as an accomplished academic with a robust technical background, expertly navigating the Web3 landscape through on-chain and off-chain blockchain Web services and decentralised applications. His applied research prominently spans the domains of blockchain, the metaverse and cryptocurrencies, underpinned by his profound knowledge and experience as a senior blockchain architect. Notably proficient in programming with Solidity for smart contracts on the Ethereum Virtual Machine (EVM), Dr. Christodoulou has significantly contributed to the field with a strong publication record in esteemed journals, covering a range of topics from blockchain applications, NFTs and Metaverse innovations to blockchain architectures and analytics, as well as DeFi (Decentralised Finance). His expertise extends beyond technical, as he is also well experienced in project management, skilfully leading and guiding research initiatives and technological projects in these cutting-edge areas. Klitos will be leading and advising our technical team, utilising his extensive expertise to drive the technical direction of the project and broaden our engagement with the technology ecosystem.

ZEIN CHAMAS - Chief Marketing Officer

Zein has a proven record of developing and implementing successful marketing strategies for small- and medium-sized businesses. Alongside his certification of specialisation in strategy from Harvard, Zein has gained 8 years of experience in startups, business development and digital marketing. Previously, the CMO of a blockchain SaaS startup, he is well versed in the Web3 space. Zein has been featured on the blockchain marketing podcast, where he gave tips on how to best market and strategize in Web3. In addition, he has given an NFT marketing lecture on NextMBA, a platform hosting leaders in the world of marketing and business development such as the father of marketing, Philip Kotler. Zein plays a key role in delivering both our IPMB Tokens and GeM NFTs to the forefront of digital tokens.

H.H MOHAMMED BIN FAISAL BIN SAUD AL SAUD - Head of Strategy, MENA Region

Born in Saudi Arabia, Mohammed has extensive business, investment and political experience around the globe. With positions ranging from Vice Consul to Los Angeles to President of the Al-Hilal football club, Mohammed is also an experienced real estate investor with years of investment history and has been a digital asset and technology investor across the globe for the past decade. His experience across the MENA region, as well as across the USA, will assist IPMB in penetrating numerous countries and placing the token into the right networks with confidence.

DUAH AGYEMAN - Head of Africa and Ground Operations

Duah is an essential part of the IPM Group. With extensive experience and networks across Africa, Duah has been mining and procuring gold since he was 18 years old. After graduating from the Doyer Institute of Intelligence and Investigations, he has held positions in several mining companies and also with the National Security Ministry Special Office Directorate specialising in Fraud Investigations. Duah has vast expertise in different types of mining and has the respect of our workers and miners on the ground.

ALEXANDROS ALEXANDROU - Senior Legal Officer

After graduating with a Master of Law following his law degree, Alexandros used his knowledge of law to jump into the digital world. Working initially at Banc de Binary and the FXVC foreign exchange company, he went on to set up his law firm providing legal support in the digital and crypto industry. As well as running his law firm, he is currently a Director of uQualify providing legal and e-services to payments and crypto operators. Alexandros is accredited by the Cyprus Securities and Exchange Commission as well as CISI and ACAMS. His experience and knowledge in navigating the ever-changing world of compliance will ensure the IPMB Ecosystem adheres to all compliance requirements.

MARCUS GRUBB - Senior Precious Metals Industry Advisor

Marcus Grubb has a thirty-year track record in gold, finance, capital markets and digital. As Global Head of Product for State Street Digital, he was responsible for setting the product strategy and managing the delivery of digital products around the world in all businesses. Previously, he was Chief Executive of BlockEx, a digital asset exchange/custody platform provider. For a decade Marcus was responsible for investment and new products at the World Gold Council (WGC) and World Platinum Investment Council, including co-managing the US\$60 billion SPDR GLD ETF, BullionVault and gold investment programmes in China and India. Before the WGC, he founded and built a derivatives exchange called Swapstream from 2000 to 2007 which was sold to the Chicago Mercantile Exchange. Marcus previously worked at Rabobank as the IB Board member for Global Equities and as head of equity derivatives for BGB. Before this, he was head of investment strategy research for Swiss Bank Corporation, Salomon Brothers and UBS. He began his career at JPMorgan in Eurobonds, swaps and equities. Marcus has a B.A. in modern history and economics from Oxford University.

