Guidance Notice

Second advisory letter on prospectus and authorisation requirements in connection with the issuance of crypto tokens


I. Background

Companies raise funds using an “Initial Coin Offering” (ICO), “Initial Token Offering” (ITO) or “Security Token Offering” (STO) in order to realise a business proposition. Investors then receive “crypto tokens” or “coins” for the funds they invest. Crypto tokens are a digitalised form of assets that are stored decentrally in a blockchain. They are assigned a certain function or value. These values can represent different properties, functionalities or rights.

As a rule, white papers are provided for ICOs, containing information about the planned business purpose, for example, about the individuals involved and the technical configuration of the tokens or virtual currencies (referred to here as “tokens” for the sake of consistency). However, these white papers are not regulated, and the issuer has absolute freedom to determine their form and content. It can be observed that information in white papers is often insufficiently comprehensive and precise, and that the contents of the white papers are also modified during the ICO’s lifetime. White papers are used primarily as a PR exercise and as a means of communication. Therefore, they do not offer adequate protection for investors. White papers are not information and liability documents that are comparable with securities- and capital-investment-prospectuses or information sheets required by law.

BaFin receives numerous inquiries about whether tokens offered to investors in the course of ICOs trigger prospectus or authorisation requirements. In many cases, the central question here is whether the structure of the tokens constitutes a security within the meaning of the European Prospectus Regulation (Regulation (EU) 2017/1129) and the German Securities Prospectus Act (Wertpapierprospektgesetz – WpPG).

In order to increase legal certainty regarding the regulatory classification of tokens in the field of securities supervision, BaFin published an initial advisory letter on 20 February 2018 (reference WA 11-QB 4100-2017/0010). At the same time, BaFin is working together with other national and European supervisory authorities to develop consistent supervisory practice. The legal appraisal of this issue still has to be finalised, which means that there may be further advisory letters in the future, or that existing advisory letters may be supplemented and updated.

II. Scope

The advisory letter is addressed to all market participants who conduct banking business, provide financial services or other services in Germany that require authorisation, or that publicly offer securities or investment products for sale.

III. Purpose of this publication

Based on past experience and supplementing the first advisory letter referred to above, the present advisory letter follows three specific goals:

1 The term “ICO” is used consistently in the following for “ICO”, “ITO” and “STO”.

This translation is furnished for information purposes only. The original German text is binding in all respects.
• Guidance for ICO issuers and their legal representatives: Which information and documents does BaFin need to allow it to respond promptly and in a targeted manner to inquiries in the run-up to ICOs with respect to possible prospectus and authorisation requirements?

• Additional information on classification as a security under the Prospectus Regulation or the WpPG or classification as an investment product under the Capital Investment Act (Vermögensanlagengesetz – VermAnlG) and hence any potential obligation to prepare a prospectus or information sheet under the Prospectus Regulation/WpPG or the VermAnlG.

• Information about potential authorisation requirements under the Banking Act (Kreditwesengesetz – KWG), the Payment Services Supervision Act (Zahlungsdiensteaufsichtsgesetz – ZAG) or the Investment Code (Kapitalanlagegesetzbuch – KAGB).

IV. Requirements relating to inquiries

a) Practical problems and experience

BaFin strives to answer inquiries quickly and comprehensively. However, the ability to respond quickly does not rest solely with BaFin, as the issuer or offeror can also play a significant role in this. Not only many companies, but also BaFin itself are entering into new territory where the legal appraisal of ICOs is concerned. Many start-ups still have no experience in dealing with BaFin and are contacting it for the first time. BaFin therefore identified those issues that occur most frequently in inquiries and is attempting in the following to provide guidance in the form of this advisory letter.

