White paper

RIB Group Holdings Ltd.

Royal Dollar Stablecoin

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Contents

1. Executive Summary

The Royal Dollar stablecoin White Paper offers a comprehensive exploration of the development, operational framework, and core attributes of the Royal Dollar stablecoin (symbol: ROYAL), issued by the RIB Group Holding Ltd. ('RIBG'). The Royal Dollar introduces a new category within the stablecoin ecosystem, transcending traditional fiat-backing to embrace the concept of fiat-guarantee. This paradigm shift ensures that this stablecoin isn't solely reliant on fiat reserves but is backed by the full assurance of a banking institution, supported by robust risk management protocols and risk-averse practices. The Royal Dollar achieves the status of a bank-grade fiat guarantee stablecoin.

The Royal Dollar represents a fiat United States dollar and is pegged using Euro cash reserves. Operating within a comprehensive asset segregation framework, the Royal Dollar ensures that the cash collateral supporting the stablecoin remains entirely separate from the activities of the RIBG controlled by tier one banks, this segregation is meticulously managed through Verified Reserve Fund Deployment, ensuring transparency and real-time verification. In contrast to many stablecoins that rely solely on issuer testament statements, the Royal Dollar implements a robust proof-of-reserves mechanism, utilizing Decentralized Oracle Nodes for verification. Euro cash reserves are maintained at an 8-10% over-collateralization in minting Royal Dollar stablecoins.

The operational framework for minting Royal Dollar integrates several crucial components, including the Master Minter, Constant Price Impact Ratio Algorithm, and Blacklist/Whitelist Management protocols. These elements work together to maintain the collateral-to-circulating supply ratio of Royal Dollar through processes such as minting, burning, balancing, security, compliance, and stability, collectively safeguarding the integrity of the Royal Dollar ecosystem as it is issued across multiple public blockchains. The initial blockchains selected for the issuance of Royal Dollar include MaalChain, Ethereum, Binance, Polygon, and Avalanche. Plans are underway to extend the issuance to additional blockchains over time.

Due to its innovative structure, particularly the real-time availability of proof of reserves, the Royal Dollar is poised to attain broad and expanding adoption in commerce, investments, and finance. Furthermore, the Royal Dollar is anticipated to serve as a bank-grade stablecoin for diverse on-chain USD-denominated transactions, encompassing activities such as staking, collateralization, margining, and cross-border settlements.

Section 1 | Royal Dollar Stablecoin:

Fundamental Concepts

1. Advancing asset tokenization

Financial institutions and cryptocurrency companies are increasingly leveraging blockchain technology to issue, secure, and trade assets. With the significant advancements and growing adoption of Distributed Ledger Technology (“DLT”), policymakers worldwide are increasingly concerned about regulating DLT. Current DLT promoters barely consider the highly regulated environment of financial markets and the complexity of operations within existing market infrastructures, which are real barriers to adoption.

Several key regulations have been proposed or adopted regarding digital assets built on blockchain technology, such as the Market in Crypto Assets Regulation ("MiCA") and the "Pilot Regime" Regulation in the European Union. This underscores the necessity for public discourse on asset tokenization, including the establishment of common operational standards for verifying off-chain assets. Standardizing market practices and operational models will help mitigate the risks of fragmentation and facilitate interoperability among various tokenization projects. Moreover, such standardization is vital for ensuring compliance with financial regulations and fostering the development of a regulated digital asset industry.

In this whitepaper, asset tokenization denotes the process of transforming rights to an asset into a digital token using DLT. This procedure enables assets, whether physical (such as real estate or commodities) or financial (like fiat currency, stocks, or bonds), to be digitally represented and traded in a decentralized manner. Each token typically signifies a fraction or complete unit of the underlying asset, facilitating fractional ownership and enabling secure and efficient ownership transfer on a DLT platform.