CHRISTIANA ARISTIDOU - Legal Advisor

Christiana is the founder and director of “The Hybrid LawTech Firm,” empowered by Christiana Aristidou LLC which operates exclusively at the intersection of law, business and technology. An industry technology law and digital transformation expert and a member of the Cyprus Bar Association since 1997, Christiana notably served as the President of the Technology Committee of the Cyprus Bar Association. She is the Head of the Delegation for Cyprus to the ISO TC/307 for DLTs and Blockchain, acting as a project leader of WG3 on Taxonomy and Classification of Smart Contracts and contributing to WG6 on Blockchain use cases, a member of ISO/TC68 for Financial Services, a member of ISO/TC 322 for Sustainable Finance and has served in ITU-FG-DLTs. Christiana is a Certified International Legal Project Practitioner (IILPM), a member of the PMI Cyprus Chapter, a Certified GDPR expert, an approved HRD Trainer and the Ambassador of the European Legal Technology Association (ELTA) in Cyprus. She was the co-founder and the Vice-Chair of the Cyprus Blockchain Association which has recently merged with the Cyprus Blockchain Technologies (CBTs). She is currently a board member of CBTs and holds advisory and directorship positions in selected companies. Christiana is also an HRDA certified trainer and has trained regulators, public authorities, incumbents, private organisations of all sizes, investors and entrepreneurs in Cyprus, the EU and internationally. She is a regular speaker at local and international Law and Technology conferences and a reviewer for regional and international journals.

DOMINIC D'SOUZA - Advisory Board

Dominic is a highly influential figure and has advisory roles with many family offices and as the Senior Trustee for a Middle Eastern Royal Family's Technology and Security Systems. With over two decades of experience, he has served as a senior advisor to a Royal Family Fund network, overseeing Precious Metals Holdings and digital currency endeavours. Dominic's expertise spans the domains of technology and the environment, where he has made significant contributions. He has successfully established forest harvesting, carbon capture and photovoltaic parks in Europe and Africa, providing sustainable energy solutions to both urban centres and remote locations. Dominic's commitment to promoting environmentally friendly practices and renewable energy sources reflects his dedication to a more sustainable future and also provides an overview for continuous improvements in all of our and partner ground operations.

YIANNIS KOLOSIDES - Senior Designer

A senior UI designer with a BA in Visual and Communication Design and 17 years of industry experience, he blends aesthetics with utility, bringing clarity and elegance to every interface. Since 2008, he's been crafting memorable, user-centric designs that resonate with audiences and stand the test of time. His commitment to continuous learning ensures each project not only meets but exceeds expectations.

JAMIE TURNER - Head of Social Media & Business Development

Jamie is a highly skilled professional with over ten years of experience in team leadership, customer service, community management, social media management and content creation. He has hosted numerous events and is an experienced public speaker. His skill set includes marketing, design and content creation, with a particular interest and passion for blockchain and cryptocurrency. Graduating from Bristol University, he has been Head of Communications and Community Management at Neon EVM and Naoris Protocol. Jamie will be key in developing and growing our community and developing and promoting further community events globally. Jamie will coordinate and manage the IPM marketing function and ensure community access and functionality for the IPMB Ecosystem.

NATHAN SANDBERG - Sales Development & Content Manager

Studying at the London Institute of Banking & Finance, Nathan joins the company on his industry placement with a path in place to join full-time on completion of his degree. He has held a key interest in traditional finance and the crypto space since a young age. Leveraging his writing skills, observance and problem-solving abilities, Nathan helps the company's operations across multiple realms.

GRANT THORNTON (BLOCKCHAIN) CYPRUS LTD

Grant Thornton, a prominent global professional services firm, has a Distributed Ledger Technology division that plays a crucial role in ensuring the security and compliance of the IPMB Ecosystem. With its expertise in blockchain and crypto, Grant Thornton Cyprus's dedicated unit is recognised as a leading entity in the sector worldwide. Leveraging its extensive global network and deep knowledge in digital asset auditing and compliance, Grant Thornton (Blockchain) Cyprus collaborates with IPM Group to maintain the highest levels of security, auditing of physical gold inventory and compliance. This collaboration aims to alleviate concerns, eliminate fear and dispel scepticism among investors and token holders, providing them with a trustworthy and reliable platform.