Processing related inquiries in the past, for example, has revealed that it is often not possible to directly answer the substance of the inquiries. Companies frequently do not submit all the relevant documents completely, or sometimes do not submit them at all, they amend them repeatedly without informing BaFin or contradict statements made in previously submitted documents. In many cases, they do not specifically address questions asked by BaFin, but rather make imprecise, general strategic or policy statements about the importance of blockchain technology, rather than providing information that is relevant for the administrative procedure.

b) Requirements for inquiries

BaFin does everything it can to ensure quick, accurate processing. To enable it to do so, it asks for the following points to be taken into consideration in the interests of all parties involved:

• All pertinent documents and contractual documents (white papers/general terms and conditions/agreements etc.) that are relevant for legal and regulatory classification must be attached to the inquiry in legally binding form.

• The inquiries must include an assessment of the legal classification of the tokens to be issued as part of the ICO. The legal reasoning behind this “self-assessment” must be provided.

• The justification should be based on BaFin’s advisory letter and address all points mentioned there.

• The legal substantiation must make reference to the relevant information in the documents and contractual documents to be attached, stating the source in each case.
- Amendments to the documents and contractual documents submitted should be communicated to BaFin without undue delay. BaFin is aware that amendments may be necessary, not least because they may be due to measures taken by BaFin itself. In any event, it is important to notify amendments to BaFin at an early stage.
- The amended documents and contractual documents should be submitted to BaFin without undue delay together with an updated self-assessment and legal substantiation.
- Changes to timetables and any changes to offer periods for a public offering of the relevant tokens/coins should be notified to BaFin without undue delay.
- Persons submitting inquiries must ensure that they are reachable. For this purpose, a current address, a functioning email address and a functioning phone number or mobile phone number should be ensured.

The Annex to this advisory letter contains more detailed minimum information that is necessary for the supervisory classification of the ICO or tokens and the determination of any prospectus or authorisation requirements, and must therefore be addressed in the inquiries.

The case-by-case assessment is often complex, and BaFin is currently processing a large number of inquiries. BaFin’s urgent recommendation is therefore to get in touch with it at an early stage. This applies in particular to timetables for planned ICOs. This requires a sufficient lead time to be planned in, especially in light of the potential need to prepare and examine a securities- or capital-investment-prospectus.

BaFin recommends that issuers, who intend to conduct a public offering of securities by means of a securities prospectus or securities information sheet, clarify the classification of the token as a security with BaFin in advance. If such a procedure is implemented, we request BaFin’s reference number for this procedure to be given if a securities prospectus or securities information sheet is submitted at a later date.

c) Consequences of the requirements

BaFin is interested in ensuring that inquiries are answered quickly. If the above points are heeded, this will help cut the processing time considerably. This will also help the issuer launch the product quickly and successfully and will ensure that innovative products and services meet the legal requirements.

BaFin must give priority to those issuers who work together with it extensively and submit all the documents. By contrast, if BaFin first has to determine the facts of the case, this will prolong the processing period. Failure to observe the requirements will hamper BaFin’s internal examination processes and can therefore lead to a longer processing period.

BaFin’s resources and available capacity are another factor determining the processing period. If it has received a large number of inquiries, this may affect the processing period.
V. Additional information about prospectus and authorisation requirements

a) Fundamental issues
In Germany, the interaction of European and national legislation means that there is a certain, precise framework for assessing crypto tokens that is already being used successfully. This has allowed the first “token securities prospectuses” to be approved since January 2019, for example. BaFin therefore assesses the question of whether a crypto token or the conduct of an ICO is relevant for prudential supervision purposes on a technology-neutral basis by reference to the existing laws, based on the individual case in question. The answer will depend on the specific configuration of the tokens and the ICO. This ensures that the assessment is proportionate and principle-based, and that the decision is taken on the individual supervisory and regulatory merits of the case in question.

From the perspective of supervisory law, two different areas must first be distinguished: requirements governing prospectuses and authorisation requirements.

