

Questionnaire

Note: you can decline to answer certain questions (like marketing / go to market) which may be trade secrets and we will put in "declined to answer due to current trade secret".

a. General

- i. Which blockchain / DLT are you building on top of?
 - 1. We are testing both permissioned and unpermissioned systems and analysing modularity aspect of several technologies. Stellar and HyperLedger Fabric looks promising.
- ii. How does the stablecoin work?
 - 1. ARYZE Digital Cash is fiat backed .

The main difference here is however that we do not keep the underlying funds in the range of banks but replace the vast majority of the underlying liquidity in short-term government bills and bonds in the central bank which issued the money in the first place.

This means that we place the liquidity where it was initially created, central banks, the only place that cannot default in its own currency. Our stablecoins are non-exchange traded, and are separate from our utility/security token RYZE, which was sold during our private ICO.

Initial support will include tokenized DKK, EUR and USD. ARYZE aims to be the primary payment infrastructure supporting global payments between individuals, businesses and IOT devices all over the world. More and more fiat and crypto-currencies will be added over time including dominant reserve currencies like Japanese Yen and USD but also more exotic currencies like Argentinian pesos, South African Rand and Indian rupee, etc.

- iii. What is the purpose of your coin? What does it aim to achieve and which problems does it solve?
 - 1. The focus for ARYZE is to address needs of remittance markets: alleviating the pressure of high transaction fees, by eliminating transaction fees entirely. We aim to be the primary platform for cross-border transactions in developing countries. Furthermore, our stablecoins (Digital Cash) can facilitate digital contract management for corporate fintech products. Global transactions for supply-chain purposes.
- iv. When we say something is stable what do you think it means? And when it comes to monetary policy specifically?
 - 1. Stable relative to cryptocurrencies is what most people mean. However, even when looking at fiat currencies, stability is relative. ARYZE Digital Cash is a mirror image of the underlying fiat value, so if there is instability with the underlying asset, the corresponding stablecoin will also fluctuate in value.
- v. What is your revenue model?
 - 1. Corporate and merchant subscription fees, foreign exchange fees (1-2% flat rate), developer accounts, government risk interest on bonds.

b. Launch & marketing

- i. What does the market need to be confident in the stability of your token?
 - 1. Yes, but confidence is boosted by our partnerships with highly respected third-party verifiers. As it is a true digital representation of cash, it is essentially the trust that one places in legal tender that is relied upon.
- ii.

- iii. How are you bootstrapping to that level of confidence?
 1. Third party and trusted independent verifies of general claims like solvency and balances.
 2. Signed and sealed partnerships.
 3. A confidential acquisition strategy
- iv. What are your go-to-market strategies?
 1. Execution through partnerships and cooperation deals on a global scale.
 2. Get known through ambassador programs and speaking events and highly intensive SOME plans.
- c. Economics
 - i. What is your coin stable with respect to?
 1. Digital Cash is stable relative to the underlying pegged currency. A dollar is a dollar is a dollar, etc. We plan to represent many different national currencies, but will start with US dollar, EUR and DKK Kroner.
 - ii. How much volatility can this peg withstand? Is that the same for upwards and downwards pressure? How wide is the band of behavior it can support?
 1. The stablecoins are not subject to any deviation from 1 as they wont be exchange traded.
 2. Mark to market risk on our risk offsets in government issued bills is solved through a 2.5% over collateralization.
 - iii. How easy is it to analyze the band of behavior from which it can recover?
 1. There is no recovery risk
 - iv. How expensive is it to maintain the peg/stability mechanism?
 1. Zero
 - v. How transparently can traders observe the true market conditions?
 - a. Very transparently. Enhanced through oracles that report on aggregated market data.
 - vi. Which monetary theory (theoretical) assumptions do you think are not true and how does your protocol account for that?
 1. Don't really understand the question. Not sure there are any.
 - vii. Does your stablecoin supply scale in response to demand? If so, how?
 1. 1 to 1 both ways for new demand to cancellations at very low cost and almost instant execution.
 - viii. Who provides the capital to maintain exchange rate peg? How are they compensated / Why do you think they would continue to lock up capital, given other investment opportunities?
 1. Our stable coins should be considered instrument s which can be used to hold and store value against underlying FIAT at any given for programmable DAPPS and other applications, with no further value components added beyond applications built on top of the "engine room" itself.
 - ix. An eventuality plan in case of a "black swan" event.¹ The 1% case will happen eventually.
 1. Not applicable - can't happen and no risk.
- d. Tech
 - i. Are any novel consensus mechanisms used, over and above the underlying blockchain?
 - ii. What transaction throughput can the blockchain currently handle and how does it plan to scale? Do its plans coincide with your plans for your estimated demand?
 - iii. What tradeoffs does your protocol make and why did you make those tradeoffs? (supply/demand, temporarily peg breaking) (censorship resistance) (privacy tradeoffs)

¹ https://en.wikipedia.org/wiki/Black_swan_theory

(accuracy of present market data and ease of manipulation of the data feed protocol uses (responsiveness of market and ease of manipulation)

- iv. Are there any centralized components of your system? Would any of these be easy for govts to shut down?
 - v. Does your protocol require information outside the blockchain such as a feed of price data? If so, how does this oracle work? Who manages it, what are the incentives for managing it, and what happens if the data they provide has a glitch?
 - vi. Which participants can see which transactions? What is the data and metadata available, and to whom? How does this impact privacy?
 - vii. Are you doing anything with formal verification? Smart contracts used?
 - viii. What is the rebase period? (Length of time between currency adjustments.)
 - ix. Can we make this automated?
 - 1. Do we use a smart contract or network rules of the blockchain operators?
- e. Regulation
- i. What are your perceptions of local and global regulation in supporting stable coin, asset-backed token economies?
 - 1. There seems to be a general consensus that many central banks are looking to incorporate electronic monies and stablecoins into their own national currency supplies. It is a step in a positive direction that regulatory institutions are taking a stance towards digital currencies, in terms of monetary policy, and indicates that the technology is ripe for adoption. Whether the central banks decide to issue their own CBDC remains to be seen – although from our perspective, it should not be the role of a central bank to innovate in this manner. Leave that to private and innovative fintech players.
 - ii. What could be done to improve regulation in terms of speed, quality, value for your company?
 - 1. There is a potential need for a clear-cut regulatory stance towards stablecoins in terms of e-money licensing.
- f. Testing
- i. What kind of simulations have you done and what have they helped you learn? (simulating a broad array of market conditions)
 - 1. Mental models for simulations
 - 2. Econometric models
 - 3. Agent-based Modelling / Computer simulations
 - 4. Other (Please describe)