



Digital, Blockchain, Startup's Practice

# Boomstarter.Network: Project's Legal Overview

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## Boomstarter Network PROJECT - BRIEF LEGAL OVERVIEW

Boomstarter Network is a project of a blockchain-based crowdfunding platform with smart contracts and crowd mining technology (Project or Boomstarter Network). The Project is operated by Boomstarter Pte. Ltd., a company incorporated and operating under the laws of Singapore. BC Tokens are being sold during a public sale via <https://boomstarter.network/> website. All relations related to purchase of BC Tokens are governed under conditions of BC Token Sale Agreement<sup>1</sup> and Boomstarter.Network Privacy Policy.<sup>2</sup> Company will perform a KYC/AML check after the end of Token Sale and refund all ineligible users or report suspicious transactions before providing to BC Tokens holder the possibility to use BC Tokens on the Platform. All personal data collected from User on Boomstarter Network Platform is stored securely in compliance with Singapore Personal Data Protection Act and European GDPR regulations.

Examined questions:	Reasoning:
1. Whether BC Token can be considered as a form of securities under the laws of Singapore.	BC Tokens cannot be considered as securities under definition of "securities" in Securities and Futures Act (Cap. 289, Revised Edition 2006) ("SFA") and is not regulated by the Monetary Authority of Singapore ("MAS").
2. Whether BC Token can be considered as a form of securities under the U.S. laws.	BC Tokens are not securities and the form of their purchase does not consist an investment contract due to the fact that BC Tokens are sold for internal usage on the Platform and does not constitute a type of share capital or right to receive passive profits from efforts of third party.
3. Whether Company's activities are in compliance with the regulations of Singapore related to AML, Personal Data Protection and other issues.	The Company shall perform KYC/AML checks in compliance with Corruption, Drug Trafficking and other Serious Crimes Act (Cap. 65A) and all personal data shall be stored securely and with pseudonomisation in compliance with Personal Data Protection Act and European GDPR requirements.

## Conclusion

**The sale of BC Tokens and operations of Boomstarter Pte. Ltd. are governed under and in compliance with the laws of Singapore. BC Tokens are not securities under the laws of Singapore and the U.S.**

<sup>1</sup> <https://boomstarter.network/system/documents/bc-token-sale-agreement.20180626133118427167245.pdf>

<sup>2</sup> <https://boomstarter.network/system/documents/boomstarter-network-privacy-policy.20180626130018491914656.pdf>

## **JURISDICTION AND LEGAL INFORMATION RELATED TO THE BC TOKENS SALE.**

The Boomstarter Network project's core development team is formed from residents of the Russian Federation. Due to several issues of cryptocurrency regulation and project's aim on international operation of a crowdfunding platform, project is incorporated in Singapore by private limited company Boomstarter Pte. Ltd. (Reg. No. 201823523E) and beneficiaries are also reporting to Russian tax authority in compliance with Russian CFC regulations. Being a jurisdiction with regulated status of cryptocurrency which is considered as virtual asset and as securities in certain cases, Singapore provide the project with possibility of operation within existing legal framework related both to cryptocurrency and crowdfunding. On 14th November, 2017 Monetary Authority of Singapore issued guidance on general rules applied to ICO and Token sales in jurisdiction. This guidance is one of the reasons why the choice of Singapore jurisdiction was made due to service nature of BC Token and its operational model. Under the Guidance of MAS from 14th November 2017<sup>3</sup>, token, issued during the token sale that constitute no other rights than possibility to access and use a platform, and the right to use token to pay for services provided by other users on platform, will not be subject to any requirement under the SFA or the FAA. By these reasons Boomstarter Pte. Ltd. incorporated in Singapore, in our opinion, is not obliged to obtain any additional license or register with MAS with respect to the Token Sale. Neither Boomstarter Pte. Ltd. Is required to obtain license for crowdfunding activities due to the fact that such operations on the Platform are related to reward based crowdfunding. Not only shall the company process the Token sale and keep all cryptocurrency on its account with reflection of assets received in financial report but will also operate with cryptocurrency payments on behalf of Boomstarter Network project's Platform.

From 29.06.2018 0:00:00 GMT +3 and until 23.09.2018 23:59 GMT +3 Boomstarter Pte. Ltd. is making a public sale of BC Tokens which shall further be available on Boomstarter Network Platform. Tokens will be distributed to purchasers only after completion of KYC procedure and launch of the Boomstarter Network Platform with basic functionality. The Token Sale event is regulated under BC Tokens Sale Agreement<sup>4</sup> which should be accepted by any purchaser of BC Tokens. During the Token Sale Boomstarter Network Pte. Ltd. is selling BC Tokens - "software digital product[s] (not being cryptocurrency), created and issued by the Company as a cryptographically secured representation of the right to exchange BC Tokens for services

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<http://www.mas.gov.sg/~media/MAS/Regulations%20and%20Financial%20Stability/Regulations%20Guidance%20and%20Licensing/Securities%20Futures%20and%20Fund%20Management/Regulations%20Guidance%20and%20Licensing/Guidelines/A%20Guide%20to%20Digital%20Token%20Offerings%20%2014%20Nov%202017.pdf>