A prospectus requirement means that a prospectus must be prepared and published before a public offering of a security or the admission of securities to the regulated market. The securities prospectus must contain all the key information about the issuer and the securities being offered. It must allow investors to obtain an accurate picture about the offering and to make their investment decision on that basis. The Prospectus Regulation is the basis for the preparation, approval and validity of the prospectus. Its content and format are specified in greater detail by Delegated Regulations (EU) 2019/979 and (EU) 2019/980.

Capital investments, too, may not be offered to the public without a prospectus. The prospectus for investment products must be prepared in accordance with the VermAnlG. Its content and format are governed by the Capital Investment Prospectus Regulation (Vermögensanlagen-Verkaufsprospektverordnung – VermVerkProspV).

An authorisation requirement applies if, under the requirements of the KWG or other supervisory legislation, a particular activity may only be conducted if the operator has received authorisation from BaFin.

In turn, two phases of the planned activity must be distinguished in connection with the question of authorisation requirements. For example, the issuance of crypto tokens or any advance advertising for it may already be an activity subject to an authorisation requirement; secondly, activities by the provider or third parties following the issuance of the tokens, such as subsequent trading in the tokens, may trigger authorisation requirements. The question of whether downstream activities are subject to an authorisation requirement depends in turn on the supervisory classification of the tokens themselves.

b) Categories
A range of token categories have emerged in supervisory practice – as in the market – that allow an initial rough assessment of whether to classify a token as a financial instrument. BaFin currently distinguishes between the following types of token (presented in simplified form):
Utility tokens (also known as app tokens): crypto tokens that give access to certain services or products, similar to an admission ticket or a voucher. The majority of previously known crypto tokens issued in an ICO in Germany belonged to this category. As a general principle, utility tokens do not constitute securities within the meaning of the WpPG or capital investment within the meaning of the VermAnlG. In many cases, tokens like this are also not financial instruments under the KWG.

Payment tokens (also known as virtual currencies or barebone tokens): structured similarly to bitcoin, the provider generally intends the tokens to be used as an alternative means of payment. As a general rule, payment tokens do not constitute securities within the meaning of the WpPG or investment products within the meaning of the VermAnlG, but they are normally classified as financial instruments under the KWG.

Security tokens (also known as equity tokens, investment tokens or asset tokens): holders of this sort of token have membership rights or contractual claims on assets that are comparable with those of a shareholder or bondholder (e.g. claims to dividend-style payments, voting rights, repayment claims, interest payments). Security tokens generally constitute securities within the meaning of the Prospectus Regulation, the WpPG and the Securities Trading Act (Wertpapierhandelsgesetz – WpHG), and are also financial instruments under the KWG.

There are also often hybrid forms of these types of tokens (hybrid tokens), and many providers aspire to allow their utility tokens to be used as a means of payment in the future, and hence as virtual currencies. The decisive issue in these cases is the focus of the functions of the token concerned. The specific circumstances of the individual case are pivotal.

The designation of the tokens is not definitive in these cases, even if their categorisation – for example as investment tokens, utility tokens or payment tokens – may provide an initial indication of the type of token. However, it cannot replace a comprehensive, binding supervisory classification. In each individual case, BaFin therefore examines potential prospectus and authorisation requirements regardless of how the token is designated. What matters is the rights that are associated with the token in question. Due to the large number of different token configurations that appear on the market, a general statement about their legal nature would be too sweeping. It is not possible to arrive at a supervisory classification without examining all the specific circumstances and features.

c) Additional information about classification as securities under the WpPG or classification as a capital investment under the VermAnlG, and potential requirements to issue a prospectus

   aa) General

If the crypto tokens constitute securities within the meaning of the Prospectus Regulation or the WpPG, or investment products within the meaning of the VermAnlG, they are subject to the requirements of those laws just like other securities and investment products. In particular, a requirement to issue a prospectus for the tokens in question under the two laws would have to be complied with (see also point 5 a).

