

**Quantoz Payments B.V.**

**USDQ White Paper**

(Articles 51 to 53 of [MiCA regulation](#))

This white paper was notified to *De Autoriteit Financiële Markten (AFM)* on October 10<sup>th</sup>, 2024.

Nr.	Field	Content
I.00	Table of content	<p>I.01 – Date of notification</p> <p>I.02 – Statement in accordance with Article 51(3) of Regulation (EU) 2023/1114</p> <p>I.03 – Compliance statement in accordance with Article 51(5) of Regulation (EU) 2023/1114</p> <p>I.04 – Warning in accordance with Article 51(4), points (a) and (b) of Regulation (EU) 2023/1114</p> <p><b>EXECUTIVE SUMMARY</b></p> <p>I.05 – Warning in accordance with Article 51(6), second subparagraph of Regulation (EU) 2023/1114s</p> <p>I.06 – Characteristics of the crypto-asset</p> <p>I.07 – Right of redemption</p> <p>I.08 – Key information about the offer and or admission to trading</p> <p><b>PART F - RISKS</b></p> <p>F.1 – Issuer-Related Risks</p>

F.2 – Token-Related Risks

F.3 – Technology-Related Risks

F.4 – Mitigation measures

**PART A - INFORMATION ABOUT THE ISSUER OF THE E-MONEY TOKEN**

A.1 – Statutory Name

A.2 – Trading Name

A.3 – Legal form

A.4 – Registered Address

A.5 – Head office

A.6 – Registration Date

A.7 – Legal entity identifier

A.8 – Company Registration Number

A.9 – Contact telephone number

A.10 – E-mail address

A.11 – Response Time (days)

A.12 – Parent Company

A.13 – Members of the management body

A.14 – Business Activity

		<p>A.15 – Parent Company Business Activity</p> <p>A.16 – Conflicts of Interest Disclosure</p> <p>A.17 – Issuance of other crypto-assets</p> <p>A.18 – Activities related to other crypto-assets</p> <p>A.19 – Connection between the Issuer and the entity running the DLT</p> <p>A. 20 – Description of the connection between the Issuer and the entity running the DLT</p> <p>A.21 – Newly Established</p> <p>A.22 – Financial conditions for the past three years</p> <p>A.23 – Financial conditions since registration</p> <p>A.24 – Exemption from authorization</p> <p>A.25 – E-money Token Authorisation</p> <p>A.26 – Authorisation Authority</p> <p>A.27 – Persons other than the issuer offering to the public or seeking admission to trading of the e-money token according to Article 51(1), second subparagraph of Regulation (EU) 2023/1114</p> <p>A.28 – Reason for offering to the public or seeking admission to trading of the e-money token by persons referred to in Article 51(1), second subparagraph of Regulation (EU) 2023/1114</p> <p><b>PART B - INFORMATION ABOUT THE E-MONEY TOKEN</b></p> <p>B.1 – Name</p> <p>B.2 – Abbreviation</p>
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		<p>B.3 – Details of all natural or legal persons involved in design and development</p> <p>B.4 – Type of white paper</p> <p>B.5 – The type of submission</p> <p>B.6 – Crypto-Asset Characteristics</p> <p>B.7 – Website of the Issuer</p> <p>B.8 – Starting date of offer to the public or admission to trading</p> <p>B.9 – Publication date</p> <p>B.10 – Any other services provided by the Issuer</p> <p>B.11 – Identifier of operator of the trading program</p> <p>B.12 – Language or languages of the white paper</p> <p>B.13 – Digital Token Identifier Code</p> <p>B.14 – Functionally Fungible Group Digital Token Identifier</p> <p>B.15 – Personal data flag</p> <p>B.16 – LEI eligibility</p> <p>B.17 – Home Member state</p> <p>B.18 – Host Member states</p> <p><b>PART C - INFORMATION ABOUT THE OFFER TO THE PUBLIC OF THE E-MONEY TOKEN OR ITS ADMISSION TO TRADING</b></p> <p>C.1 – Public Offering or Trading</p>
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		<p>C.2 – Number of units</p> <p>C.3 – Trading Platforms</p> <p>C.4 – Trading Platforms Market Identifier Code (MIC)</p> <p>C.5 – Applicable law</p> <p>C.6 – Competent court</p> <p><b>PART D - INFORMATION ON THE RIGHTS AND OBLIGATIONS ATTACHED TO E-MONEY TOKENS</b></p> <p>D.1 – Holder’s rights and Obligations</p> <p>D.2 – Conditions of modifications of rights and obligations</p> <p>D.3 – Description of the rights of the holders</p> <p>D.4 – Rights in implementation of recovery plan</p> <p>D.5 – Rights in implementation of redemption plan</p> <p>D.6 – Complaint Submission Contact</p> <p>D.7 – Complaints Handling Procedures</p> <p>D.8 – Dispute Resolution Mechanism</p> <p>D.9 – Token Value Protection Schemes</p> <p>D.10 – Token Value Protection Schemes Description</p> <p>D.11 – Compensation Schemes</p> <p>D.12 – Compensation Schemes Description</p>
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		<p>D.13 – Applicable law</p> <p>D.14 – Competent court</p> <p><b>PART E - INFORMATION ON THE UNDERLYING TECHNOLOGY</b></p> <p>E.1 – Distributed ledger technology</p> <p>E.2 – Protocols and technical standards</p> <p>E.3 – Technology Used</p> <p>E.4 – Purchaser’s technical requirements</p> <p>E.5 – Consensus Mechanism</p> <p>E.6 – Incentive Mechanisms and Applicable Fees</p> <p>E.7 – Use of own Distributed Ledger Technology</p> <p>E.8 – DLT Functionality Description</p> <p>E.9 – Audit</p> <p>E.10 – Audit outcome</p> <p><b>PART G - INFORMATION ON THE SUSTAINABILITY INDICATORS IN RELATION TO ADVERSE IMPACT ON THE CLIMATE AND OTHER ENVIRONMENT-RELATED ADVERSE IMPACTS</b></p> <p>G.1 – Adverse impacts on climate and other environment-related adverse impacts.</p>
I.01	Date of notification	2024-10-01. This white paper was notified to <i>De Autoriteit Financiële Markten (AFM)</i> on October 10, 2024.

I.02	Regulation (EU) 2023/1114	This e-money token (" <b>EMT</b> ") white paper (" <b>White Paper</b> ") has not been approved by any competent authority in any Member State of the European Union (" <b>EU</b> "). The issuer of the crypto-asset is solely responsible for the content of this White Paper.
I.03	Compliance statement in accordance with Article 51(5) of Regulation (EU) 2023/1114	This White Paper complies with Title IV of Regulation (EU) 2023/1114 and to the best of the knowledge of the management body, the information presented in the White Paper is fair, clear and not misleading and the White Paper makes no omission likely to affect its import.
I.04	Warning in accordance with Article 51(4), points (a) and (b) of Regulation (EU) 2023/1114	The e-money token USDQ (" <b>USDQ</b> ") issued by Quantoz Payments B.V. (" <b>Quantoz Payments</b> ") is not covered by the investor compensation schemes under Directive 97/9/EC. USDQ is not covered by the deposit guarantee schemes under Directive 2014/49/EU.

	<b>Executive Summary</b>	
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I.05	Warning in accordance with Article 51(6), second subparagraph of Regulation (EU) 2023/1114s	<p>This executive summary should be read as an introduction to the White Paper.</p> <p>The prospective holder should base any decision to purchase USDQ on the content of the White Paper as a whole and not on this summary alone.</p> <p>The offer to the public of USDQ does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law.</p> <p>This White Paper does not constitute a prospectus as referred to in Regulation (EU)</p>
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		2017/1129 of the European Parliament and of the Council (36) or any other offer document pursuant to EU or national law.
I.06	Characteristics of the crypto-asset	<p>USDQ is a United States (US) dollar-backed stablecoin issued by Quantoz Payments. It is classified as both electronic money and an electronic money token, designed to maintain a stable value equivalent to the US dollar. This stability is achieved through a pegging mechanism, with each USDQ token fully backed by an equivalent of one (1) US dollar fiat reserve. To ensure that the funds are segregated from Quantoz Payments' assets, the funds are held by Stichting Quantoz (hereafter Quantoz Foundation), a bankruptcy remote setup which will ensure that customer funds are fully protected from any potential liquidation of Quantoz Payments. Both Quantoz Payments and Quantoz Foundation are prudentially supervised by the Dutch Central Bank ("<b>DNB</b>"), subject to the EMI license of Quantoz Payments.</p> <p>USDQ will be issued as an ERC-20 token on the Ethereum ("<b>ETH</b>") Blockchain, ensuring broad compatibility with various wallets and exchanges and will be pegged to the US Dollar on a 1:1 basis.</p>
I.07	Right of redemption	<p>Registered holders of the USDQ e-money tokens, resident in the EEA, have the right of redemption at any time and at par value, under the conditions that the holder signed up to create an USDQ account with Quantoz Payments ("<b>USDQ Account Holder</b>") and provided valid KYC/AML and bank details.</p> <p>Registered USDQ Account Holders must submit their redemption requests directly to Quantoz Payments via email or other agreed communication channel. Quantoz Payments will acknowledge receipt of the redemption request within two (2) business days, contingent on the completion of compliance checks. Once confirmed, USDQ Account Holders should initiate a transfer of USDQ to the public address managed by Quantoz Payments. Quantoz Payments will send the corresponding amount in US dollars to the</p>