The process of asset tokenization, as outlined in this White Paper, comprises a multifaceted concept that encompasses various stages involved in registering an asset on a blockchain, including pre-trade, trade, and post-trade phases. Best practices for asset tokenization should incorporate the following fundamental principles and objectives:

i. Digitization of financial assets from legacy physical documents. This entails moving away from conventional paper-based financial instruments to digital assets managed through DLTs, marking a significant advancement in capital markets. Asset tokenization introduces inherent digitized and potentially automated features to assets, facilitating faster and transparent property transfer processes, minimizing settlement, credit, and counterparty risks, and enabling seamless integration with digital asset and decentralized finance (DeFi) technologies. It aims to bridge centralized finance (CeFi) and decentralized finance markets, combining centralized wisdom and blockchain governance.

ii. Embracing decentralized blockchains as fundamental infrastructures of Web3. Disruptive market infrastructures and new business models will predominantly emerge from decentralized DLTs and native digital assets, akin to the birth of the information industry with the advent of the Web1.0. While challenges such as transaction costs and energy consumption persist, the inherent qualities of public DLTs, including adoption by vast IT developer ecosystems, interoperability, and resilience to cybersecurity risks, make them compelling for widespread adoption in regulated sectors like capital markets that face strong regulatory scrutiny.

iii. Permissioned access to assets and services regardless of the underlying technology (public or private blockchains). Permissioned assets and services on blockchains serve as effective tools for regulatory compliance, enhancing the accountability of service providers towards users and public authorities. Frameworks should be supported for tokenization to ensure confidence in markets for digital assets and the integrity of blockchain markets such as outlined in Regulation (EU) 2023/1114 of the European Parliament and of the Council dated 31st May 2023 on Markets in Crypto-Assets Regulation ("MiCA"), which came into force in June 2023 (Official Journal of the European Union, 2023).

iv. Avoiding prejudice against decentralized DLT technology is crucial. Decentralized Distributed Ledger Technologies (DLTs) serve as tools that offer services to clients. It is important to impartially evaluate different DLTs to determine which ones are most relevant for upcoming digital markets. Prioritizing cross-chain interoperability and finding the right balance between innovation and security through iterative and "test and learn" methods are vital for the progress of decentralized DLTs.

v. Regulatory compliance as a primary concern. While innovation is integral to the financial sector, and open finance principles underpin this philosophy, any digital asset-related projects must prioritize compliance with existing regulatory requirements. Blockchains facilitate new interactions between market participants, regulators, and academics, enabling embedded compliance and supervision of digital markets. Enhanced data aggregation and standardization on blockchains offer transparency, aiding in regulatory compliance and risk management.

vi. Collaborative competition between market participants to develop standards, frameworks, and open-source software on digital assets to develop active use cases and products. This approach allows participants to benefit from each other's strengths, share resources, and create mutual value, while still striving to outperform each other in the market.

2. Stablecoins

Stablecoins have emerged as a popular solution within the digital asset market, offering stability amidst the volatility commonly associated with digital currencies. Their utility extends to various applications, catering to the needs of users and businesses operating within the blockchain ecosystem. However, concerns regarding regulatory compliance, reserve transparency, and redemption mechanisms highlight potential risks associated with stablecoins. It's crucial to recognize that the adoption and usage of stablecoins can vary depending on market dynamics, user preferences, and regulatory frameworks.

The stablecoin market has experienced significant growth in recent years, with the total market capitalization of stablecoins expanding rapidly. As of the latest available data, the size of the stablecoin market is estimated to be in the range of billions of dollars. According to a BIS paper (Kosse, Glowka, & Mattei, November 2023) , the market capitalization of stablecoins grew more than ninefold from 2020 to 2021, with the total market capitalization exceeding 35 times its value at the onset of the pandemic at the end of 2019. This growth was primarily driven by the increasing adoption of stablecoins like Tether and the introduction of new stablecoin projects into the market.

While the stablecoin market has shown substantial growth, it is essential to note that market conditions and dynamics can impact the size and trajectory of the stablecoin market. Factors such as regulatory developments, market volatility, and technological advancements can influence the growth projections of the stablecoin market. The primary uses of stablecoins are:

- Medium of Exchange: Stablecoins serve as a reliable medium of exchange within the crypto ecosystem, facilitating transactions and trading activities with their stable value compared to volatile cryptocurrencies.
- Store of Value: Some users leverage stablecoins as a hedge against inflation and a means to preserve purchasing power during economic uncertainty, utilizing them as a store of value.

- Liquidity Providers in DeFi: Stablecoins play a vital role in decentralized finance (DeFi) platforms, where they act as liquidity providers for various financial services, mirroring traditional financial systems.
- Payment Purposes: While not extensively utilized for payments beyond the crypto sphere, stablecoins hold potential as widely accepted payment methods due to their stability compared to other cryptocurrencies.