The VermAnlG is subsidiary to the WpPG. In other words, if the crypto token is a security within the meaning of the WpPG, it cannot be a capital investment within the meaning of
bb) Definition of securities

The starting point for classification as a security within the meaning of the Prospectus Regulation and the WpPG and hence a potential requirement to issue a prospectus under the Prospectus Regulation or the WpPG is the definition of securities under Article 2(a) of the Prospectus Regulation and section 2 no. 1 of the WpPG. This definition of securities refers to the definition in point (44) of Article 4(1) of Directive 2014/65/EU (MiFID II) and, like the definition of securities in the WpHG, must also be construed largely in the same way (except for certain money market instruments). Based on the definition in MiFID II, all of the following criteria must be met for crypto tokens to be classified as securities as defined in Article 2(a) of the Prospectus Regulation and section 2 no. 1 of the WpPG: transferability, negotiability on the financial markets and the embodiment of rights similar to securities in the token (see below for more specific remarks as well as the BaFin advisory letter of 20 February 2018 (reference number: WA 11-QB 4100-2017/0010)). These are the elements that constitute the definition of securities under supervisory law that is the sole deciding factor for the assessment of tokens under capital markets law.

For the supervisory classification of a token by BaFin, it is not important whether the token is a financial instrument governed by the KWG (e.g. a unit of account as defined in section 1 (11) sentence 1 no. 7 of the KWG). Financial instruments as defined by the KWG are not automatically securities within the meaning of the Prospectus Regulation or the WpPG, where they are therefore treated differently than under the KWG. Conversely, not all tokens should be regarded as financial instruments under the KWG.

BaFin’s administrative practice relating to the “tokenisation” of assets should also be noted in this context: generally speaking, traditional investment products under the VermAnlG are not classified as securities under the Prospectus Regulation, the WpPG and the WpHG. They are not comparable with securities where transferability, standardisation and negotiability (eligibility for trading on the capital markets) are concerned. However, blockchain technology is resulting in crucial changes.

If an instrument that is configured in substance like an investment product under section 1 (2) of the VermAnlG is digitalised in the form of a freely transferable token that is negotiable on the financial markets, this is ultimately not a capital investment as defined by the VermAnlG, but a security as defined by the Prospectus Regulation and the WpPG, if the instrument conveys rights similar to equities or membership rights or obligations-based claims on assets that are comparable with those of a shareholder or bondholder. Tokens like this constitute a separate type of security (sui generis) because tokenisation makes them into transferable instruments that are negotiable on the financial markets that embody rights similar to securities and must therefore be classified as securities.

This administrative practice applies in particular to shares that grant the right to participate in the profit of a company, participation rights or registered bonds. Up to now, those instruments fell under the VermAnlG and not under the WpPG because they were not negotiable on the financial markets. If these instruments are not digitalised in the form of a freely transferable token that is negotiable on the financial markets, it is expected that they will continue to be classified as an investment product within the meaning of the VermAnlG.
A consequence of this practice is that, as the law is currently construed, the VermAnlG is less important when it comes to tokens than the Prospectus Regulation and the WpPG. The comments in the following therefore focus on potential obligations under the Prospectus Regulation and the WpPG.

As already mentioned in BaFin’s advisory letter of 20 February 2018 (reference number: WA 11-QB 4100-2017/0010), the starting point for affirming the definition of securities in the Prospectus Regulation and the WpPG is their transferability, their negotiability on the financial markets and their terms conveying rights similar to securities.

**Transferability:** Transferability can be assumed if the token can be transferred to other users (without any changes in its legal and/or technical substance). This is the case for the vast majority of the token standards existing on the market (e.g. ERC-20).

**Negotiability on the financial markets:** Negotiability in respect of tokens describes a minimum level of standardisation, and hence the properties of the tokens featuring the same rights. The tokens must be comparable with each other in the sense of a “class”. In addition, online crypto trading platforms may meet the definition of a financial market.