		<p>USDQ Account Holder's bank account, within two business days after receipt of USDQ on the public address.</p> <p>Holders of USDQ tokens who do not have an USDQ account with Quantoz Payments or are not resident in the EEA, can exchange their USDQ tokens for fiat US dollars via third parties offering USDQ to the public ("<b>Partners</b>"), listed in Section D.1 "Holder's rights and Obligations".</p>
I.08	Key information about the offer and/ or admission to trading	<p>USDQ is an e-money token (EMT) issued exclusively by Quantoz Payments.</p> <p>USDQ is issued on the Ethereum network. In the future, USDQ may be issued on other networks.</p> <p>There is no limit to the total amount of USDQ available for public offering, ensuring flexibility in supply. The issue price of USDQ will always maintain a 1:1 parity with the US dollar, meaning that each USDQ token is issued to, or redeemed by, USDQ Account Holders for exactly one US dollar. Quantoz Payments has set a minimum funding threshold of 100,000 US dollars to purchase USDQ.</p> <p>Information on all current third parties ("Partners") offering USDQ to the public, as well as any future authorizations or trading admissions of USDQ, will be made available on this page of the Quantoz Payments website: <a href="https://quantozpay.com/ThirdParties">https://quantozpay.com/ThirdParties</a></p> <p>Before purchasing USDQ from any source, Quantoz Payments strongly recommends prospective purchasers to visit the Quantoz Payments website to verify that the entity offering USDQ is a partner. If USDQ is purchased from sources not listed on this page, Quantoz Payments cannot guarantee the legitimacy or reliability of those providers.</p> <p>This white paper will be updated as necessary to reflect any material developments.</p>

	<b>PART F - INFORMATION ON THE RISKS</b>	
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F.1	Issuer-Related Risks	<p><b>Regulatory Risk</b></p> <p>The legal and regulatory landscape surrounding e-money tokens is still evolving, potentially subjecting customers to uncertain or fluctuating rules and requirements. To mitigate this risk, Quantoz Payments is committed to maintaining transparent communication with relevant regulatory authorities and advisors, seeking guidance and clarification on evolving regulations. By closely monitoring regulatory changes, Quantoz Payments can stay informed about any new rules or requirements that may impact its operations. In addition, there is also a risk of potential regulatory arbitrage, wherein competitors may exploit differences in regulatory requirements across jurisdictions to gain a competitive advantage. This could pose challenges for Quantoz Payments in terms of maintaining a level playing field. To address this risk, Quantoz Payments will closely monitor regulatory developments in various jurisdictions and proactively engage with regulatory authorities to ensure compliance with the current regulations. Quantoz Payments will assess the regulatory frameworks to identify any potential gaps or inconsistencies that could be exploited by competitors and will take appropriate measures to mitigate such risks. Quantoz Payments engages reputable independent legal counsel to seek advice and ensure continued compliance with applicable regulations.</p> <p><b>Conflict of Interest risk</b></p> <p>In addition to USDQ, Quantoz Payments issues two other electronic money tokens, EURD and EURQ, which may lead to potential conflicts of interest between the tokens. The introduction of more e-money tokens in the future could further amplify these risks. To address this, Quantoz Payments must ensure careful management and balance of its commitments, so that the interests of each token holder are fairly represented.</p>
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		<p><b>Bankruptcy risk</b></p> <p>Although the risk is very small given that Quantoz Payments and the financial partners it works with are supervised by DNB and meet strict prudential requirements, Quantoz Payments could go bankrupt, or face problems if one of its partner banks goes bankrupt. The management team runs the company in a professional manner, acts honestly and fairly and is assessed by the supervisory board and has implemented procedure to monitor financial performance of the company and its financial partners.</p> <p><b>Treasury Risk</b></p> <p>Treasury risk encompasses the potential for adverse financial impacts resulting from fluctuations in interest rates, foreign exchange rates, credit spreads, and other financial variables. For e-money issuers, treasury risk primarily relates to the management of their asset portfolios and exposure to various financial instruments. Given that Quantoz Payments is required to comply with MiCAR requirements regarding the safeguarding of funds received in exchange for e-money tokens, Quantoz Payments may only invest in secure, low-risk assets that qualify as highly liquid financial instruments with minimal market risk, credit risk and concentration risk and denominated in US dollars. However, for instance, fluctuations in interest rates could impact the value of such financial instruments (including bonds), potentially resulting in situations where instruments will be sold at a loss. This risk is particularly pertinent during scenarios like a bank run, where customers seek to liquidate all of their USDQ simultaneously. In such instances, Quantoz Payments may be forced to liquidate the relevant assets at a loss or temporarily set daily redemption limits.</p> <p><b>Reputation Risk</b></p> <p>There exists the potential for negative public perception or a loss of trust in Quantoz Payments or USDQ itself, which could adversely affect its reputation and credibility. To mitigate this risk, Quantoz Payments maintains a robust governance framework and adheres to high ethical standards across all aspects of its business operations. This</p>
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		<p>includes a commitment to transparency and full compliance with all relevant regulations, ensuring accountability and trustworthiness in its practices. Quantoz Payments engages reputable third-party auditors to conduct regular audits, verifying its adherence to industry standards and best practices. This not only adds credibility to the Issuer but also enhances its reputation in the eyes of stakeholders. Furthermore, Quantoz Payments recognizes the inherent risks associated with conducting business with customers or third parties engaged in money laundering or corrupt practices. Such associations can significantly damage Quantoz Payments' reputation and credibility. To mitigate this risk effectively, Quantoz Payments has implemented rigorous Know Your Customer (KYC) and Anti-Money Laundering (AML) rules and practices.</p> <p><b>Compliance Risk</b></p> <p>In the context of banking and financial services, compliance risk encompasses various regulatory requirements related to anti-money laundering (AML), know-your-customer (KYC) rules, counter terrorism financing (CTF), consumer protection laws, data privacy regulations, and other applicable statutes. To mitigate compliance risk, Quantoz Payments implements robust compliance programs, including regular monitoring, risk assessments, and the establishment of effective control mechanisms. Additionally, maintaining open communication with regulators, staying abreast of regulatory developments, and conducting periodic compliance audits are essential components of managing compliance risk effectively. When using public blockchains each transaction on a new block requires a small transaction fee in the native blockchain currency. The fees are collected by the mining/validator nodes. Based on the used decentralized protocol, in theory the mining of a new block could be done by a sanctioned entity. In that case these transaction fees are paid to a sanctioned entity.</p> <p><b>Counterparty Risk</b></p> <p>Counterparty risk refers to the risk that one party in a financial transaction may default or fail to fulfil their obligations, leading to financial losses for the other party. If Quantoz Payments would become insolvent, the USDQ backed fiat currency remains available in</p>
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	<p>Quantoz Foundation. The Quantoz Foundation is exposed to banking risk for the fiat US dollars deposits held on the bank, wherein its operations rely on the bank's ability to meet its obligations. To mitigate such risk, the Issuer has accounts with multiple banks and conducts regular audits and thorough due diligence of its counterparties to assess their financial stability and risk profiles, ensuring engagement only with reliable and trustworthy entities. Professional legal advisors are also engaged to establish or review contractual agreements with counterparties, clearly outlining terms, conditions, and dispute resolution mechanisms in case of defaults or insolvencies. These measures form part of a comprehensive risk management framework established to identify, monitor, and mitigate counterparty risk, including the development of contingency plans for potential defaults or insolvencies.</p> <p><b>Third party Risk</b></p> <p>Quantoz Payments relies on various external service providers, such as banks, to perform essential functions like safeguarding assets and facilitating settlements. This reliance means that if these third parties encounter issues, it could directly impact Quantoz Payments ability to operate effectively.</p> <p>Potential Issues: If a third-party service provider fails to deliver its services (e.g., due to technical problems, insolvency, or regulatory issues), this could hinder Quantoz Payments ability to issue, manage, or redeem USDQ. This creates a vulnerability where Quantoz Payments operations are contingent on the performance of others.</p> <p>Lack of Control Over Third Parties: Third parties can choose to support USDQ on their platforms without any authorization from Quantoz Payments. This means that Quantoz Payments has no control over how USDQ is managed or represented by these external platforms.</p> <p>No Endorsement: Just because a third party supports USDQ does not mean Quantoz Payments endorses that platform. This lack of endorsement indicates that Quantoz</p>
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		<p>Payments does not guarantee the legality, stability, or suitability of services provided by these third parties.</p> <p>Liability Disclaimer: Quantoz Payments explicitly states that it is not responsible for any losses or problems Holders may encounter when using USDQ on platforms that are not directly managed by Quantoz Payments. This disclaimer limits Quantoz Payments liability concerning any issues arising from third-party interactions.</p> <p><b>Market Risk</b></p> <p>Regarding investments (excluding the fiat reserves of at least 30% which are held with credit institutions), their value may vary according to market conditions. As a result, there is a possibility that the 1:1 coverage may no longer be assured. USDQ reserves may consist of assets that are not guaranteed to be readily realisable, including certain short-term financial assets. Consequently, if there is an unusually high demand for USDQ redemptions, Quantoz Payments may not be able to meet all redemption requests within the timeframe set out in the Redemption Policy.</p> <p><b>Technology Risk</b></p> <p>The technology behind USDQ, including smart contracts and blockchain networks, might be exposed to potential vulnerabilities and cyber threats. While independent audits have validated the security of these systems, unforeseen vulnerabilities or cyber-attacks could still pose risks to USDQ's integrity. Quantoz Payments conducts regular security audits, continuously monitors for vulnerabilities, and utilizes advanced cybersecurity measures to safeguard the system.</p> <p><b>Risk of privacy/GDPR breach</b></p> <p>Personal data of Quantoz Payments customers may be leaked or stolen due to a security breach.</p> <p><b>Operational Risk</b></p>
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		<p>Quantoz Payments' efficient operation depends on strong internal processes and systems. Failures or disruptions, such as human errors, system breakdowns, or insufficient internal controls, could negatively impact the issuance and redemption of USDQ tokens. Mitigation strategies include regular audits, comprehensive employee training programs, and the deployment of advanced internal control systems.</p> <p><b>Environmental, Social, and Governance (ESG) Risk</b></p> <p>With the growing global focus on ESG factors, failing to uphold sustainable and ethical practices could harm Quantoz Payments' reputation and operations. This encompasses the environmental impact of blockchain activities, social responsibility, and governance standards. To address these risks, Quantoz Payments will adopt sustainable business practices, maintain transparency in governance, and actively engage in social responsibility initiatives.</p>
F.2	Token-Related Risks	<p><b>Liquidity Risk</b></p> <p>Liquidity risk refers to the possibility that an e-money issuer may encounter difficulties in meeting its short-term financial obligations due to a lack of sufficient liquid assets or marketability of its assets. For an e-money issuer, liquidity risk primarily arises from the need to fulfil redemption requests from customers who want to convert their e-money tokens back into fiat currency. As Quantoz Payments holds the backed e-money in assets like US dollar-backed bonds, in addition to funds that are deposited in separate accounts in credit institutions (amounting to at least 30% of the funds received, as required by MiCAR), there may be challenges in quickly liquidating these bonds to fulfil withdrawal requests from customers simultaneously. However, US dollar based government bonds are typically highly liquid and can be sold swiftly in active markets.</p> <p><b>Risk of Under-Collateralisation</b></p> <p>The Risk of Under-Collateralisation refers to the possibility that the assets backing USDQ become insufficient to meet redemption obligations when the reserves intended to</p>