Stablecoins have become a dependable and consistent option within the crypto market, offering users and businesses a range of advantages. Stablecoins offer a reliable and stable alternative within the blockchain ecosystem, providing users and businesses with benefits including price predictability, transaction efficiency, and risk management capabilities. The main advantages of stablecoins are:

- Price Stability: Stablecoins maintain a stable value relative to a binding, such as a fiat currency or a basket of assets, reducing volatility and providing predictability as a medium of exchange and store of value.
- Facilitate Transactions: Stablecoins enable fast and cost-effective transactions within the crypto ecosystem, facilitating international payments and remittances.
- Liquidity Provision: Crucial for DeFi platforms, stablecoins serve as collateral for borrowing and lending, trading pairs on exchanges, and stable assets for various financial services.
- Accessibility: Serving as a bridge between traditional financial systems and the crypto world, stablecoins allow for easy conversion between fiat currency and cryptocurrencies, making them accessible to a broad user base.
- Risk Mitigation: By binding their value to stable assets, stablecoins help mitigate the risk of price fluctuations, offering stability for users seeking to hedge against market volatility.

As stablecoins continue to gain traction, their benefits extend beyond price stability to encompass enhanced transactional efficiency and robust risk management capabilities for users and businesses alike.

The stablecoin market has experienced significant growth and evolution in recent years, emerging as a crucial component of the broader digital asset ecosystem. Stablecoins are digital assets designed to maintain a stable value relative to a specific reference asset, such as fiat currencies like the US dollar or commodities like gold. They offer users the benefits of digital currencies, such as fast and borderless transactions, while mitigating the price volatility typically associated with other digital currencies like Bitcoin or Ethereum. The stablecoin market boasts a diverse array of options, with approximately 200 stablecoins available today (Bitpay, 2023)

One of the key drivers of the stablecoin market's growth is its utility in facilitating efficient and low-cost transactions within the digital asset space. Stablecoins serve as a bridge between traditional financial systems and blockchain-based platforms, enabling users to transact with the stability and security of established fiat currencies or commodities while leveraging the innovative features of blockchain technology.

Furthermore, stablecoins play a vital role in decentralized finance (DeFi) applications, where they serve as a fundamental building block for lending, borrowing, and trading digital assets. By providing a stable unit of value, stablecoins enable DeFi platforms to offer users access to a wide range of financial services without exposure to the volatility of traditional digital currencies.

The stablecoin market encompasses various types of stablecoins, including fiat-backed stablecoins, crypto-backed stablecoins, and algorithmic stablecoins. Fiat-backed stablecoins are bound to fiat currencies held in reserve accounts, ensuring a fixed parity between the stablecoin's value and the underlying asset. Digital-backed stablecoins collateralize their value with other digital tokens, while algorithmic stablecoins use smart contracts and algorithmic mechanisms to maintain price stability.

Despite their benefits, stablecoins also face regulatory scrutiny and operational risks. Regulatory concerns primarily revolve around issues such as compliance with anti-money laundering (AML) and know-your-customer (KYC) regulations, as well as the potential systemic risks posed by stablecoin issuers in ensuring the collateral backing the stablecoin.

2.1 Growing usage of stablecoins

Stablecoins have witnessed a remarkable surge in adoption, emerging as a vital component of the digital asset landscape. Although their usage compared to fiat currency remains small. Stablecoins designed to maintain a stable value relative to a reference asset like fiat currency or commodities, are gaining traction due to their stability and versatility. With advantages such as price predictability, transaction efficiency, and risk management capabilities, stablecoins are increasingly being utilized for various purposes beyond reference for digital assets. The uses range from facilitating international payments and remittances to serving as collateral for decentralized finance (DeFi) platforms, stablecoins are proving to be reliable and accessible instruments in the ever-expanding realm of digital finance. Some of the uses of stablecoins are:

- Visa has partnered with Circle to enable merchants to accept USDC payments.
- Mastercard has partnered with Gemini to enable merchants to accept Gemini Dollar payments.
- Microsoft accepts stablecoins, for certain purchases.
- Starbucks allow customers to pay with stablecoins, through the Starbucks app.
- Expedia allows customers to book travel stablecoins.
- Overstock a major retailer accepts stablecoins.
- Shopify allows merchants to accept stablecoins, through its payment gateway.

3. Ensuring Adequate Reserves: Stablecoin Stability

Ensuring an adequate level of reserves is paramount for stablecoins to maintain their binding value to fiat currency or commodities like gold. Typically, stablecoins achieve this stability by holding reserves in the form of the bounded currency or other assets, such as short-term government securities or cash equivalents, in reserve accounts. However, if a stablecoin issuer lacks sufficient reserves to cover the circulating supply, it can raise concerns about the stability and solvency of the stablecoin.