Risks and Regulations

Regulatory Environment

Tokenization regulation and compliance predominantly align with existing but outdated securities laws in the United States. Moreover, in most of Latin America, there is still a lack of specific legislation on tokenization. Even if a single country were to establish a legal framework, neighbouring countries may have differing perspectives and laws, making it challenging to achieve uniform compliance across territories.

Nevertheless, there is a crucial set of international laws that most token platforms must adhere to, primarily focusing on anti-money laundering regulations. Governments worldwide have collaborated to prevent the movement of funds associated with terrorists, drug cartels and other dangerous, sanctioned entities. This collective effort aims to ensure the integrity and security of financial systems in the face of illicit activities.

The term “compliant gold” has various interpretations worldwide, but the highest recognised standard is established by the London Bullion Market Association (LBMA). The LBMA sets the global gold price twice a day and upholds high environmental, social and governance (ESG) standards through their guidelines, particularly with their London Good Delivery bars. To achieve the highest accreditations in gold sourcing, production and operations, the IPMB Ecosystem must adhere to the latest rules and regulations aimed at combating issues such as money laundering, slavery, child labour, women’s rights, human rights, terrorism, environmental protection, due diligence on buyers and suppliers and disclosure of the source of funds for all clients.

IPMB will aim to become a member of the London Bullion Market Association and the European Precious Metals Federation. It will adhere to the Organization for Economic Co-operation and Development (OECD), as well as monitoring protocols established by the International Monetary Fund (IMF), the World Bank, the World Gold Council and the United Nations. Furthermore, IPMB will establish its own operational protocols to address these requirements. Also note that the aforementioned organisations provide guidelines and recommendations and gold can be freely traded as a commodity in many countries without necessarily adhering to these recommendations. However, for IPMB to uphold integrity, credibility and responsibility in its business, it must meet or exceed these recommendations. Doing so will support IPMB’s application for LBMA accreditation and attract interest from globally regulated funds.

At IPMB, we are fully committed to complying with international regulations and guidelines to ensure responsible business practices. Specifically, we will adhere to the following guidelines:

1. **Anti-Money Laundering and Combating Terrorism Financing:** IPMB will follow the regulations outlined by the European Union (EU), including the Fifth Anti-Money Laundering Directive (2018/843/EC) and the Sixth Anti-Money Laundering Directive (2018/1673/EC). These directives provide a framework for preventing money laundering and terrorist financing. Furthermore, as Switzerland is a key processing country for gold, refining about 70% of annual production, we will also comply with the Swiss Anti-Money Laundering Act (AMLA).
2. **Conflict Minerals Regulation:** In line with the Conflict Minerals Regulation (EU) 2017/821, which came into effect on January 1, 2021, we will ensure compliance for companies importing over 100kg of gold. This regulation requires companies to formalise their management systems according to the LBMA's Responsible Gold Guidance and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
3. **EU DLT Pilot Regime:** Our team is monitoring and evaluating the upcoming regulatory sandbox under the EU DLT Pilot Regime.
4. **Markets in Crypto Assets Regulation (MiCAR):** We will adhere to compliance with the MiCAR, designed to govern the issuance, trading and custody of distinct types of crypto assets within the European Union (EU), as an issuer of an Asset-Referenced Token. Under the EU Markets in Crypto Assets Regulation (MiCAR), different rules apply to distinct categories of crypto assets and activities. For crypto assets categorised as Asset-Referenced Tokens (ARTs) which are often referred to as stablecoins, there are additional concerns regarding financial stability and monetary sovereignty. Therefore, the issuance, offering to the public and trading of ARTs are subject to more stringent regulations compared to Other Crypto-Assets. Under MiCAR, the European Banking Authority (EBA) has the authority to designate ARTs as significant based on specific criteria such as the number of holders, market capitalisation, issuer's gatekeeper status, or their interconnectedness with the financial system. Issuers of significant ARTs fall under the supervision of the EBA instead of the national competent authority and they may be subject to higher capital requirements and additional regulations to ensure financial stability.
5. **EU Digital Operational Readiness Act (DORA):** We will also adhere to compliance from DORA to ensure high standards of IT and cybersecurity.