By contrast, securitisation is not necessary for the supervisory definition of securities used by BaFin. Rather, it is sufficient if the holder of the token and the rights embodied in the token can be documented, for example by means of distributed ledger or blockchain technology, or through comparable technologies.

**Rights similar to securities:** A token embodies rights similar to securities in any event if the token conveys to its holder an equity interest comparable to that of a shareholder or an interest in debt comparable to a bondholder. To make the token comparable with a security as defined in the Prospectus Regulation and the WpPG, it must therefore convey either investment or membership rights. One needs to bear in mind that the definition of debt-bond is narrower for the purposes of supervisory law than it is in civil law. In civil law, debt-bonds are regulated in sec. 793 of the German Civil Code (Bürgerliches Gesetzbuch – BGB) (Rights under a bearer bond). According to this, any performance in the sense of sec. 241 (1) BGB can be a suitable subject of a promise under sec. 793 BGB. Not all instruments, which constitute debt-bonds under German Civil law, qualify as securities or financial instruments for the purposes of supervisory regulation. Under supervisory law, debt-bonds are transferable and negotiable claims under the law of obligations, which have an investment-like content. Investment rights in this sense can be assumed, if there is repayment of investments when the token expires or periodic payments pegged to token-holdership. Membership rights may apply if the token conveys rights comparable with a dividend payment (including in the form of other, additional tokens) or the token can be used to exercise an influence on the companies connected with the ICOs.

However, it should be expressly noted that the assessment made by BaFin relates only to the classification of the securities in the context of supervisory law under the requirements of the Prospectus Regulation and the WpPG. Over and above that, the issuer is under an obligation to address any legal requirements that may arise from this for the security in question on the basis of the value, transfer and trading chain (e.g. custody under the Safe Custody Act (Depotgesetz – DepotG), clearing and settlement). This applies equally to the interaction of the issuer with other market participants and with intermediaries.

cc) Public offering in Germany
A public offering of securities is defined in Article 2(d) of the Prospectus Regulation (including in conjunction with section 2 no. 2 of the WpPG) as “a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe for those securities. This definition also applies to the placing of securities through financial intermediaries.”

If the public offering takes place in Germany, it falls under BaFin’s competency. A public offering takes place in Germany if it is designed to address investors resident in the Federal Republic of Germany. There is a general presumption that this is the case if the offering is accessible in Germany. The connection between a public offering and Germany can be inferred from indications on a case-by-case basis, although an assessment of the overall picture of the fact pattern will always be necessary.

In the case of an online public offering that can be accessed without restriction, this means that the worldwide public is being addressed, with the result that it is subject to a prospectus requirement in Germany.

Even if there is no connection to Germany, foreign laws for which foreign authorities are responsible may trigger a prospectus requirement.

d) Additional information on potential authorisation requirements under the KWG, ZAG or KAGB

aa) Issuing tokens

For the issuer, the initial issuance of crypto tokens can in itself trigger authorisation requirements. If there is any advance advertising for the issuance, that can also already be subject to an authorisation requirement. The following comments on potentially implemented scenarios are not exhaustive, but only address common questions resulting from past experience. In particular, it is normally necessary to perform a comprehensive examination of each case in order to be able to assess potential authorisation requirements.

(1) Deposit business

There may be an authorisation requirement under the KWG in the first instance if the issuer also offers its tokens against legal tender and gives the buyers an unconditional repayment right. This would be the case, for example, if the issuer promises to buy back the tokens later at no lower than the issue price. In this case, the sale of the tokens could already be classified as conduct of deposit business as defined in section 1 (1) sentence 2 no. 1 of the KWG, for which authorisation under section 32 (1) of the KWG is necessary; further details are contained in the “Deposit business” Guidance Notice, which can be downloaded from BaFin’s website.

