

MANTRA

# Managing Virtual Asset Standards

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## **1. Virtual Assets standards management process**

MF maintains high standards for any virtual asset listed on its platform through a rigorous evaluation and ongoing monitoring process. Key aspects are elaborated below:

### **1.1. Evaluation & listing**

MF's virtual asset exchange and investment operations adhere to the industry best practices including multisig wallets and cold storage to safeguard all virtual assets held on the platform. MF has established automated checks that promptly identify and address illegitimate activity like fraud, theft or technical vulnerabilities. Our multi-factor authentication, account verification and fund insurance programs help mitigate risk.

#### **1.1.1. Listing asset and products**

MF is committed to conducting comprehensive due diligence on all virtual assets prior to confirming their eligibility for listing on MF. MF's virtual assets listing evaluation team (the "**VA Evaluation team**") thoroughly assesses each asset for which a listing application is received against our product standards that include key considerations around market metrics, design features, regulatory posture, security properties, and other factors that the VA Evaluation team deems relevant on a case by case basis.

Only virtual assets receiving approval may be listed. In addition to this initial valuation, our VA Evaluation team periodically checks and evaluates virtual assets to confirm that our listing standards continue to be met or exceeded. If these standards are no longer met, our operations team will meet with Senior Management to discuss whether suspension or delisting is required. After an initial determination about a recommended course of action for a virtual asset that has fallen below standards has been made, this decision must be reviewed by the BoD before implementation. The BoD may contract an asset's sponsor company to discuss the shortfall versus our standards, and consider a rectification plan and timeline for corrective measures to take effect. However, all decisions of the BoD regarding the suitability for continued listing are considered final. Records of the VA evaluation team and the BoD are securely stored per the data retention policy.

#### **Listing request**

MF accepts requests to list a new asset through either the Firm's internal business development (BD) team or external projects that wish to list their tokens on MF DEX. All requests are routed through the same team to ensure proper documentation and analysis of the asset before moving to the assessment stage.

To apply for listing, an applicant is required to submit a comprehensive listing form which must include the details as below, and any other factors the VA Evaluation team believes are important to understand in considering the application:

- Project information (Project name, founders, team, official website);
- Company Structure;
- Token Information ( token name and symbol, contract address, tokenomics);
- Product/ offering description (background, github code repo, stage of development); and
- Commercial details (token sale, cashflow forecast etc.)

The VA Evaluation process is iterative, and the VA Evaluation team is authorized by this Policy to request additional information where it believes the initial application leaves any uncertainties about an asset's suitability.

***\*VA listing form can be seen in appendix***

### **1.1.2. Evaluation**

MF's VA Evaluation team conducts investigation of each asset proposed to be listed on MF's trading platform/network against the following due diligence guidelines:

- Regulatory classification (e.g. registered security, commodity, utility token, payment token, approved for trading) and approvals in applicable jurisdictions;
- Compliance with regulations in applicable jurisdiction(s) of issuance and any bans/limitations imposed by countries due to sanctions;
- Technology audit assessments of security, privacy and decentralization level;
- Risks related to anonymity, control by a single entity and ability to monitor transactions'
- Previous regulatory or legal actions against developers, exchanges, or restrictions on advertising;
- Economic model and inherent risks flagged in research reports or white papers;
- Considerations like legal tender status, government backing, and adequacy of KYT/AML protocols;
- Classification for tax purposes in primary economies and global sanctions compliance; and
- Ongoing monitoring of regulatory waivers, changes in legal status, or classification trends worldwide.