support its value fall below the total amount issued and in circulation. This situation may arise due to factors such as fraud, where malicious activities like embezzlement or financial manipulation lead to improper reporting or depletion of reserves, and mismanagement, where poor financial practices by Quantoz Payments or its third-party providers result in inadequate oversight of the backing assets. If the market perceives that Quantoz Payments might fail to redeem USDQ at its promised value, it could trigger a loss of confidence, causing the market value of USDQ to drop significantly and creating a disparity between its issued value and trading price. Ultimately, insufficient collateral could prevent Quantoz Payments from redeeming USDQ holders at the promised rate or within a reasonable timeframe, resulting in dissatisfaction and eroded trust among users.

#### **Technological Risk**

Any technical issues, vulnerabilities, or failures in the Ethereum blockchain network could affect the functionality and transferability of USDQ tokens. Additionally, smart contract vulnerabilities could lead to security breaches or malfunctioning of USDQ operations. Quantoz Payments performs regular audits and security reviews of the smart contracts and continuously monitors of the Ethereum network.

#### **Market Risk**

USDQ value and demand may be affected by overall market conditions, such as fluctuations in the cryptocurrency market, shifts in investor sentiment, and macroeconomic factors. The market value of USDQ on the secondary market might not be stable compared to the US Dollar. These dynamics may affect the liquidity and stability of USDQ.

#### **Taxation Risk**

The taxation regime that applies to USDQ transactions will depend on each holder's jurisdiction. Transactions involving USDQ may have tax consequences.

#### **Scam Risks**



		<p>USDQ holders may suffer scam or fraud actions including phishing, identity theft, fake USDQ tokens from malicious actors.</p> <p><b>Smart Contract Risk</b></p> <p>The smart contract is critical for USDQ functionality. Vulnerabilities in a smart contract might lead to security breaches, unauthorized transactions, or loss of tokens and have a negative impact on the market value of USDQ. Quantoz Payments audits and reviews its smart contracts on a regular basis.</p>
F.3	Technology-Related Risks	<p><b>Reliance on third-party infrastructure</b></p> <p>USDQ relies on third-party blockchain networks and service providers to operate. Disruptions, outages, or security breaches in these third-party services could impact USDQ's functionality and security. Forging strong partnerships with reputable third-party providers and developing contingency plans to address potential disruptions mitigates these risks.</p> <p><b>Blockchain Risk</b></p> <p>The most important risk Quantoz Payments is subject to is blockchain risk. Blockchain risk for an e-money issuer refers to the potential challenges, vulnerabilities, and uncertainties associated with utilizing blockchain technology in the issuance, management, and transfer of e-money tokens.</p> <p>The blockchain risk consists of several components:</p> <ul style="list-style-type: none"> <li>• <i>Operational availability:</i> As any technology application a blockchain could experience technical issues that disrupt availability. However, because of the distributed nature (preventing cyberattacks) and strict review process on the source code (preventing software bugs) blockchains in general show a very robust</li> </ul>

availability. In practice blockchain applications are typically more reliable than traditional banking applications (availability >> 99,9%).

- *Ethereum blockchain hack*: Although the risk is very low, a hack of the Ethereum blockchain would lead to a loss of trust in Ethereum. It would also hinder Quantoz Payments' USDQ operations.
- *Discontinuation of service*: Theoretically a public blockchain could lose community support with decreasing development effort and foundation funding, and a decreasing number of validator nodes as result. The public blockchain consensus will no longer be reliable. A possible exit scenario could be to start running the blockchain privately (Quantoz Payments forks the public blockchain and starts running private blockchain nodes).
- *Risk of malicious use of software bugs*: The core code of the blockchain nodes is open source and follows a strict review process before being published for production. At the same time a bug in a blockchain can be very attractive for hackers and there will be continuous attempts to find weaknesses. As a result, blockchain applications are one of the best tested and best reviewed software in existence, and all stakeholders have incentives and means to check, prevent and fix vulnerabilities. Almost all known past blockchain exploits have not been on the core blockchain code, but in smart contract applications running on the core. Quantoz Payments uses an audited and battle-field tested smart contract template for its USDQ e-money token.
- *Risk of blockchain scalability and economics*: Public blockchains have a limitation on the maximum transaction throughput. When a blockchain is very popular it could reach its technical limits. This will result in rising transaction fee costs for getting transactions on the next blockchain block. The Ethereum community has addressed this topic and works on increasing the transaction

processing capacity. Quantoz Payments might decide to offer USDQ on other EVM-compatible blockchains.