Insufficient reserves can lead to situations where the stablecoin deviates from its intended value, resulting in volatility and potential losses for holders. Many existing stablecoins, including the top market leaders, face potential risks due to the lack of transparency regarding their reserves and the ability to quickly liquidate non-cash securities in the event of a redemption "run." Other common issues include:

- Lack of Transparency: Many stablecoin issuers do not provide sufficient information about the composition, quality, and sufficiency of their reserves, making it challenging for users to assess the stability and reliability of the stablecoin.
- Audit and Verification: It is often unclear whether the reserve holdings of stablecoins have been audited by independent third parties and when they audited the audits are based on management reporting not the actual existence of the

reserves. The absence of real time on-chain verification raises doubts about the accuracy and legitimacy of the reserve assets claimed to back the stablecoins.

- Reserve Composition: The composition of reserves backing stablecoins can also be a point of concern. Some stablecoins hold heterogeneous portfolios of assets, including reverse repos, debt securities, and cash equivalents. This raises issue of convertibility and liquidity to the underlying asset.
- Frequency of Reporting: While some stablecoins provide daily or monthly reports on their reserves, others disclose information less frequently, such as quarterly or semi-annually. The lack of real time on-chain reporting can hinder transparency and make it difficult for users to stay informed about the backing assets.
- Bank Grade: A prevalent challenge in the stablecoin ecosystem lies in the inability of many issuers to provide what can be termed as "bank-grade" stablecoins. Unlike traditional financial institutions, these issuers often lack the comprehensive understanding of compliance, fiduciary responsibilities, and reporting obligations prevalent in regulated environments. Consequently, they struggle to uphold the rigorous standards necessary for maintaining reserve holdings—a fundamental requirement for stablecoin stability. This deficiency not only exposes stablecoin holders to potential risks but also undermines the credibility of the stablecoin itself. Without adherence to regulatory standards and robust reserve management practices akin to those of traditional banks, the stability and reliability of such stablecoins remain uncertain.

4. RIB Group Holdings Ltd.

RIBG comprises regulated entities that offer a wide range of banking, financial, and commercial trading services, including:

i. A fully integrated and regulated investment bank (license number 220147B1) that is based in Labuan, Malaysia, and governed by the Labuan Financial Services Authority ("LFSA") authorized to provide a range of investment and ancillary services, including:

    - The business of providing credit facilities
    - The business of providing consultancy and advisory services relating to corporate and investment matters including dealing in securities, or making and managing investments on behalf of any person

- The business of undertaking foreign exchange transactions, interest rate swaps, dealings in derivative instruments or derivative financial instruments or any other similar risk management activities
- Labuan Islamic investment banking business
- Labuan financial business.
- Other business as Labuan FSA may specify, with the approval of the Minister of Finance, in any currency (including in Malaysian Ringgit were permitted by the Financial Services Act 2013 or such other relevant law in force).

ii. Stablecoin technology development in partnership with MaalChain DLT team of Tijarah Holding Ltd. which is registered as an Islamic Digital Asset Service Provider in Labuan regulated by the LFSA, to provide the following regulated services:

- Development of blockchain technology solutions.
- Development of smart contracts and other technical framework
- Smart contract audits and security implementation

RIBG utilizing the expertise of the MaalChain DLT team builds open, secure, and institutional-grade frameworks and models for digital assets such as stablecoin operations, underpinned by banking class security and full regulatory compliance.

iii. Remittance activities and dealing in digital assets RIBG has partnered with GC Global Finance Ltd. which is registered as a Money Services Business in Canada under the supervision of FINTRAC, to provide the following regulated services:

- Foreign exchange dealing
- Money transferring
- Dealing in virtual currencies
- Payment service provider

iv. Trading in digital assets RIBG subsidiary entity Darlitana UAB that is registered as a “Virtual Asset Exchange Operator and Virtual Asset Wallet Operator” in Lithuania under the supervision of the Financial Crime Investigation Services (“FCIS”), authorized to provide the following regulated services:

- Exchange digital asset to digital asset.

- Exchange digital asset to fiat and fiat to digital asset.
- Storage digital asset on behalf of the users.
- Informational services on the balance.
- Send digital asset to the 3rd party on behalf of the client.
- Staking.
- Fiat storage and Exchange.
- Initial Exchange Offering/ Initial Coin Offering.