By adhering to these and other relevant regulations (i.e., GDPR - General Data Protection Regulation), we aim to maintain the highest standards of integrity, transparency and responsible sourcing throughout our operations.

Regulatory Roadmap

IPMB regulatory roadmap includes compliance with several laws and regulations. Here are the milestones:

- VASP - Czech Republic for EU Coverage:
IPMB has obtained a VASP licence, affirming our compliance with European regulatory standards, including robust Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) measures. This licence, essential for our virtual asset services in Europe, underscores our commitment to legal compliance, customer security and operational integrity in the rapidly evolving virtual asset landscape.
- FINMA (Financial Market Supervisory Authority) - Switzerland
IPMB will confirm with the Swiss Financial Market Supervisory Authority (FINMA) that IPMB wallet activities under the Anti-Money Laundering Act (AMLA) do not require a licence and have registered with the Financial Services Standards Association (VQF) in Switzerland.
- CSSF (Commission de Surveillance du Secteur Financier) - Luxembourg:
IPMB will seek to receive a no-action letter from the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg.
- FinCEN (Financial Crimes Enforcement Network) - U.S.:
IPMB will register as a Money Services Business with the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN).
- Money Transmission Laws - U.S.:
IPMB will seek to obtain a Money Transmitter Licence for IPMB in the 14 U.S. states where required. In the remaining U.S. states, IPMB will seek to obtain a no-action letter confirming that a licence is not required or has provided notice of its legal position that a licence is not required.
- Securities and Commodities Laws - U.S.:
The U.S. Securities and Exchange Commission (SEC) performs the Howey Test to determine whether a token is a security or a utility token.

The Howey Test consists of four prongs, all of which must be satisfied for the SEC to classify a transaction as a security. The four elements are as follows: [1] An investment of money [2] in a common enterprise [3] with a reasonable expectation of profits [4] to be derived from the efforts of others.

IPMB's definition as a utility token providing access to discounts on physical gold and backed by a minimum of one gram of gold doré suggests that it is considered neither a commodity nor a security and is therefore exempt from securities regulations. Nonetheless, the plan is to work closely with regulatory authorities and seek authorisation to operate and advise on the token status to mitigate any legal risks.

Reporting & Auditing

At IPMB, we are committed to transparency and traceability in every step of the gold supply chain. For each gram of gold we handle, whether it is received, refined, sold or stored, we can provide you with detailed information, including:

- Information on the mine from which the gold originated.
- The ownership of the mine and its financial standing.
- The operating guidelines of the mine, including the extraction process and chemicals used.
- The smelting process involved in transforming the gold into a bar.
- The seller's identity and the source of funds if the gold is not directly from the mine.
- The royalties and taxes paid in relation to the gold.
- Documentation related to the export of gold.
- A comprehensive logistics audit trail, including information about the transporting aircraft.
- Assay composition details at the export location, upon arrival and after the final assay.
- The refining process deployed to further purify the gold.
- The current storage location of the gold.

By providing this level of transparency, we aim to instil confidence and trust in our operations and ensure the highest standards of responsible and accountable gold sourcing, production and storage.

To ensure the integrity of the ecosystem, the developer has engaged Grant Thornton Cyprus, a prominent audit and assurance company, to conduct a study on the design effectiveness of the IPMB Ecosystem. Grant Thornton Cyprus collaborates with the developer to implement robust digital asset risk management, with a specific focus on the processes and rules related to the issuance and burning of GeM NFTs. Furthermore, the deployed GeM NFT Smart Contract running on the Polygon network makes its source code publicly available. This allows anyone to inspect and verify the code, promoting transparency and trust within the IPMB Ecosystem.