- *Loss of keys by Quantoz Payments:* Quantoz Payments has certified security and backup procedures in place. Keys are only accessible by security assigned personnel. Furthermore, Quantoz Payments uses deterministic key generation. Therefore, the original (offline held) seed codes can be used to reconstruct all private keys.
- *Forking Risk:* The Ethereum blockchain might "fork" and the blockchain splits into two separate blockchains with a different consensus. Quantoz Payments will follow the one that is supported by the Ethereum Foundation.
- *Risk of 51% attack:* At all-time a "51%-attack" needs to be prevented where a single entity dominates the validation and can influence the addition (and rejection) of new transactions. This risk is small for the reputational blockchains with a well-established governing foundation, active and diverse user community and substantial transaction volume. In that case all blockchain participants and stakeholders are motivated to support the consensus model. During the last 10 years of blockchain applications no successful 51%-attack on such blockchain is known of.
- *Risk of (continued) use of tokens by blacklisted customers:* The e-money tokens of Quantoz Payments may not be used from blacklisted accounts. Therefore it should be possible for Quantoz Payments to freeze the USDQ tokens on such accounts and preferably also to be able to clawback these tokens to the issuing account of Quantoz Payments itself. To mitigate this risk Quantoz Payments will enable the (un)freeze, blacklisting addresses, and recovery functionality in the USDQ ERC-20 smart contract.

F.4	Mitigation measures	<p>Regarding the different risks identified in Sections F.1, F.2 and F.3, Quantoz Payments implements appropriate measures to mitigate these risks and protect USDQ holders:</p> <p><b>Mitigation measures concerning issuer-related risks</b></p> <ul style="list-style-type: none"> <li>• In the event of Quantoz Payments's bankruptcy, USDQ holders' rights are protected by law, ensuring that USDQ reserves remain untouched by other creditors and will be refunded during bankruptcy proceedings.</li> <li>• The company conducts extensive vendor assessments for third-party service providers per ISO 27001 standards.</li> <li>• Despite market volatility, USDQ redemptions are guaranteed according to the Redemption Policy.</li> <li>• USDQ holders retain their redemption rights even if the company incurs losses, with contingency plans in place for extreme situations.</li> <li>• To combat AML/CFT risks, USDQ issuance to, and redemption from, is limited to known wallets, with the ability to freeze suspicious transactions as per legal requirements.</li> <li>• Quantoz Payments also adheres to GDPR, ensuring the security and integrity of personal data against unauthorized access or damage.</li> </ul> <p><b>Mitigation measures concerning USDQ-related risks</b></p> <ul style="list-style-type: none"> <li>• Quantoz Payments has outlined several key risks associated with the use of USDQ.</li> <li>• To ensure financial stability, our internal procedures aim to maintain reliability under all market conditions.</li> </ul>
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		<ul style="list-style-type: none"> <li>• In cases of under-collateralization, measures from the Quantoz Payments Recovery or Redemption Plan will be implemented to resolve any deficits, potentially by strengthening our capital position.</li> <li>• A Redemption Policy addresses liquidity risks by ensuring prompt redemption, even under extreme demand and unfavourable market conditions.</li> <li>• While Quantoz Payments cannot prevent scams, our terms specify no liability for losses due to fraud, though we can freeze affected USDQ.</li> <li>• Taxation risks are the responsibility of individual USDQ holders, who should seek independent advice, as Quantoz Payments does not provide legal, tax, or accounting guidance.</li> </ul> <p><b>Mitigation measures concerning technology-related risks</b></p> <ul style="list-style-type: none"> <li>• Blockchain related Risks. While risks exist for all blockchain networks, the Ethereum network is the most used Distributed Ledger infrastructure.</li> </ul>
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	<b>PART A - INFORMATION ABOUT THE ISSUER OF THE E-MONEY TOKEN</b>	
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A.1	Statutory Name	Quantoz Payments B.V.
A.2	Trading Name	Quantoz Payments

A.3	Legal form	54M6 - Besloten Vennootschap
A.4	Registered Address	Europalaan 100, 3526 KS Utrecht, The Netherlands
A.5	Head Office	Europalaan 100, 3526 KS Utrecht, The Netherlands
A.6	Registration Date	September 30, 2021
A.7	Legal Entity Identifier	7245008P1HPUPVM7XL94
A.8	Another Identifier	Company Registration Number: 84071745
A.9	Contact telephone number	+31 30 2272621
A.10	Contact email address	contact@quantozpay.com
A.11	Response time (days)	7
A.12	Parent Company	Quantoz N.V., having its registered office located at Europalaan 100, 3526 KS Utrecht, The Netherlands
A.13	Members of the management body	<p>Quantoz Payments has a Board of Directors consisting of four directors being the decision makers for the Company:</p> <p>A. Star Busmann <i>CEO (General Management)</i>  N. Haasnoot, <i>CFRO (, Finance, HR, Legal, Compliance)</i></p>

		<p>H. de Jong, COO (<i>Business Development, Marketing and Sales</i>) G. Hendriks, CTO (<i>Technology, Systems and Operations</i>)</p> <p>Quantoz Payments has installed a Supervisory Board, consisting of two members: one independent expert in the field of payments and related regulations, and one representing the shareholders.</p> <p>R. Berndsen, the independent expert, chairs the Supervisory Board. E. Dekkers, represents the shareholders</p> <p>The Supervisory Board oversees the functioning of Quantoz Payments and its Board of Directors.</p> <p>All members of the Quantoz Payments Management team and the Quantoz Payments shareholders have been non-objected and passed fit &amp; proper assessments by the DNB. The shareholders have DNOs (declarations of no objection) granted by DNB.</p> <p>The business address of the members of the Board of Directors and the members of the Supervisory Board is: Europalaan 100, 3526 KS Utrecht, The Netherlands.</p>
A.14	Business Activity	<p>Quantoz Payments has an E-money license in the EEA with De Nederlandsche Bank (DNB) and issues EMTs under this license, and specializes in developing and delivering secure, efficient, and compliant digital financial solutions, for these EMTs.</p> <p>Every EMT is pegged to one official currency. The funds received by Quantoz Payments in exchange for the e-money tokens are safeguarded in compliance with the relevant requirements under MiCAR article 54. At least 30 % of the funds received are always deposited in separate accounts in credit institutions to meet anticipated redemptions. The remaining funds received are invested in secure, low-risk assets that qualify as highly liquid financial instruments with minimal market risk, credit risk and concentration risk and are denominated in US Dollar.</p>

The funds are safeguarded through a bankruptcy-remote structure in the form of the Quantoz Foundation. Such a structure is common in the Netherlands for electronic money institutions and payment service providers. Reference is made to the DNB register, in which the Quantoz Foundation is mentioned in relation to the registration of Quantoz Payments, with the following explanation: “Stichting Quantoz is as escrow party related to Quantoz Payments and in that matter supervised by De Nederlandsche Bank”.

The European Economic Area is Quantoz Payments’ principal market. The company’s primary revenue-generating activities are derived from the interest generated by the asset-reserves backing the issued EMTs along with offering additional services related to EMTs.

Besides USDQ, Quantoz Payments issues two other electronic money tokens, EURD and EURQ,

EURD is used for Payments. For payment applications, involving payment ecosystems of traditional corporate entities, users of the tokens typically do not touch or own cryptocurrencies and prefer to limit token distribution to whitelisted blockchain accounts only.

The primary goal of EURQ and USDQ is to offer a digital alternative to traditional money that is more efficient, secure, and accessible. Quantoz Payments envisions EURQ and USDQ to have applications ranging from online transactions and cross-border payments to trading liquidity and decentralized finance (DeFi) solutions.

Key customers of Quantoz Payments include financial institutions, Crypto Asset Service Providers, Market Makers, and businesses improving their operations by using regulated programmable EMTs.

By leveraging advanced blockchain technology and robust security measures, Quantoz Payments aims to position itself as a leader in the digital finance sector by being committed to innovation, transparency, and regulatory compliance.