Based on this observation, along with its licenses and technology partnerships, and its unique position bridging Capital Markets and Digital Assets Markets, RIBG is dedicated to offering the digital economy a regulated and banking-grade stablecoin.

5. Royal Dollar Stablecoin

Existing stablecoins suffer from shortcomings related to real-time on-chain verification of collateral and transparency regarding the assets backing the stablecoin. Moreover, these shortcomings can lead to liquidity constraints and delays in meeting redemption requests, especially during market stress.

The Royal Dollar utilizes Verified Reserve Fund Deployment held in custody by tier-one banks to over collateralize Euro cash by 8-10%, ensuring alignment with the US dollar exchange rate with the Euro as reported by the European Central Bank. This establishes a comprehensive asset segregation framework, guaranteeing that the cash collateral remains entirely separate from the activities of the RIBG while remaining redeemable, divisible, and transferable to holders of Royal Gold. Decentralized Oracle Nodes provide real-time on-chain verification of the proof of reserves, representing a stark contrast with many stablecoins that rely on off-chain issuer testament statements.

Royal Dollar addresses critical shortcomings within the stablecoin market by offering stability tied to the US dollar through real-time transparency reporting in proof of reserves. Moreover, it offers the unique advantage of accepting physical gold for minting and facilitating redemption in physical gold coins. Positioned to garner broad and increasing adoption, Royal Gold capitalizes on the US dollar as a reserve currency, particularly in cross-border settlements and financing, and offers benefits in staking, commodity trading, and margining. Additionally, it provides an innovative approach to liquidity funding and refinancing solutions. With its banking-grade quality, Royal Dollar facilitates atomic on-chain settlement and payment solutions in the digital asset ecosystem, ensuring compliance with security token regulations. This pioneering initiative seamlessly aligns with RIBG's dedication to delivering innovative settlement, financing, and wealth management solutions for institutional clients, representing a significant advancement in the stablecoin landscape.

The Royal Dollar is poised to be available on leading centralized digital exchanges and through OTC. The stablecoin is strategically designed to cater to various wholesale processes, including:

- A robust settlement asset for on-chain transactions.
- An innovative solution for corporate treasury, cash management, and cash pooling activities.
- On-chain liquidity funding and refinancing solutions,
- A solution for intra-day liquidity needs (e.g., margin calls),
- Digital financial instruments.
- Trade finance.
- Cross Border Remittances.

This expansion of RIBG's activity into digital assets universe is timely, aligning with the rise of blockchain-based assets. The institutional-grade quality of Royal Dollar positions it as a means of settling digital asset transactions on-chain, with a target to be utilized as a settlement tool for various listed and non-listed security token transactions while ensuring compliance with security token regulations.

Section 2 | Royal Dollar Stablecoin: Foundational Elements

1. Overview

This section of the Royal Dollar (symbol: ROYAL) White Paper aims to offer a comprehensive overview of the key elements involved in minting/issuing, distributing, and managing the Royal Dollar stablecoin. Additionally, it delves into the core identity and vision of RIBG, which prioritizes transparency, compliance, and legal certainty in the utilization of Royal Dollar.

The Royal Dollar is a stablecoin pegged to the USD, backed by Euro fiat currency as collateral. The Euro cash reserves are maintained at an 8-10% over-collateralization in the minting of Royal Dollar stablecoins. These Euro cash reserves are deposited by RIBG into top-tier banks such as Deutsche Bank, HSBC, and Barclays. Subsequently, the collateral is blocked to prevent access by RIBG, ensuring security through Verified Reserve Fund Deployment integrated with a decentralized oracle network for real-time verification. RIBG cannot access these locked funds designated for Royal Dollar in circulation. This setup provides unprecedented legal protection, transparency, and real-time verification of the Euro cash collateral.

Minted Royal Dollar employing a multi-signature security protocol will be held in a treasury wallet operated by the RIBG. This approach guarantees stringent control and oversight over the stablecoin supply. Importantly, the minted supply of Royal Dollar is intentionally structured to uphold 8-10% over-collateralization with Euros, thereby fortifying the stablecoin's peg to the USD.

The management of the USD peg is entrusted to an advanced Constant Price Impact Ratio Algorithm ("CPIR"). This algorithm intricately adjusts the supply of Royal Dollar in response to fluctuations in the USD to Euro fiat currency exchange rate, as determined by the European Central Bank. Importantly, this exchange rate seamlessly interfaces with the CPIR through APIs, guaranteeing precision and reliability in maintaining the peg and ensuring over-collateralization of the issued stablecoins.