Compliance Strategy

KYC & AML

Our organisation is implementing an advanced Know Your Customer (KYC) and Anti-Money Laundering (AML) compliance software package provided by SumSub. SumSub is a comprehensive verification platform specifically designed to assist businesses in meeting compliance regulations globally. This regulation-technology package will enhance our ability to effectively verify and authenticate customer identities, ensuring adherence to KYC and AML requirements across various jurisdictions. By leveraging SumSub's solution, we aim to streamline our compliance processes and maintain the highest standards of regulatory compliance in our operations.

Risk Analysis

General Market Risks

Market volatility, commodity prices, economic conditions, political events and various other factors, both domestic and international, can significantly impact the value of IPMB Tokens and GeM NFTs. Additionally, factors such as war, natural disasters, changes in government, monetary policies, taxation and regulations can also influence their value. However, it is important to note that IPMB Tokens and GeM NFTs were specifically designed to mitigate the potential risks associated with these external factors and provide stability to the value of the tokens in day-to-day transactions.

Tax Risks

Changes in tax laws and policies, including those related to IPMB Tokens and GeM NFTs, have the potential to affect the value of the tokens. It is difficult to predict how tax rules and policies may change in the future. Each token holder is responsible for understanding and complying with their own tax obligations. Token holders are advised to seek professional tax advice regarding the potential tax implications of purchasing and selling IPMB Tokens and GeM NFTs.

Counterparty Risks

The issuer of IPMB Tokens and GeM NFTs faces various operational risks, such as system failures, regulatory compliance, documentation risks, fraud, legal risks and unforeseen events. These risks have the potential to impact the value of IPMB Tokens and GeM NFTs held by token holders. To address these concerns, IPMB, as the custodian, holds the Certificates on behalf of token holders, providing a level of management and security for these operational risks. It is important to note that IPMB's creditors do not have automatic access to these Certificates. Additionally, it is emphasised that all Certificates are fully backed by physical gold, providing assurance of the value and security of GeM NFTs.

IPMB Token Specific Risks

The value of the IPMB Token is determined by the market value of the underlying assets, which are linked to the price of gold, which fluctuates, the value of the utility of the token and market supply/demand dynamics. The value of these assets may rise or fall, thereby affecting the value of the IPMB Token. It is important to note that the market price of an IPMB Token may deviate significantly from its initial issue price as well as the underlying price of gold, as market participants may attribute additional value to the IPMB Token based on its convenience as a currency and its utility. However, it is crucial to understand that the company does not make any promises or guarantees regarding the future price of the IPMB Token. To help protect IPMB Token holders, should the price of the IPMB Token fall below the price of gold, IPMB Tokens can be converted to GeM NFTs on a one-to-one ratio based on weight rather than the value of the IPMB Token.

GeM NFT Specific Risks

The value of GeM NFT is determined by the market value of the underlying assets, which is primarily driven by the price of gold. As the price of gold fluctuates, the value of these assets and consequently the value of GeM may rise or fall. GeM carries a specific risk of illiquidity, meaning that there may be limited demand for the token and making it difficult for token holders to sell their GeM. However, even in the absence of a secondary market, token holders with a validated GeM Certificates account will have the option to exchange their GeM for Certificates. These GeM Certificates can then be further exchanged for physical gold at our vaults, providing an alternative avenue for realising the value of GeM holdings. It is essential to understand that the company does not provide any guarantees or promises regarding the future price of GeM.

Software Risks

The IPMB website, platform, software and content are provided on an “as is” and “as available” basis. There is no guarantee that the IPMB website and platform creation procedure will be completely free of errors. It is possible for the software to have flaws, vulnerabilities, bugs, or other issues that may result in the complete loss of IPMB Tokens and GeM NFTs, the website, or the platform. However, the company is committed to taking proactive and preventative measures to mitigate this risk. This includes continuously enhancing the platform and website and addressing any system flaws or vulnerabilities in order to minimise the potential for significant loss of IPMB Tokens and GeM NFTs.