(2) E-money business

Depending on how the tokens are configured, issuing them directly to investors may satisfy the criteria for classification as e-money business in accordance with section 1 (2) sentence 2 of the ZAG. This will be the case, for instance, if the tokens are also issued against legal tender such as euros or dollars, they convey a claim against the issuer, in other words they will be taken back by the issuer or exchanged again against legal
tender, and are accepted by third parties for payment. The issuer of such tokens would conduct e-money business and require authorisation from BaFin under section 11 of the ZAG to issue the tokens (further details about e-money business are contained in the "Guidance on the Payment Services Supervision Act (Zahlungsdiensteaufsichtsgesetz – ZAG)", which can also be downloaded from BaFin’s website). By contrast, tokens that are issued exclusively against virtual currencies such as ether or bitcoin do not fall within the scope of the ZAG. They are not classified as e-money and therefore do not lead to any authorisation requirement for the issuer under the ZAG.

(3) Investment business

Issuing tokens may also trigger authorisation requirements under the KAGB. This may be the case, for example, if the issuer of the tokens promises the collective investment of the funds collected in an ICO or virtual currencies in accordance with a defined investment strategy, and the holders of the tokens participate in the profit and loss of this investment activity, for example by means of subsequent distributions or repurchase by the issuer. In this case, the issuer could be the operator of an asset management company. Such an activity would only be allowed following prior registration or with authorisation by BaFin (section 44 (1) sentence 1 no. 1 and section 20 (1) of the KAGB). Further details can be found in the interpretive letter on the “Scope of the KAGB and the definition of an investment fund”, which can be downloaded from BaFin’s website.

(4) Financial services

The creation and initial offering of crypto tokens by the issuer do not normally constitute financial services as defined in section 1 (1a) sentence 2 of the KWG. Directly issuing tokens to investors without involving third parties does not require any authorisation by BaFin, even if the tokens are financial instruments as defined in the KWG. However, there may still be a requirement to issue a prospectus under the conditions described above.

(5) Conclusion

To sum up, it can be stated that the issuance of crypto tokens that only entitle the holder to acquire a product or to use a service of the issuer, that do not provide for any returns to the acquirer and that are only issued against virtual currencies is not subject to an authorisation requirement.

bb) Token-related services

As described above, transactions may be subject to an authorisation requirement not only in the course of issuing tokens, but also in the case of downstream activities.

(1) Classification as a financial instrument

A condition for this would be that the tokens relating to the activity are financial instruments as defined in section 1 (11) sentence 1 of the KWG. Crypto tokens are not defined as a separate category in the KWG, but based on a technology-neutral interpretation, they may be covered by one of the categories individually listed in section 1 (11) sentence 1 of the KWG. In the same way as any prospectus requirement, the
question of whether this applies will be decided on a case-by-case basis, and will depend on the legal structure of the tokens.

Previous practice in this area has shown that pure-play utility tokens will not normally be classified as financial instruments under the KWG. As a rule, such tokens do not convey any right to distributions or other financial benefits paid by the issuer, they do not convey any voting rights and they are not designed to be a means of payment. Their application is restricted to use as a voucher for prepaid goods or services of the issuer.

By contrast, payment tokens normally constitute financial instruments in the form of units of account in accordance with section 1 (11) sentence 1 no. 7 of the KWG. Classification as a payment token does not require the token to be recorded in its own blockchain; a token that is based on an existing blockchain such as Ethereum can be a payment token. Nor does the scale of the goods or services offering that can already be acquired using the token at the date of the initial offering play any role. It is sufficient if the tokens can be easily transferred between the users and, in accordance with the issuer's plans, they are intended to function as a means of payment between a large number of involved parties.

Tokens that embody claims to payments similar to dividends or comparable contractual claims against the issuer, and that are interchangeable and negotiable, are normally likely to be classified as financial instruments in the form of debt securities in accordance with section 1 (11) sentence 1 no. 3 of the KWG.