The distribution of the Royal Dollar will be conducted through listing on top-tier centralized exchanges across various blockchains and over the counter (OTC) platforms. Upon distribution, the funds received will be meticulously managed by RIBG to ensure prudent financial oversight and stability. These funds are in addition to the already locked cash reserves.

2. Legal Structure

A core driving force behind the development of the Royal Dollar stablecoin was to establish new industry standards for proof of reserves, underpinned by secure and legally binding solutions. Many existing stablecoins suffer from lack of comprehensive transparency regarding their legal structures and recourse mechanisms, undermining their reliability and utility as viable payment instruments and financial tools, particularly among corporations and institutional market participants.

Additionally, the reliance on non-Web3 liquidation processes for digital asset-backed decentralized stablecoins introduces significant uncertainty and compromises the security guarantees for stablecoin holders. Recognizing these impediments as major barriers to wider adoption, RIBG leveraged its deep expertise in asset tokenization and traditional banking to architect an innovative solution that directly addresses these long-standing concerns.

Through the pioneering "Verified Reserve Fund Deployment" architecture, Royal Dollar holders gain unprecedented transparency into the state of the underlying Euro cash collateral reserves. This is achieved via seamless integration with decentralized oracle networks, providing real-time, publicly verifiable, and tamper-proof visibility into the locked collateral accounts managed by top-tier banks.

Furthermore, Royal Dollar's robust legal framework establishes a clear segregation of roles, with holders benefiting from direct legal recourse and collateral claims facilitated by the top banking institutions safeguarding the reserves. This groundbreaking approach introduces new standards of accountability, rectifying historic transparency deficiencies plaguing the stablecoin market. Specifically, these key pillars that foster trust among institutional and enterprise adopters are:

i. Full Segregation of Assets (Euro cash): The Euro cash backing the value of the Royal Dollar is completely segregated and safeguarded from RIBG's own assets and activities. RIBG employs an 8-10% over-collateralization strategy to enhance stability.

ii. Proof of Reserves Transparency: The Verified Reserve Fund Deployment managed by a tier-1 bank such as Deutsche Bank, HSBC, or Barclays, This guarantees that the assets are solely dedicated to their intended purpose of collateral for the Royal Dollar, which can be redeemed by holders. Real-time proof of reserve verification is provided by decentralized oracle network.

iii. Direct Holder Recourse: Royal Dollar holders enjoy direct recourse on the Euro fiat collateral, setting it apart from many other stablecoins. This feature offers transparent insights into reserves and redemption processes through smart contracts, bolstering trust and confidence among holders.

iv. Maintenance of peg to the USD: The Constant Price Impact Ratio Algorithm, governed by a smart contract linked to the USD to Euro exchange rate derived from the European Central Bank, regulates the minting and burning of Royal Dollar to sustain its peg to the USD. This meticulous mechanism ensures that the circulating supply remains steadfastly bound to one USD, enhancing transparency, and safeguarding holders' interests.

v. Regulated Entities: The combination of regulated tier-1 banks, and RIBG's own status as a regulated investment bank lends credibility, trust, and binding legal obligations to maintain strict regulatory compliance in all aspects of collateral and redemption. This multi-layered regulatory oversight enhances protection for stablecoin holders through well-defined legal structures and stringent risk mitigation protocols.

By seamlessly bridging traditional financial infrastructure with cutting-edge Web3 technologies, the Royal Dollar offers unparalleled assurances regarding proof of reserves, collateralization, and legal protections. This pioneering work in this domain is poised to catalyze broader stablecoin integration across industries and unlock new frontiers in digital finance.

3. Collateral Structure

In our undertaking for innovative stablecoin solutions, RIBG has forged strategic partnerships with MaalChain DLT Team, Proof of Reserve providers, and Oracles networks. Together, we harness blockchain technology to revolutionize collateral and proof of reserve management. Embedded in the development of the Royal Dollar are cutting-edge proof of reserve solutions, marked by heightened security and an efficient mechanism to maintain a stable binding to fiat currency. Additionally, our approach ensures real-time transparency of collateral assets and offers exceptional liquidity for on/off-ramp transactions. We firmly believe that these attributes set the Royal Dollar apart, making it unparalleled among existing stablecoins.