A.15	Parent Company Business Activity	<p>Quantoz N.V. is the holding company for the three entities of the Quantoz group:</p> <p>Quantoz Technology BV employs most of the staff and develops the NEXUS platform, a gateway between fiat money and public and private blockchains. Through NEXUS, Quantoz Technology's partners can manage their custom token ecosystem without the need to deal with the technical aspects.</p> <p>Quantoz Blockchain Services BV operates the blockchain platform NEXUS, developed by Quantoz Technology BV, as a SaaS to third parties. Quantoz Blockchain Services BV facilitates both internal (intragroup) and external partners.</p> <p>Quantoz Payments, issues Electronic Money Tokens under its EMI license with DNB.</p>
A.16	Conflicts of Interest Disclosure	<p>The entities in the Quantoz group are interdependent and reliant on each other, but also have external customers and their own (corporate) responsibilities. Should these relationships have a direct impact on the activities of Quantoz Payments, the impact would be identified, disclosed and managed transparently to avoid any undue influence on operations.</p> <p>Quantoz Payments issues two additional electronic money tokens, EURQ and EURD, which may lead to potential conflicts of interest in terms of resource allocation, marketing focus, and strategic direction between the tokens.</p> <p>In order to describe how Quantoz Payments identifies and manages possible Conflicts of Interest within its organization, a 'Conflicts of Interest Policy' has been adopted. This policy applies to everyone working for, or on behalf of, the Company.</p>
A.17	Issuance of other crypto-assets	<p>Yes. The Company also issues EURQ and EURD, two Euro-backed EMTs within the EEA.</p>

A.18	Activities related to other crypto-assets	Quantoz Payments also provides services related to the issuance of its EURQ and EURD EMTs.																
A.19	Connection between the Issuer and the entity running the DLT	No																
A.20	Description of the connection between the Issuer and the entity running the DLT	No																
A.21	Newly Established	No																
A.22	Financial conditions for the past three years.	<p>Quantoz Payments has consistently maintained a robust and regulatory-compliant reserve. All EMTs issued by Quantoz Payments are fully backed by equivalent reserves held in regulated financial institutions. These reserves are kept separate from Quantoz Payments' own funds to protect the assets of the EMT holders, ensuring their security even in the event of Quantoz Payments' insolvency.</p> <p>Quantoz Payments has maintained capital reserves ensuring robust backing for its organisation. As Quantoz Payments is in early stage, modest starting costs dominated the profit &amp; loss account. The license was granted in October 2023. Before that time revenue was not allowed.</p> <table><tr><td>Year</td><td>2021</td><td>2022</td><td>2023</td></tr><tr><td>Revenue</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Equity (Tier 1 capital)</td><td>502</td><td>430</td><td>592</td></tr><tr><td>Capital requirement</td><td>350</td><td>350</td><td>350</td></tr></table>	Year	2021	2022	2023	Revenue	0	0	0	Equity (Tier 1 capital)	502	430	592	Capital requirement	350	350	350
Year	2021	2022	2023															
Revenue	0	0	0															
Equity (Tier 1 capital)	502	430	592															
Capital requirement	350	350	350															

		<p>All values 1.000 €</p> <p><b>Remarkable events:</b></p> <ul style="list-style-type: none"> <li> <b>2021</b> <p>30th September: Foundation of the company to enable the application for an EMI license.</p> </li> <li> <b>2022</b> <p>Year dedicated to license application</p> <p>Installation of Supervisory Board</p> <p>Engagement of external advisor</p> </li> <li> <b>2023</b> <p>13th October: License granted by the Dutch Central Bank</p> </li> </ul> <p>The company has ample liquidity and sufficient capital resources from its existing shareholders, with financial statements detailing its performance reported to authorities without issues. Quantoz Payments' commitment to transparency, regulatory compliance, and sound financial practices has positioned it well in the digital finance sector, particularly with EMTs. The company focuses on innovation, expansion, financial health, and stakeholder value.</p>
A.23	Financial conditions since registration	N/A
A.24	Exemption from authorisation	No

A.25	E-money Token Authorisation	Electronic Money Institution license (EMI)  License granted: 13 October 2023  License relation number: R186418
A.26	Authorisation Authority	De Nederlandsche Bank (DNB). <i>Dutch Central Bank</i>
A.27	Persons other than the issuer offering to the public or seeking admission to trading of the e-money token according to Article 51(1), second subparagraph of Regulation (EU) 2023/1114	USDQ is made available to the public through third parties (“Partners”). The Quantoz Payments website <a href="https://quantozpay.com/ThirdParties">https://quantozpay.com/ThirdParties</a> displays a current list of MiCAR-compliant third parties that offer one or more EMTs issued by Quantoz Payments.  Before purchasing USDQ from any provider, Quantoz Payments strongly advises potential buyers to verify that the entity offering USDQ is included on this list. This list may change over time.
A.28	Reason for offering to the public or seeking admission to trading of the e-money token by persons referred to in Article 51(1), second subparagraph of Regulation (EU) 2023/1114	Allowing Partners to offer USDQ to the public can expand its availability across multiple platforms, enhancing liquidity and accessibility. This makes it easier for users to buy, sell, and trade USDQ.  Offering USDQ on established platforms also helps build trust and credibility among (potential) users, fostering wider adoption. Moreover, listing USDQ on trading platforms can create new revenue opportunities.

	<b>PART B - INFORMATION ABOUT THE E-MONEY TOKEN</b>	
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B.1	Name	Quantoz USDQ						
B.2	Abbreviation	USDQ						
B.3	Details of all natural or legal persons involved in design and development	<table><tr><td rowspan="2">Legal</td><td>Finnius Advocaten. Jollemanhof 20 A, 1019 GW Amsterdam, The Netherlands</td></tr><tr><td></td></tr><tr><td>Technology</td><td>Quantoz Technology B.V. Europalaan 100, 3526 KS Utrecht, The Netherlands Quantoz Blockchain Services B.V. Europalaan 100, 3526 KS Utrecht, The Netherlands</td></tr></table>		Legal	Finnius Advocaten. Jollemanhof 20 A, 1019 GW Amsterdam, The Netherlands		Technology	Quantoz Technology B.V. Europalaan 100, 3526 KS Utrecht, The Netherlands Quantoz Blockchain Services B.V. Europalaan 100, 3526 KS Utrecht, The Netherlands
Legal	Finnius Advocaten. Jollemanhof 20 A, 1019 GW Amsterdam, The Netherlands							
Technology	Quantoz Technology B.V. Europalaan 100, 3526 KS Utrecht, The Netherlands Quantoz Blockchain Services B.V. Europalaan 100, 3526 KS Utrecht, The Netherlands							
B.3	Partners	<p>Design and development of USDQ was done by subsidiaries of Quantoz NV.</p> <p>The relevant business entities of Quantoz N.V. are:</p> <ul style="list-style-type: none"><li>Quantoz Technology BV, employs most of the staff</li><li>Quantoz Blockchain Services BV, providing the backend platform (“NEXUS”) as a SaaS solution to its partners</li><li>Quantoz Payments BV, issuer of the USDQ and providing a licensed e-money solution</li></ul> <p>All business entities within the Quantoz NV group are ISO 27001 certified.</p>						
B.4	Type of white paper	EMTW (Electronic-Money Token White Paper)						
B.5	The type of submission	NEWT						

B.6	Crypto-Asset Characteristics	<p>USDQ classifies as a crypto-asset under Art. 3(1)(7) of MiCAR, more specifically the category of electronic money tokens or e-money tokens (EMTs).</p> <p>USDQ is a US dollar-backed regulated stablecoin issued by Quantoz Payments. Quantoz Payments is supervised by the Dutch Central Bank. USDQ is fully backed by equivalent reserves in US dollars, managed by the independent Quantoz Foundation and is legally considered as electronic money and as an EMT.</p> <p>USDQ is a digital alternative to traditional money that is more efficient, secure, and accessible. Quantoz Payments envisions EMTs used in applications ranging from online transactions and cross-border payments to trading liquidity and decentralized finance (DeFi) solutions.</p> <p>The tokens are initially issued to primary institutional customers (USDQ Account Holders) and can be further distributed by third parties like Crypto Asset Service Providers (CASPs), that list the token in their trading pairs to users on the secondary market.</p> <p>Quantoz Payments may, at its discretion and without requiring the consent of USDQ holders, mint and issue additional USDQs that carry the same rights as described in this White Paper. These new USDQs will be treated the same as the existing USDQs and will be fully fungible with them immediately upon issuance. The issue price of new USDQ will always maintain a 1:1 parity with the US dollar, meaning that each USDQ token always is valued at one US dollar.</p> <p>USDQ Account holders can always redeem their EMT at par value.</p>
B.7	Website of the Issuer	<a href="http://www.quantozpay.com">www.quantozpay.com</a>