(2) Possible scenarios for which authorisation is required

If the tokens are financial instruments as defined in section 1 (11) sentence 1 of the KWG, subsequent trading on the secondary market may, depending on their features, be subject to an authorisation requirement as banking business, for example as principal broking services (section 1 (1) sentence 2 no. 4 of the KWG) or underwriting business (section 1 (1) sentence 2 no. 10 of the KWG), or as a financial service, in particular as investment broking, investment advice, operation of a multilateral or organised trading facility, placement business, contract broking, portfolio management, proprietary trading or asset management (section 1 (1a) sentence 2 nos. 1 to 4 and 11 of the KWG). These scenarios apply in exactly the same way to crypto tokens that are classified as financial instruments as they do to traditional financial instruments.

Further details about the banking business and financial services described above can also be found in the corresponding BaFin Guidance Notices, which can be downloaded from BaFin's website at www.bafin.de.

If such activities subject to an authorisation requirement are offered by third parties, the issuer may be included in them and hence itself become the addressee of supervisory measures if the conditions set out in section 37 (1) sentence 4 of the KWG are met. This would be the case, for example, if the operator of a multilateral trading facility that is not licensed or notified in Germany and on which the tokens are listed actively refers customers or settles corresponding transactions for the trading facility.

e) Consequences of public offerings that violate prospectus requirements or of conducting business subject to an authorisation requirement without authorisation
Issuers – or their legal representatives – are often not aware that BaFin has the right to prohibit a public offering and launch administrative offence proceedings if an offering commences before BaFin’s final decision regarding the classification of the tokens, and it emerges that a prospectus would have been required. In such cases, there is also a risk of liability to the investors under private law on the basis of a public offering without a prospectus.

In all of the supervisory laws referred to above, conducting business subject to an authorisation requirement without corresponding authorisation constitutes a punishable offence (section 54 (1) no. 2 of the KWG, section 339 of the KAGB, section 63 (1) nos. 4 and 5 of the ZAG). In addition, BaFin can take action directly against the operator and, for example, enforce the discontinuation of the business being conducted through administrative sanctions as well as making public the measures it has taken.

**Annex I: Minimum information required for ICO inquiries and associated examinations by BaFin**

BaFin regards the following information as essential for safeguarding transparency and investor protection as part of a best practice approach. This also corresponds to the practice of other supervisory authorities.

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<th>General information</th>
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<tr>
<td>Name of the project</td>
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<td>Information about the project operator, the issuer and, if applicable, provider (in particular the company law structure and/or group structure, persons involved etc.)</td>
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<td>Formal information about the project operator, issuer and, if applicable, provider (registered office, registered name, address, email address, website etc.)</td>
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<td>Links/activities to/in other countries/financial markets? Including any and all supervisory licences/authorisations of the persons/companies involved</td>
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<th>Description of the business project</th>
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<td>Description of the business model (in particular the parts describing revenue and profit generation, the legal situation within the company, if possible with a graphical depiction)</td>
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<td>Which investor group is the project aimed at (including any restrictions)?</td>
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<td>Expected timeline and framework of the planned ICO?</td>
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<td>Disclose the planned total volume of the funds to be raised and describe the plans for using the funds</td>
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<th>Description of the token</th>
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<td>Token standard and other technical features of the token, in particular underlying technologies</td>
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<td>Question</td>
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<td>Which legal tender/cryptocurrencies can be used to acquire the token (including the planned conversion rate)?</td>
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<td>Functions of the token – in particular planned use of the token</td>
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<td>Rights associated with the token (detailed description)</td>
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<td>In particular any membership/investment rights</td>
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<td>Plans for a buy-back mechanism?</td>
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<td>Plans for burning/deflation mechanisms?</td>
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<td><strong>Other</strong></td>
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<td>Plans to launch or use trading platforms? If so, which? Disclose registered office, registered name, address, email address, website etc.</td>
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<td>Detailed description of the token’s transferability and negotiability</td>
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<td>Classification of the token as a financial instrument or security, or as an investment product (&quot;self-assessment&quot;) and legal substantiation for this assessment</td>
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