The Royal Dollar features a unique guaranteed fiat currency proof of reserve mechanism, distinguishing itself as the premier bank-grade stablecoin. To understand this mechanism, it's crucial to first explore the collateral mechanism of the Euro cash, which serves as the cornerstone for the issuance of the Royal Dollar.

i. A designated amount of Euros is transferred to top tier-1 banks such as Deutsche Bank, Barclays, and HSBC. This cash is meticulously blocked (locked) from RIBG and segregated by the banks to act as collateral to facilitate the minting of Royal Dollar. These off-chain reserves are reported in real-time onto the DLT through renowned oracle service providers. The Euro collateral permits the Royal Dollar to be minted and pegged with the USD while ensuring 8-10% Euro cash over-collateralization.

ii. The minted Royal Dollar are subsequently distributed, with a portion held in RIBG’s multi-sig treasury wallet, which is intricately linked to the dynamic minting and burning server. This linkage is governed by the CPIR algorithm, guiding the minting, or burning of Royal Dollar in response to fluctuations in the exchange rate between USD and Euro.

iii. The Euro cash serving as proof of reserves is disclosed on the DLT in real-time, providing unprecedented transparency throughout the process.

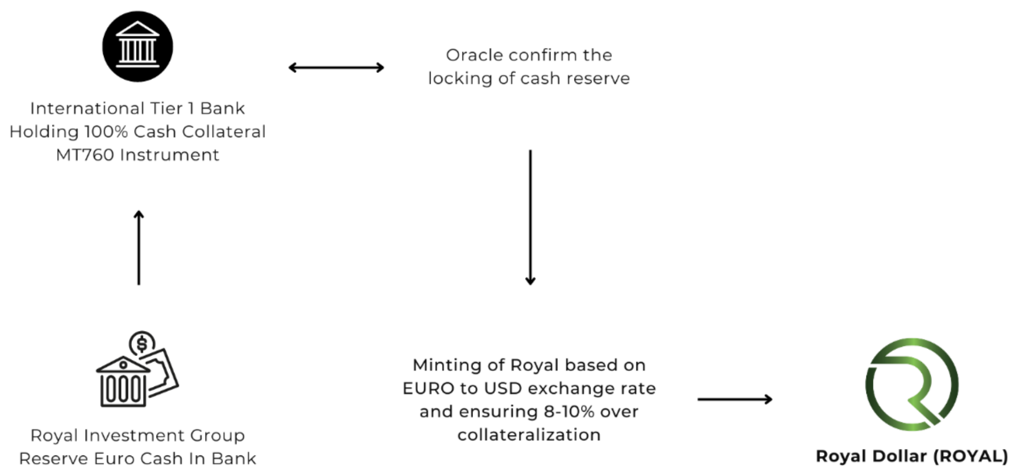
The defining feature of the Royal Dollar lies in its pioneering strategy of ensuring collateralization in minting stablecoin and eliminating the necessity for stablecoin market sales to develop the proof of reserves. This innovative notion of fiat-guarantee prior to minting establishes a robust and secure foundation for the Royal Dollar, setting it apart in the stablecoin sphere and ensuring the provision of a stablecoin of bank-grade quality.

4. Supply Management

The RIBG's treasury wallet is intricately connected to a server, where the dynamic minting and burning of Royal Dollar occurs under the influence of the CPIR algorithm. The CPIR mechanism reacts to fluctuations in the exchange rate between USD and Euro, drawing reference from the European Central Bank. Facilitating this linkage are APIs, ensuring seamless integration. Key operational smart contract components, fortified with Multi-Party Computation (MPC) capabilities, are deployed to oversee, and manage the supply of Royal Dollar, including:

- Master Minter: The Master Minter undertakes the initial minting of Royal Dollar to ensure over-collateralization of Euros.
- Minter: Controls the minting of Royal Dollar in response to fluctuations in the exchange rate between USD and Euro.
- Burner: Controls the burning of Royal Dollar in response to fluctuations in the exchange rate between USD and Euro.

- Blacklist and Whitelist Management: Allows Externally Owned Addresses (EOA's) that violate regulatory requirements to be blacklisted. This enhances adherence to banking and regulatory compliance standards and increasing the difficulty for cyber criminals to misappropriate Royal Dollar. Blacklisted addresses will not be able to transact Royal Dollar. EOA's that have met RIBG's compliance requirements can be Whitelisted to improve interaction speed.
- Rescuer Protocol: An autonomous and specialized protocol is in place to rectify incorrectly sent Royal Dollar on the protocol of the blockchain.
- Pauser Protocol: An independent and dedicated protocol as a prudent precaution to halt minting and burning of Royal Dollar in an unforeseen circumstance arise that necessitates freezing the minting and burning server. Pausing will not affect the finality of Royal Dollar transactions.