B.8	Starting date of offer to the public or admission to trading	2024-11-18
B.9	Publication date	2024-11-15
B.10	Any other services provided by the Issuer	No
B.11	Identifier of operator of the trading platform	N/A
B.12	Language or languages of the white paper	English
B.13	Digital Token Identifier Code	USDQ's Digital Token Identifier will become available once the token is listed on the Digital Token Identifier Foundation website: <a href="https://dtif.org/token-registry-search/">https://dtif.org/token-registry-search/</a>
B.14	Functionally Fungible Group Digital Token Identifier	Token Type: Auxiliary Digital Token Auxiliary Digital Token Mechanism: Ethereum ERC-20
B.15	Personal data flag	YES
B.16	LEI eligibility	YES
B.17	Home Member state	Netherlands

B.18

Host Member states

Austria

Belgium

Bulgaria

Croatia

Cyprus

Czech Republic

Denmark

Estonia

Finland

France

Germany

Greece

Hungary

Iceland

Ireland

Italy

Latvia

Liechtenstein

Lithuania



		<p>Luxembourg</p> <p>Malta</p> <p>Norway</p> <p>Poland</p> <p>Portugal</p> <p>Romania</p> <p>Slovakia</p> <p>Slovenia</p> <p>Spain</p> <p>Sweden</p>
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	<p><b>PART C - INFORMATION ABOUT THE OFFER TO THE PUBLIC OF THE E-MONEY TOKEN OR ITS ADMISSION TO TRADING</b></p>	
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C.1	Public Offering or Trading	This White Paper concerns the Admission to Trading (ATTR) and Offer to the Public (OTP) of USDQ.
C.2	Number of units	There is no limit to the amount of USDQ that may be issued by Quantoz Payments. The total number of USDQ to be issued will depend on market demand and will correspond directly to

		<p>the amount of US dollars held in reserve, maintaining a 1:1 backing ratio. This method ensures flexibility in addressing user needs while preserving USDQ's stability.</p> <p>Only Quantoz Payments can change the amount of USDQ in circulation. Information about the total number of USDQ in circulation on a blockchain is available through the following link: website <a href="https://etherscan.io/token/0xc83e27f270cce0A3A3A29521173a83F402c1768b">https://etherscan.io/token/0xc83e27f270cce0A3A3A29521173a83F402c1768b</a></p>
C.3	Trading Platforms name	<p>A list of CASPs, supporting USDQ is available on the Quantoz Payments website: <a href="https://.quantozpay.com/ThirdParties">https://.quantozpay.com/ThirdParties</a></p> <p>Before purchasing USDQ from any trading platform, Quantoz Payments strongly advises potential buyers to visit <a href="https://.quantozpay.com/ThirdParties">www.quantozpay.com/ThirdParties</a> to verify that the entity offering USDQ is authorized by Quantoz Payments. Quantoz Payments intends to keep these listings active as long as these Partners comply with relevant laws and will actively pursue additional trading admissions for USDQ through other CASPs.</p>
C.4	Trading Platforms Market Identifier Code (MIC)	N.A.
C.5	Applicable law	The use of USDQ is subject to the laws of the Netherlands (the " <b>Applicable Laws</b> ").
C.6	Competent court	Any legal action or proceeding arising from using USDQ shall be initiated before the District Court of Midden-Nederland in Utrecht, the Netherlands

	<b>PART D - INFORMATION ON THE RIGHTS AND OBLIGATIONS ATTACHED TO E-MONEY TOKENS</b>	
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D.1	Holder's rights and Obligations	<p>Holders of the USDQ e-money token, resident in the EEA, have the following rights:</p> <ul style="list-style-type: none"> <li>• The right of redemption at any time and at par value, under the conditions that the holder is resident in the EEA and signed up to create an USDQ account with Quantoz Payments ("<b>USDQ Account Holder</b>") and provided valid KYC/AML and bank details.</li> </ul> <p>Registered USDQ Account Holders must submit their redemption requests directly to Quantoz Payments via email or other agreed communication channel. Quantoz Payments will acknowledge receipt of the redemption request within two (2) business days, contingent on the completion of compliance checks. Once confirmed, USDQ Account Holders should initiate a transfer of USDQ to the public address managed by Quantoz Payments. Quantoz Payments will send the corresponding amount in US dollars to the USDQ Account Holder's bank account, within two business days after receipt of USDQ on the aforementioned public address.</p> <ul style="list-style-type: none"> <li>• Quantoz Payment only accepts fiat US dollar from a US dollar bank account in the name of the USDQ Account Holder for funding accounts of USDQ Account Holders; other fiat currencies are not accepted.</li> </ul> <p>Bank accounts from outside the Single Euro Payments Area (SEPA) are not accepted for transactions.</p> <p>USDQ holders who are not a USDQ Account Holder or are not resident in the EEA may exchange their USDQ at a Partner, a list of which is available on the Quantoz Payments website: <a href="https://quantozpay.com/ThirdParties">https://quantozpay.com/ThirdParties</a>. Once the USDQ holder has opened an account</p>
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		<p>and been onboarded by the Partner, the USDQ holder may exchange their USDQ at the Partner using a channel provided by the Partner. USDQ holders should do their own due diligence before engaging with any Partner.</p> <p>Holders of the USDQ e-money token have the following obligations and by holding USDQ they represent that:</p> <ul style="list-style-type: none"> <li>• They will hold and use USDQ in compliance with this white paper and the applicable laws.</li> <li>• They are not a restricted person, appearing on the OFAC, UN, EU or Dutch Sanction lists, and are not holding USDQ on behalf of a restricted person.</li> <li>• They will not offer, sell, trade, pledge, convert, transfer, or deliver, either directly or indirectly, USDQ, at any time within the United States.</li> <li>• They <ul style="list-style-type: none"> <li>○ are not classified as a U.S. Person under Regulation S of the U.S. Securities Act of 1933 (as amended).</li> <li>○ do not fall under any definition of a U.S. Person according to the U.S. Commodity Exchange Act of 1936 (as amended) or any related rules, guidance, or orders issued by the Commodity Futures Trading Commission (CFTC). For clarity, anyone not identified as a "Non-United States person" under CFTC Rule 4.7(a)(1)(iv) is considered a U.S. Person.</li> <li>○ are not considered a U.S. Person under the final rules implementing the credit risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934 (as amended).</li> </ul> </li> </ul>
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	<p>Only <b>USDQ Account Holders</b> with valid KYC/AML and verified bank details can redeem their USDQ with Quantoz Payments. These Holders are obliged to provide Quantoz Payments and/or its Partners with adequate information in relation to Know Your Customer (KYC) and Anti-Money Laundering (AML) requirements.</p> <p>In addition, all USDQ holders must comply with all applicable laws, including, but not limited to, the strict and absolute prohibition of the use of USDQs for money laundering, terrorist financing or any other financial crime. Quantoz Payments is an Electronic Money Institution and will and must report unusual transactions to the relevant authorities (Financial Intelligence Unit in the Netherlands).</p> <p>Quantoz Payments has the right to block USDQ addresses in case of violation of the mentioned obligations. Quantoz Payments monitors the USDQ transactions and tests them against the relevant legislation such as AML and Sanction Law.</p> <p>Although Quantoz Payments may place the USDQ reserves in interest-bearing accounts or other yield-generating instruments, USDQ holders agree that they have no claim to any interest or returns earned from these funds. USDQ itself does not generate interest or returns for holders; it solely represents the right to redeem USDQ for an equivalent amount in US dollars, as outlined in this white paper.</p> <p>USDQ transactions are irreversible. Once a holder sends USDQ to a specific address, they accept the risk of permanently or indefinitely losing access to or any claim on that USDQ. This may occur if, for example, (i) the address was entered incorrectly and the rightful owner cannot be identified, (ii) the holder loses or never had the private key associated with that address, (iii) the address belongs to an entity unwilling to return the USDQ, or (iv) the entity may return the USDQ but requires certain actions, such as verifying the holder's identity. To clarify, Quantoz Payments has no obligation to track, verify, or determine the origin of USDQ balances or any associated security claims, unless required by applicable laws.</p> <p>For more details regarding the rights and obligations of USDQ holders, please refer to: <a href="https://quantozpay.com/terms/USDQ">https://quantozpay.com/terms/USDQ</a></p>
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D.2	Conditions of modifications of rights and obligations	<p>Quantoz Payments reserves the right to periodically amend these rights and obligations. USDQ holders will be informed of such changes via updates to this white paper, the Redemption Policy on Quantoz' website, or any other valid communication channel.</p> <p>The rights and obligations of USDQ users may be subject to modification for example under the following conditions:</p> <ul style="list-style-type: none"> <li>• Compliance with applicable laws and regulations: changes may occur to ensure adherence to the prevailing laws and regulations within the operational territory of Quantoz Payments.</li> <li>• Improvement of services: modifications may be made to enhance the quality and efficiency of services provided to USDQ users, ensuring a better user experience and satisfaction.</li> <li>• Enhancing Security Measures: updates may be implemented to bolster security protocols, safeguarding user assets and data against evolving threats in the digital landscape.</li> <li>• A Force Majeure Event. As a result, it becomes impossible for Quantoz Payments to fulfil its obligations and the continuation of USDQ becomes definitively impossible.</li> </ul> <p>Proposed changes will be announced to holders with a 30-day notice period, allowing them time to review and prepare for the updates. However, if changes are required by a legally binding request from a competent authority or deemed necessary by Quantoz Payments to meet regulatory, legal, or compliance obligations, they will take effect immediately. Such immediate modifications will be communicated promptly, just as with other changes.</p>
D.3	Description of the rights of the holders	<p>Quantoz Payments upholds high standards for safe and sound financial management to mitigate risks of insolvency. In situations of financial distress or economic uncertainty, Quantoz Payments has established contingency plans to ensure the continuity of its operations, including the issuance of USDQ, and to protect the rights of USDQ holders.</p>

