



GBBC Digital Finance
Code of Conduct
Part I: Introduction and
Overarching Principles

From the Perspective of
General Global Regulatory Standards

Goal of the GBBC Digital Finance Code of Conduct

GBBC Digital Finance (GDF) believes in the potential for blockchain applications to bring significant benefits to society, including the introduction of new business models and more efficient, scalable and affordable ways to enter into and verify contracts and transactions. As a consequence, these actions can unlock greater economic creativity, as well as new ways of trading.

GDF also believes that scaling digital finance can allow access to markets by people who currently have little or no such access, thereby increasing their level of success and financial inclusion, not dissimilar to the way the global internet enabled people of different walks of life to set up new businesses and engage in new trades that were previously not possible.

At the same time, GDF recognises that capturing these opportunities requires the nascent cryptoasset industry to adhere to the requisite level of self-discipline and maturity. Incidents of fraud, embezzlement, deception, and other forms of violation of existing laws, rules and regulations or bad behaviours threaten the reputation and sustainability of this nascent industry.

Accordingly, through the principles contained in this Code of Conduct (the Code), GDF introduces standards of good behaviour that may become a basis for future self-regulatory efforts by GDF members and the broader community.

Structure of the Code

The Overarching Principles contained in the Code are designed to work across a broad range of cryptoasset-related businesses and actors, including token issuers, comparison and rating websites, trading platforms, asset custody and digital wallets, intermediaries and funds. Additional Principles may be added in due course for specific businesses and actors.

This Code is intended to be a living document and as such principles may be amended and new principles may be added as new business models emerge.

Limitation of the Code of Conduct

While the Code is informed by global regulatory principles and practices, it is not law and does not carry or contend to carry any such value. Instead, the Code constitutes a set of voluntary principles.

The Code recognises that certain activities conducted in the token economy may enter the remit of existing laws, rules and regulations. The Code seeks to complement such laws, rules and regulations only where gaps may exist or where legal or regulatory clarity has not yet been achieved.

Adherence to the Code of Conduct

GDF members agree that the principles laid out in the Code are important for both businesses and individuals. To enhance transparency and assist in the evaluation of the services provided by cryptoasset businesses and actors, GDF members will endeavour to publicly describe their adherence to the principles based on reasonable and good faith efforts.

GDF does not support business models that are created in direct contravention of existing laws, rules or regulations, or that are specifically created to circumvent existing laws, rules, regulations or law enforcement.

This Code should be read in conjunction with the GDF Taxonomy.

1. Below are the **Overarching Principles** of the Code that are designed to work across a broad range of cryptoasset-related businesses and actors.
2. The Overarching Principles are supplemented by, and should be read in conjunction with, the **Additional Principles** for specific actors or activities.
3. Further work is planned, regarding approaches for attestation and verification of adherence to the Code.

1. Compliance with Existing Laws

- a. Where we are aware that our activities are governed by existing rules and regulations, we will take all reasonable measures to comply with applicable laws, rules or regulations.
- b. We understand that most jurisdictions have anti-money laundering (AML) and counter-terrorist financing (CTF) laws that require financial institutions and other designated parties to monitor transactions and report those whose nature, size, or frequency could indicate suspicious activity.
- c. We understand that many jurisdictions have standing securities laws, rules and regulations that, for example, often dictate that trading in or advising on securities, advising on corporate finance, and managing (collective) investment schemes requires a license or authorisations from a regulatory authority, as well as mandate other measures to protect investors and facilitate orderly and efficient markets.
- d. We understand that most jurisdictions have data privacy laws that stipulate, amongst others, that, such information must be kept safe and secure.
- e. We understand that most jurisdictions have contract laws and that issuing a commitment to the public and accepting consideration on the basis thereof may lead to a contract or partnership or possibly a trust relationship.
- f. We understand that most jurisdictions have consumer protection laws that protect consumers, among other things, against unfair, misleading, deceptive or unconscionable acts or practices in trade or commerce.
- g. We understand that most jurisdictions have criminal laws that protect against fraud, embezzlement, and other dishonest and harmful behaviour.
- h. We understand that most jurisdictions have tax laws and we will comply with such laws to the extent applicable to our businesses.