#### **Other Factors we Consider**

As is more fully explained below under the heading "MF asset listing form", we evaluate a wide variety of quantitative and qualitative factors when we determine whether to allow an asset to list or trade on our platform. As required by VARA, we maintain all records relevant to the assessments we make regarding any virtual asset for eight years, and we will provide such

records for VARA's inspection upon request. In addition to the factors listed under 3.1.1 below, our team is required to use all available information to assess the following additional factors:

1. It is our policy that we only will list a virtual asset that has a clear regulatory outlook. If a virtual asset has been prohibited or sanctioned in any jurisdiction where we have users or customers, then such asset is not eligible for trading on our platform.
2. We make efforts to understand and assess the security and immutability of the blockchain (DLT) on any assets under consideration for listing or trading on our platform. If the blockchain or distributed ledger technology protocol does not meet our requirements, then the virtual asset is not eligible for trading on our platform;
3. We review all information regarding the virtual asset's future development as communicated by the Issuer and/or relevant developers; note that this process continues after the asset may be approved under 2.1.3 below;
4. a critical factor we consider in any evaluation of an asset is whether it may be susceptible to price manipulation for any reason and relevant mitigations that will be implemented by the VASP; assets that we determine may be vulnerable to manipulation are reflected unless the issuer is able to address our concerns in a manner we deem reliable and trustworthy;
5. our team engages in investigation regarding whether potential or actual conflicts of interest may arise should we allow for the virtual asset to trade on our platform; if so, we determine whether the conflicts can be eliminated or reduced through any mitigation efforts on our part or on the part of the issuer; virtual assets that present any significant conflicts of interest are not eligible for listing or trading on our platform;
6. as noted above under the heading "Listing Request", we consider the background of the virtual asset's Issuer including, but not limited to, the issuer's relevant experience in the virtual asset sector and whether it has been subject to any investigations or claims in relation to fraud or deceit;
7. if the Virtual Asset represents rights to any other assets, the enforceability of such rights;
8. whether sufficient assets are available to satisfy any obligation that may be relevant to the services we intend to provide regarding the virtual asset;
9. if and to the extent applicable in considering a virtual asset, our team makes all reasonable efforts to ensure that the underlying terms and conditions reflect, to the extent possible, the operation of any existing underlying physical market and avoid adverse impacts to such market.

## **Approval**

After the initial assessment is complete, MF has a multi-stage approval process that must be completed fully before an asset can be listed:

- If the VA Evaluation team makes a favorable finding as to the asset's qualification for listing, it prepares a preliminary report for Compliance review;
- Compliance performs an independent review of the preliminary report; Compliance may send the report back to the VA Evaluation team for follow questions or further information; this process is iterative and will continue until Compliance is fully satisfied that our standards have been met by the applicant.
- If approved, the virtual asset is added to MF's Approved Asset List and integrated into tech systems.

### **1.1.3. On-going review & actions**

After an asset is listed, MF conducts continual monitoring against factors like market depth and compliance with applicable regulations. As part of this review all the token related information will be cross referenced and the Firm's records will be updated. The roadmap will then be verified against the updated information on official websites and activities on social media platforms. In case of any discrepancies, the operations staff reaches out to the project team/ asset issuer for clarification and further investigation.

Any changes identified in the quarterly review that trigger reassessment are escalated to Compliance. If Compliance is not satisfied, delisting or suspension procedures will follow, and if Standards can no longer be met, notifications are given to the asset's sponsor and VARA as required.

With respect to assets that are forked, or otherwise become unsupported through the actions of the entity controlling such assets, the operations team will immediately investigate and learn all relevant information about the change in the assets to ascertain the impact to our users. We will then develop an information statement and notice providing clear and complete information about the development, which will be transmitted to users to their registered e-mail addresses and via social media platforms. If action is required by users to protect their Client Accounts, then the notice provides information on the recommended steps. If such risks cannot be fully mitigated by either our own actions or the actions we recommend that our users take, then the notice will state that clearly.

MF maintains complete, accurate and auditable records of all VAs listed on the platform. The records are securely stored in accordance with MF's data retention policy.

### **1.1.4. Policy updates**

The operations team reviews all policies and procedures periodically, and updates the documentation and response plans, the policies, and procedures as necessary.

For high impact risks, our policy is to implement a delayed rollout plan and conduct appropriate training with the operations staff, to ensure all applicable internal protocols to acquire, transfer or otherwise dispose of any virtual assets are within our risk and compliance frameworks established with the regulators.