Risk of Loss of Private Keys

To control and transfer IPMB Tokens and GeM NFTs stored in a digital wallet, holders must possess a private key or a combination of private keys (multi-signature wallet). Losing the required private key(s) can render the IPMB Tokens and GeM NFTs unusable for the token holder. Additionally, unauthorised access to the private key(s) can lead to the misappropriation of the holder's IPMB Tokens and GeM NFTs. It is essential for token holders to ensure the secure storage of their private keys and prevent unauthorised access to their private keys.

Risks Associated with the Polygon Blockchain Network

The success and accessibility of IPMB Tokens, which are built on the Polygon blockchain network, are dependent on the stability and reliability of the Polygon network. Any failure, breakdown, or abandonment of the Polygon network, as well as other technological challenges, could have a significant negative impact on the platform and impede access to and usage of the tokens. Additionally, advancements in cryptography or technology, such as the emergence of quantum computing, could potentially render the cryptographic consensus mechanism of the Polygon blockchain ineffective, posing a risk to the tokens and the platform. It is important to note that blockchain transactions involving tokens are irreversible, so any losses resulting from fraudulent or unintentional transactions may not be recoverable.

Cybersecurity Risks

The company acknowledges the potential risks posed by various methods employed by hackers and malicious parties to tamper with the platform or the tokens, such as malware attacks, denial of service attacks, consensus-based assaults, Sybil attacks, surfing and spoofing. To safeguard against such threats, the Company is committed to maintaining robust security systems and implementing necessary measures to prevent interference or compromise.

Exchange Risks

When third-party exchanges choose to support IPMB Tokens and GeM NFTs trading independently, there are certain risks to consider. These exchanges may be new and lack regulatory oversight, making them more susceptible to fraud and manipulation. It is important to note that IPMB Tokens and GeM NFTs are not legal currencies, so if third parties assign an external exchange value to IPMB Tokens and GeM NFTs, that value can be highly volatile and even disappear over time. Additionally, it is worth mentioning that crypto assets, including IPMB Tokens and GeM NFTs, are not protected by financial compensation schemes. Therefore, token holders should exercise caution and understand the potential risks associated with trading IPMB and GeM tokens on third-party exchanges.

Risk of Uninsured Losses

It is important to note that while physical gold held by IPMB is insured by international insurance markets and underwriters, GeM NFTs are uninsured unless token holders arrange their own insurance. Unlike bank accounts or accounts at regulated financial institutions, GeM NFTs do not have built-in insurance coverage for their value or digital existence. Therefore, in the event of loss or erosion of utility or decline in value, there is no established insurance provided by the developer for token holders. Only the physically allocated gold behind the GeM is insured and secured. If token holders wish to protect their GeM NFT holdings, they should consider obtaining their own insurance or seek expert advice on the matter.

Regulatory Risks

Government legislation, regulations and policies can significantly impact the value of IPMB Tokens and GeM NFTs and the operation of the ecosystem. The regulatory landscape for digital assets and blockchain technology varies across jurisdictions and is often fluid and unpredictable. Changes in laws and regulations, including taxation laws, can affect the platform, IPMB Tokens and GeM NFTs. It is difficult to predict how regulatory authorities will apply existing or new regulations, and they may prohibit or regulate token sales. The company may cease operations in jurisdictions where regulatory measures render it illegal or commercially unattractive. Additionally, after acquiring IPMB Tokens and GeM NFTs, buyers may be subject to investigations or regulatory actions by authorities in their jurisdiction. The Company plans to monitor and respond to policy changes as they arise.

Summary

The IPMB Ecosystem is the only truly vertically integrated token operation in the world, providing full transparency from the mine to the vault and in the cloud. Built through the merger of blockchain technology and investment-grade gold, IPMB sets a new digital global payment and gold ownership standard.

The reasons you should consider using IPMB Tokens and GeM NFTs to participate in gold ownership are plentiful.

- Gold-backed utility token with direct access to a gold-pegged NFT
- Direct access to physical gold with no fees for insurance, storage and management
- Fully traceable, ethically sourced gold
- Discounts on physical gold through staking
- Annual loyalty rewards on GeM NFTs, upon company's discretion
- Additional future utilities such as payment cards, discounts on real-world goods and more

To start your IPMB journey, explore our [website](#) or visit our communities below.