2. Legal and Organisational Requirements

- a. We will put in place a transparent legal governance and ownership structure that reasonably protects our interests and the interests of our customers.
- b. We will put in place and disclose a qualified management team that combines technology and financial expertise, including expertise on financial laws, rules and regulations, and that will endeavor to comply in all material respects with the Code as well as with applicable laws, rules and regulations.
- c. We will put in place know-your-customer (KYC), customer due diligence (CDD), transaction monitoring and other AML/CTF processes commensurate with the nature, complexity and size of our business in order to deter, detect and report financial crime as defined in laws applicable to us, which may include laws on money laundering, terrorist financing, bribery and corruption, sanctions breaches, tax evasion and modern slavery.
- d. We will put in place appropriate systems, processes, controls, risk assessments and independent reviews to run our businesses safely and responsibly.
- e. We will ensure that our technology systems and business processes are sufficiently robust and secure, proportionate to the nature, scale and complexity of our businesses.
- f. We will put in place cyber security protections, denial of service protections, security patches, firewalls, resiliency and penetration testing and, independent reviews proportionate to the cyber risks inherent to our businesses.
- g. We will put in place appropriate technology change management processes, crisis management processes and business continuity plans.
- h. Our terms and conditions will be clearly written and will explain what our duties and responsibilities are and what fees and charges will apply.

3. Ethics, Conflicts Management and Market Integrity

- a. We will apply appropriate staff background screening and due diligence to hire competent and professional people and advisors that act with honesty and integrity.
- b. We will have adequate systems and controls to detect, manage and disclose material conflicts of interest within our own business or resulting from our services, activities, cross-holdings or investments.
- c. We will have adequate policies and procedures in relation to personal trading, outside business activities and the receipt or provision of gifts or entertainment
- d. We will implement processes designed to identify, detect and deter trading of tokens based on material non-public information, or practices that are designed to improperly or artificially manipulate the price of tokens.
- e. We will not knowingly issue, accept any form of compensation to issue, or ask or compensate others to issue, unfair, misleading, false or deceptive information, data, advertisements, commentary, research or ratings.
- f. To the extent we are involved in the drafting or issuance of whitepapers, we will take reasonable steps to ensure that they contain adequate content and disclosures, including the legal and organisational structure, the identity of the core team, a description of the technology and its use, a balance of opportunities and risks, a description of the token distribution process and token holder rights, applicable law and disclosure of material conflicts.
- g. To the extent we are involved in the evaluation, comparison of whitepapers or the rating of tokens, we will take into account the content of the initial whitepaper by reference to the factors above, as well as the quality of ongoing disclosures by and independent reviews of the token issuer.
- h. To the extent we are a trading platform or other intermediary, we will put in place a clear legal and organisational structure, clear and transparent listing requirements, proper liquidity, credit, financial crime, compliance and operational risk management practices and clear processes in relation to the settlement and safekeeping.
- i. To the extent we hold ourselves out as agency brokers, we will take reasonable steps to ensure that clients get the best possible price within the parameters of their order.

4. Treatment of Customers and Customer Assets

- a. We will treat our customers fairly and take reasonable steps to ensure that the risks and opportunities of cryptoassets are presented in a clear and balanced fashion.
- b. We will ensure that customers can access information regarding their money and assets, including where the money is kept and any relevant transactions.
- c. We will take reasonable steps to ensure that monies and assets held by us on behalf of customers are subjected to asset custody and safekeeping approaches that are suitable and provide the requisite level of security for cryptoassets.
- d. We will put in place processes for the orderly winding down of our businesses if we cease to operate and ensure that customers retain access to and ownership of their monies, data and assets.
- e. We will put in place processes to enable customers who are unhappy about any aspect of our business or service to complain, and we will treat those complaints fairly and will properly record keep such complaints and the resolution thereof.

5. Compliance with the Code

- a. To enhance transparency and assist in the evaluation of the services provided by cryptoasset businesses and actors, as GDF members we will endeavor to publicly describe our adherence to the principles based on reasonable and good faith efforts.
- b. We agree to respond to periodic surveys by GDF to enable GDF to ensure that the Code remains a living document that may be amended and updated from time to time and to which new principles may be added on an as-needed basis.
- c. Where not limited by confidentiality obligations and commercial responsibilities to our business and customers, we will provide GDF with notice of issues that could negatively affect the cryptoasset industry, so as to enable GDF to react appropriately.