## 2. Appendix

### 2.1.1. MF asset listing form

Dear project team, please answer the following questions for our assessment team.

*The content of this document is confidential and intended for the contact person from the project team only. It is strictly forbidden for MF or any of its employees to share any part of the content with any third party, without a written consent of the sender.*

#### Project Information

1. Project Name.
2. Official Website.
3. Link to the latest version of the project white paper.

#### Token Information

4. Token Name and Symbol.
5. If the project is contract-based, please provide the type and address of the smart contract.

#### Tokenomics

6. What is your token distribution schedule? In case of private sale/ICO, share a list of investors, their allocation %, and any discounts they may have received. Please also include at which stage your investors entered the token sales process and any lockup and/or vesting period.
7. What is your current circulating supply, market cap and FDV? Is there any discrepancy versus what's shown on CMC? If yes, please explain why?
8. Please provide a current breakdown of your circulating tokens, across all existing networks, including T&A, foundation, retail and institutional users.
9. What percentage of your team/company tokens have you sold?
10. What do you think will drive demand and value for your token?
11. List all current and future uses for your token.
12. Are there any incentive and/or penalty systems in place for participants in your token ecosystem? If so, please summarize.

#### Company Structure

13. Please provide a breakdown of the total number of your employees (including Management, Developers, Marketing, etc.)?
14. Provide background and summary profiles of your key management team and their LinkedIn profiles.

15. How can you ensure (or convince us) that your developers and team members will remain committed to this project?
16. Provide a breakdown of external advisors, if any and explain how each of your advisors have helped your project in the past?
17. Please share details on all investors in your company and their respective stakes (token and/or equity)
18. Where is your team based and where is your company incorporated?

#### Product Offering and Development

19. Explain the background and motivation for starting this project?
20. What is your competitive landscape and unique selling point
21. Provide your product offering description, features and use cases
22. Please include the latest roadmap for your project.
23. At which stage of your product development are you at now?
24. Show any relevant stats for the project (e.g., MVP/alpha/beta/testnet)
25. Code repo for us to have a look at your development to date.
26. What are the entry barriers of your technology (innovation)?
27. Have you engaged any third parties to conduct a code design and security audit? If so, please share the reports / documentation.
28. What steps did you take to inform your community of roadmap updates when they occurred?
29. What are the top 10 regions where your communities are located (regions or countries)
30. Please share key stats for your social media platforms (number of followers on Telegram, Twitter, etc.)
31. If your product is regulated or in discussion with any jurisdiction, share the details of jurisdictions.
32. Has your project received any notifications or rejection from regulatory authorities? If so, which ones and why?

#### Commercial

33. Please give a breakdown of use of proceeds from your token sales.
34. What is the breakdown of your current expenditure so far and has this deviated from your original plan?
35. Please provide an 18-month cash flow forecast including FTE plans and historicals.
36. Do you have any partnerships in place or under discussions?
37. What exchanges is your token available on; and what exchanges are you talking to and where are you in the various application stages?



Others

38. Do you have any past or currently outstanding legal cases or regulatory disputes relating to you, the token, the company or anyone else related to the company? If yes, please provide details.

Vol	Chg	%Chg	Proj.Price
389,200	-226.00	-226.0%	226.00
9,200k	22.45	22.45%	22.45
1,200k	-2.46	-2.46%	2.46
16,200k	226.00	226.0%	226.00
166,200	+22.45	+22.0%	22.45
16,200k	-2.46	-2.46%	2.46
1,200k	-2.46	-2.46%	2.46

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52.44  
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Time	Side	Volume	Price
16:29:05	B	16,200	34.98
16:29:05	B	9,200	23.87
16:29:05	B	1,200	45.98
16:29:05	S	166,200	45.90
16:29:05	S	1,200	34.98
16:29:05	S	166,200	23.87
16:29:05	S	1,200	45.98