		<p>If Quantoz Payments is unable to meet its obligations or faces insolvency, USDQ reserves are safeguarded in full compliance with applicable laws. Specifically, funds received in exchange for the issuance of USDQ are shielded from any claims by other creditors of Quantoz Payments, including during enforcement or insolvency proceedings.</p> <p>In the event of financial distress or insolvency, Quantoz Payments will activate its Recovery and/or Redemption Plan, enabling USDQ holders to exercise their redemption rights, as detailed in Sections D.4 and D.5 below.</p>
D.4	Rights in implementation of recovery plan	<p>Quantoz Payments might take the following measurements to execute the recovery plan.</p> <ul style="list-style-type: none"> <li>• Restriction on Inflow of new customers</li> </ul> <p>As part of the recovery plan, Quantoz Payments might limit the number of new customers. This will help Quantoz Payments manage its resources better and keep the operations stable during challenging times.</p> <ul style="list-style-type: none"> <li>• Limitation on customer volume</li> </ul> <p>Quantoz Payments has the contractual right to limit the amount of funding its customers can do. This helps Quantoz Payments to manage its financial responsibilities and reduce potential risks. Quantoz Payments is committed to quickly inform customers about any such limits to ensure transparency and support effective cooperation.</p> <p>Other measurements may include</p> <ul style="list-style-type: none"> <li>• Liquidity fees on redemptions</li> <li>• Daily limits on the amount of USDQ that can be redeemed, set both at an aggregate level (e.g., as a percentage of the total tokens issued) and at the individual wallet level</li> <li>• Suspension of redemptions, as a last resort</li> </ul>

		<p>USDQ holders will be promptly informed of any such restrictions via the Quantoz Payments website.</p> <p>The recovery plan will be published within six months after publication of this white paper. This white paper will be updated to reflect the approved recovery plan, once regulatory authorization has been received.</p>
D.5	Rights in implementation of redemption plan	<p>Depending on the specific circumstances under which the redemption plan is triggered, Quantoz Payments may need to impose restrictions on the redemption of USDQ. USDQ holders will be notified of any such restrictions on the Quantoz Payments website.</p> <p>If the Redemption Plan is initiated, individual claims, as noted in Section D.1, will be temporarily suspended. Instead, Quantoz Payments will begin an organized redemption process for all token holders, conducted equitably, in accordance with the Redemption Plan and in cooperation with relevant authorities. As part of this process, a notice will be issued to inform all EURQ holders about the procedures and deadlines for submitting redemption claims.</p> <p>The notice will outline the main steps of the redemption process, including the exact date and time of the plan's activation, the required information for filing a claim, the submission location, and the timeframe within which USDQ holders must submit their claims. It will also provide essential details about redemption conditions and available technical support.</p> <p>Redemption requests submitted through the claim form will need to meet certain eligibility criteria, such as proof of identity, token holdings, AML/CFT compliance, bank account information, and other necessary details to complete the request.</p> <p>The redemption plan will be published within six months after publication of this white paper. The processes described in the Redemption Plan will be designed to ensure fair treatment for all USDQ holders and to protect their redemption rights. This white paper will be updated to reflect the approved redemption plan, once regulatory authorization has been received.</p>



D.6	Complaint Submission Contact	<p>Customers can file a complaint by sending an email to the following email address: <a href="mailto:support@quantozpay.com">support@quantozpay.com</a>, with the word “complaint” in the subject. To handle complaints in the best possible way, the following information will be requested:</p> <ul style="list-style-type: none"> <li>• Full name of the Customer</li> <li>• The Customer Account Code provided by the Quantoz Payments</li> <li>• E-mail address</li> <li>• A description of the complaint</li> </ul>
D.7	Complaints Handling Procedures	<p>Upon receipt of a complaint the Staff involved with customer support will:</p> <ul style="list-style-type: none"> <li>• Assess the information sent by the Customer and confirm receipt of the complaint by email and informs the Customer within which period the complaint will be dealt with (which timeframe will in principle be 15 working days from the date of receipt of the complaint, save in exceptional circumstances).</li> <li>• The confirmation of receipt may – if applicable – comprise a request for additional information required to complete and commence handling the complaint. In such case the timeframe will commence after Quantoz Payments has received the additional information.</li> <li>• The complaint will be analysed by the Customer support desk and relevant departments of Quantoz Payments.</li> <li>• Ultimately within 15 working days from the date of receipt of the complaint (or receipt of the additional information as applicable), inform the Customer of the outcome thereof, including possible compensation of damages incurred. This period may be extended up to 35 working days (in total) in exceptional circumstances which are not a result of an</li> </ul>

		<p>act or omission by Quantoz Payments, provided the Customer has been informed on the reasons for extension of the response period and agreed thereto.</p> <ul style="list-style-type: none"> <li>• The Customer will be given the opportunity to respond to the outcome of the complaints process within 10 working days. In case such response requires additional research or analysis into the complaint, the complaint will be re-assessed taking into account the information provided by the Customer. Quantoz Payments will send a final response to the Customer within 10 working days after having received the Customer's response.</li> <li>• The Customer will be informed that Quantoz Payments has finalized handling the complaint and that the complaints handling procedure will be closed. The Customer will also be informed and about the possibility of initiating legal proceedings through a civil court.</li> <li>• Close the complaint handling process and record the information and correspondence with respect to the complaint.</li> </ul> <p>Quantoz Payments has a complaints procedure in place with a view to resolve complaints in an efficient, effective, and professional manner and to minimize complaints and claims. The complaints procedure is available on the Quantoz Payments' website:  <a href="https://quantozpay.com/complaints">https://quantozpay.com/complaints</a></p>
D.8	Dispute Resolution Mechanism	<p>Quantoz Payments has a clear dispute resolution process for USDQ holders. In the event of a dispute, holders should submit their concerns in writing via email or official channels. The dispute will be promptly acknowledged and documented by a designated team member and then thoroughly investigated with input from relevant departments.</p> <p>Quantoz Payments' goal is to provide an initial response within ten business days outlining the steps being taken. If further investigation is required, holders will be kept informed of progress</p>

		<p>and timelines. If dissatisfied with the initial resolution, holders may escalate the matter to senior management for further review, ensuring higher level involvement for a fair outcome.</p> <p>If internal efforts fail to resolve the issue, holders may seek external resolution through legal channels or alternative dispute resolution methods, such as arbitration or mediation, as set forth in Quantoz Payments' Terms and Conditions. Committed to transparency, fairness and efficiency, Quantoz Payments maintains detailed records of each dispute in order to improve service and address systemic issues. This structured approach ensures that all disputes are handled professionally and promptly, and that the rights and interests of USDQ holders are protected.</p>
D.9	Token Value Protection Schemes	YES
D.10	Token Value Protection Schemes Description	<p>The amount of issued USDQ has a 1:1 correspondence with the fiat US dollars amounts and backed by a 100% reserve of which at least 30% is always deposited in a trusted bank account managed by the Quantoz Foundation. The remaining funds are invested in secure, low-risk assets that qualify as highly liquid financial instruments with minimal market risk, credit risk and concentration risk, in accordance with Article 38(1) of MiCAR and are denominated in US dollars.</p> <p>In the event of insolvency or financial instability of Quantoz Payments, these reserves are specifically designated to meet USDQ holders' redemption requests at par value, thereby protecting the value of the USDQ. Regular certifications verify the adequacy of these reserves, increasing transparency and trust.</p>
D.11	Compensation Schemes	No

D.12	Compensation Schemes Description	N/A
D.13	Applicable law	The use of USDQ is subject to the laws of the Netherlands (the " <b>Applicable Laws</b> ").
D.14	Competent court	Any legal action or proceeding arising from using USDQ shall be initiated before the District Court of Midden-Nederland in Utrecht, the Netherlands.