5. Distribution of Royal Dollar

During the pre-IEO phase, Royal Dollar will be available for purchase directly from RIBG's OTC platform or through approved third-party OTC providers. To participate, counterparties must undergo rigorous banking and regulatory compliance procedures, including KYC, AML-CFT, and Sanctions-Embargoes checks, ensuring a secure and compliant transaction environment. Users opting for RIBG's OTC can deposit fiat funds into the bank account specified by RIBG. Upon verification, Royal Dollar are then issued to the user's wallet.

Following the successful completion of the IEO, the Royal Dollar will become publicly available for purchase and redemption on top tier-one digital centralized exchanges, subject to compliance measures imposed by the respective exchanges. This listing not only facilitates trading but also plays a pivotal role in expanding the adoption of the Royal Dollar within the broader ecosystem. To ensure liquidity, RIBG has forged partnerships with leading liquidity providers, enhancing the on/off-ramp capabilities of Royal Dollar.

Even after the IEO, Royal Dollar will remain accessible through RIBG's OTC platform or approved third-party OTC providers. This distribution strategy aims to promote transparency, accessibility, and market integration, fostering wider adoption of the Royal Dollar for various financial activities, including payments and the development of financial instruments. Moreover, the Royal Dollar is poised to serve as a bank-grade stablecoin for a myriad of on-chain USD-denominated transactions, spanning staking, collateralization, margining, and cross-border settlements. The redemption process operates in reverse, with the Royal Dollar being burned upon accessing an off-ramp, such as a web application maintained by a licensed RIBG issuing member. Upon successful validation, USD funds are transferred to the user's designated bank account. Moreover, the Royal Dollar is poised to serve as a bank-grade stablecoin for a myriad of on-chain USD denominated transactions, spanning staking, collateralization, margining, and cross-border settlements.

5.1 Availability on Blockchains

Royal Dollar will be issued across multiple public blockchains to ensure widespread accessibility and interoperability. The initial blockchains selected for the issuance of Royal Dollar include MaalChain, Ethereum, Binance Smart Chain, Polygon, and Avalanche. Plans are underway to extend the issuance of the Royal Dollar to additional blockchains over time, enhancing the versatility and reach. The initial Royal Dollar addresses on the blockchains are as follows:

Network	Address
Ethereum	https://etherscan.io/address/0x8479f126da5d5f07db14206d6c316c9413ec6071
MaalChain	https://maalscan.io/address/0x8479F126da5d5F07dB14206d6c316C9413EC6071
Binance	https://bscscan.com/address/0x46cc498404afb0cf5d5496cdae1ced62b8a048b2
Polygon	https://polygonscan.com/address/0x46cc498404afb0cf5d5496cdae1ced62b8a048b2
Avalanche	https://43114.routescan.io/address/0x46cc498404aFb0Cf5d5496CDaE1cED62b8a048

Appendix I: Disclaimer and Risk Warning

This whitepaper serves to outline the principal risks associated with the Royal Dollar stablecoin (symbol "ROYAL") issued by RIBG ("Issuer") and recorded via distributed ledger technology. It is not exhaustive in its coverage of risks.

Potential holders of stablecoins are urged to carefully review the documentation associated with the Royal Dollar stablecoin, considering any associated risk factors, and consult with their own professional advisors to determine the suitability of acquiring this asset based on their individual circumstances.

- Prospective purchasers are responsible for assessing the suitability of their acquisition based on their individual circumstances. Specifically, they may wish to consider, either independently or with the guidance of professional advisors:
- Their level of knowledge and experience in conducting a comprehensive evaluation of the Royal Dollar and the associated fiduciary structure.
- Whether they possess the necessary access to, and familiarity with, appropriate analytical tools to assess the purchase of Royal Dollar within the context of their specific situation.
- Their financial resources and liquidity to manage all risks associated with holding Royal Dollar.
- A thorough understanding of the terms governing the Royal Dollar and the underlying fiduciary structure.
- Their ability to assess potential scenarios involving economic, interest rate, and other factors that could impact their purchase and capacity to withstand associated risks.

Before considering an investment in the digital assets offered by RIBG, prospective subscribers should evaluate whether such an investment aligns with their unique investment goals, financial circumstances, and objectives. They are encouraged to seek advice from the appropriate legal professional, tax/accounting professional, and financial advisor.

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Appendix II - References

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