	<b>PART E - INFORMATION ON THE UNDERLYING TECHNOLOGY</b>	
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E.1	Distributed ledger technology	<p>Quantoz Payments issues USDQ on Ethereum, a decentralized, open-source blockchain that extends beyond simple financial transactions by enabling smart contracts and decentralized applications (dApps). Launched in 2015 by Vitalik Buterin, Ethereum revolutionized blockchain technology by allowing developers to build and execute code on its platform. Its native cryptocurrency, Ether (ETH), is used to power the network and compensate participants, particularly for validating transactions and running applications. Smart contracts are self-executing programs stored on the blockchain, ensuring that terms of an agreement are automatically enforced. These contracts eliminate the need for intermediaries, making processes more efficient and transparent. Ethereum transactions incur fees, known as "gas," which compensate network participants for the computational work required to process and validate them. The gas fee structure ensures that validators prioritize higher-fee transactions during periods of network congestion. Gas fees are paid in ETH and can vary depending on network demand. After Ethereum's upgrade to Proof of Stake (PoS) in 2022, validators, instead of miners, are responsible for securing the network and confirming transactions, making the</p>
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		<p>network more energy-efficient and scalable. Overall, Ethereum serves as the backbone for a wide array of decentralized finance (DeFi), non-fungible tokens (NFTs), and other blockchain-based innovations.</p> <p>Quantoz Payments may also decide to issue USDQ on other distributed ledgers in the future. Quantoz Payments has neither the ability nor the obligation to prevent or address attacks or resolve any technical issues that may occur on any blockchain supporting USDQ.</p>
E.2	Protocols and technical standards	<p><b>Ethereum Blockchain:</b> Ethereum is a decentralized, open-source blockchain that enables the creation of smart contracts and decentralized applications (dApps). Ethereum provides a flexible platform for programmable transactions and services. Its consensus mechanism, initially Proof of Work (PoW), has transitioned to Proof of Stake (PoS) with Ethereum 2.0.</p> <p><b>Smart Contracts:</b> Smart contracts are self-executing contracts with code that enforces the terms of an agreement. Once deployed on Ethereum, they automatically execute predefined actions when certain conditions are met, eliminating the need for intermediaries and enabling decentralized applications.</p> <p><b>Ethereum Virtual Machine (EVM):</b> The EVM is the runtime environment where all smart contracts on Ethereum are executed. It's a virtual machine that ensures code is run consistently and deterministically across the network. The EVM can execute scripts using Ethereum's bytecode, making it the backbone of Ethereum's decentralized computation.</p> <p><b>ERC-20 Tokens:</b> ERC-20 is a technical standard used to define tokens on the Ethereum blockchain. It ensures that tokens follow specific rules and can interact seamlessly with other smart contracts and decentralized apps. ERC-20 tokens represent various assets like stablecoins, utility tokens, or even NFTs.</p> <p><b>Minting:</b> Minting refers to the creation of new ERC-20 tokens by a smart contract, increasing the total supply.</p>

		<p><b>Burning:</b> Burning is the process of permanently removing ERC-20 tokens from circulation by sending them to an unusable address, effectively reducing the total supply.</p> <p><b>Transactions:</b> ERC-20 token transactions involve transferring tokens between wallets using Ethereum's network. Each transaction requires a small gas fee paid in ETH, and it is processed and recorded on the blockchain, ensuring security and transparency.</p> <p>An <b>Ethereum public address</b> is a unique identifier used to receive tokens. The <b>private cryptographic key</b> is a secret code that grants access to control and transfer those tokens. Ownership of tokens is secured by the private key, ensuring only the owner can authorize transactions from the public address.</p> <p>USDQ is an ERC-20 Token. Minting and burning of USDQ will only be performed by Quantoz Payments by interacting with the USDQ smart contract. The smart contract includes a balance with which all USDQ public addresses will interact. USDQ holders can transfer their USDQ using their private cryptographic key to sign the transactions, which are integrated into a new block and sent to the Ethereum network once validated, without any action or control by Quantoz Payments or any third party.</p>
E.3	Technology Used	<p>Quantoz Payments uses technology services to manage the USDQ operations:</p> <ul style="list-style-type: none"> <li>• A service to KYC / AML primary market participants.</li> <li>• A service to monitor on-chain transactions and wallets.</li> <li>• A service to create and manage EVM blockchain transactions.</li> <li>• A secure method for managing access to its digital wallets by implementing multi-signature technology on EVM-compatible wallets. This approach enhances security by requiring multiple approvals for transactions, making it safer for USDQ holders and the USDQ ecosystem itself.</li> </ul>

E.4	Purchaser's technical requirements	<p>USDQ Holders can either manage their USDQ tokens in self-custody, or in a custody solution provided by a Crypto Asset Service Provider.</p> <p>To manage USDQ tokens in self-custody, the holder must fulfil several technical requirements:</p> <ul style="list-style-type: none"> <li>• The holder needs a digital wallet compatible with ERC-20 tokens on Ethereum.</li> <li>• The holder must also securely generate and store public and private keys. The public key receives USDQ tokens, while the private key is necessary for accessing and authorizing transactions. Secure storage of the private key is crucial, as it grants control over the tokens.</li> <li>• The digital wallet must be correctly set up and connected to the Ethereum network.</li> <li>• The holder must have sufficient Ether (ETH) to cover transaction fees, ensuring that transactions can be processed and validated on the Ethereum blockchain.</li> </ul>
E.5	Consensus Mechanism	<p>Ethereum uses the Proof of Stake (PoS) consensus mechanism. PoS requires validators to stake ETH as collateral into a smart contract in order to qualify as a validator. Validators are selected for consensus based on the proportion of tokens they have staked. Validators are responsible for checking that new blocks propagated over the network are valid and occasionally create and propagate new blocks. If a validator tries to defraud the network, some of its staked ETH can be destroyed.</p> <p>More information about the consensus mechanism is available on this page of the Ethereum website: <a href="https://ethereum.org/en/developers/docs/consensus-mechanisms">https://ethereum.org/en/developers/docs/consensus-mechanisms</a></p>
E.6	Incentive Mechanisms and Applicable Fees	<p>Validators secure the network through the PoS consensus mechanism and are incentivized to act honestly by earning transaction fees and staking rewards, which are distributed based on their staked amount and participation in the consensus process.</p>

		Transaction, or "gas" fees are assessed based on the complexity of the transaction and the congestion on the Ethereum network. These fees are paid by users (i.e. USDQ-holders ) and incentives validators to include transactions in blocks and prioritize transactions based on the fees attached to them.
E.7	Use of own Distributed ledger technology	No
E.8	DLT Functionality Description	N/A
E.9	Audit	<p>Yes: Since 2020, an external ISO/IEC 27001 audit for the Quantoz organisation is performed every year.</p> <p>Yes: The USDQ Ethereum Smart Contract uses the ERC-20 contract implementation. Audit of the smart contract implementation was performed by Otter Audits LLC.</p>
E.10	Audit outcome	<p>Since 2020, the Quantoz organisation is an ISO/IEC 27001 certified company. With this ISO certificate, Quantoz demonstrates that it has implemented an information security management system in which all processes and procedures have been carefully designed and tested according to the international ISO standards.</p> <p>The outcome of the used ERC-20 smart contract audit is: no known vulnerabilities.</p>

	<b>PART G - INFORMATION ON THE SUSTAINABILITY INDICATORS IN RELATION TO ADVERSE IMPACT ON</b>	
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	<b>THE CLIMATE AND OTHER ENVIRONMENT-RELATED ADVERSE IMPACTS</b>	
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G.1	Adverse impacts on climate and other environment-related adverse impacts	<p>Quantoz Payments is committed to providing clear and detailed information on the environmental impacts of its operations. USDQ is not issued yet, and as such no transactions are recorded. USDQ will become available on the Ethereum blockchain, which uses a Proof of Stake (PoS) consensus mechanism as an ERC-20 Token.</p> <p>For ERC-20 transactions specifically, the energy consumption can vary slightly due to smart contract complexities, but it remains in a similar range to typical Ethereum transactions. Thus, an USDQ ERC-20 transaction will use approximately 0.03 to 0.05 kWh per transaction.</p>
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