4 <https://drive.google.com/file/d/1nUf-XnOPSDRB6dbfEIZF5g9VjLoPVeBV/view>

on the Platform, for example to support any project in crowdfunding or purchase Miner Pro status.” BC Tokens are created on the basis of the ERC20 protocol with notification of Purchaser of all potential risks of use of Ethereum blockchain technology, and will be used to provide a privileged access to the Boomstarter Network platform and its certain functions. The BC Token does not represent equity, ownership or any other related right on the Boomstarter Network organization, nor does it grant voting rights or decision making participation on the organization and operations of Boomstarter Pte. Ltd. or any other company affiliated with the project. The company issues 36 000 000 BC Tokens which shall be available for purchase during the Token Sale under the prices in USD equivalent under the applicable exchange rate defined in the BC Tokens Sale Agreement (please notice, that Tokens may only be purchased for ETH, BTC and LTC virtual currencies. Payments in USD or any other fiat currency are made through a third party which is also responsible for further exchange on virtual currency):

Boomstarter Network shall perform “Know your client” (hereinafter, “KYC”) procedures for all purchasers of BC Tokens before distribution of Tokens to Purchasers. Despite the fact that the BC Token is not a form of securities by its nature and legal definition which is reviewed further in this opinion, due to several tax and legal issues the BC Token sale shall be inaccessible both on technical (ip block) and contractual level (contractual restrictions) for the citizens and residents of the United States of America, Canada, Singapore, New Zealand, Iceland, Thailand, Afghanistan, Burundi, Balkan, Burma (Myanmar), Cote d’Ivoire, Cuba, Democratic Republic of Congo, Democratic Peoples’ Republic of Korea, Iran, Iraq, Liberia, Lebanon, Libya, Rwanda, Sierra Leone, Somalia, Sudan, Syria, Tanzania, Uganda, Zaire, Zimbabwe and countries or territories or individuals under the sanctions of the United Nations or the European Union or countries where the use of virtual currencies is prohibited by applicable law, decree, regulation, treaty, or administrative act.

### **BC TOKENS ARE NOT SECURITIES UNDER THE LAWS OF SINGAPORE.**

Offers or issues of digital tokens may be regulated by MAS if the digital tokens are capital markets products under the SFA. Capital markets products include any securities, futures contracts and contracts or arrangements for purposes of leveraged foreign exchange trading. Under section 2(1) of the SFA, “capital market products” means any securities, futures contracts, contracts or arrangements for the purposes of foreign exchange trading, contracts or arrangements for the purposes of leveraged foreign exchange trading, and such other products as MAS may prescribe as capital markets products.

In such cases, a digital token may constitute:

- A share under section 2(1) of the SFA, as “a share in the share capital of a corporation [that] includes stock except where a distinction between stocks and share is expressed or implied”, where It confers or represents ownership interest in a corporation, represents liability of the token holder in the corporation, and represents mutual covenants with other token holders in the corporation inter se;
- Can be considered as “a debenture, where it constitutes or evidences the indebtedness of the issuer of the digital token in respect of any money that is or may be lent to the issuer by a token holder”; or
- A unit in a collective investment scheme (“CIS”), where it represents a right or interest in a CIS. Under section 2(1) of the SFA, a “unit”, in relation to a collective investment scheme, means “a right or interest (however described) in a collective investment scheme (whether or not constituted as an entity), and includes an option to acquire any such right or interest in the collective investment scheme. Under section 2(1) of the SFA, a “collective investment scheme” is an arrangement in respect of any property bearing all of the following characteristics:
  - 1) *participants have no day-to-day control over management of the property;*
  - 2) *property is managed as a whole by or on behalf of a manager;*
  - 3) *participants’ contributions and profits or income of the arrangement from which payments are to be made to the participants are pooled; and*
  - 4) *purpose or effect (or purported purpose or effect) of the arrangement is to enable participants to participate in or receive profits, income or other payments or returns arising from acquisition, holding, management or disposal of, the exercise of, the redemption of, or the expiry of any right, interest, title or benefit in the property or any part of the property*

Moreover, digital software tokens, in certain cases, may represent functionality which can permit the distribution of income or give certain rights by analogy with securities. Under the SFA, the securities are defined as:

- debentures or stocks issued or proposed to be issued by a government;*
- (b) debentures, stocks or shares issued or proposed to be issued by a corporation or body unincorporate;*
- (c) any right, option or derivative in respect of any such debentures, stocks or shares;*
- (d) any right under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in –
  - (i) the value or price of any such debentures, stocks or shares;*
  - (ii) the value or price of any group of any such debentures, stocks or shares; or*
  - (iii) an index of any such debentures, stocks or shares;**
- (e) any unit in a collective investment scheme;*
- (f) any unit in a business trust;*
- (g) any derivative of a unit in a business trust; or*
- (h) such other product or class of products as the Authority may prescribe, but does not include –*

- (i) futures contracts which are traded on a futures market;*
- (ii) bills of exchange;*
- (iii) promissory notes;*
- (iv) certificates of deposit issued by a bank or finance company whether situated in Singapore or elsewhere; or*
- (v) such other product or class of products as the Authority may prescribe as not being securities;"*

As it was outlined before from information materials of Boomstarter Network Project, during the Token sale event, Boomstarter Pte. Ltd. is offering BC Tokens that are units of internal virtual currency which can be used on Platform and distributed directly in possession of Purchasers after completion of required identification procedures. Possession of BC Tokens does not represent any ownership right, share or security or any right to receive future revenue shares, or any other form of participation in or relating to the Boomstarter Pte. Ltd. or any other company affiliated with the project. By these reasons we deduce that BC Tokens does not fall under the definition of securities under the SFA or MAS and do not have any characteristics of "securities". In relation to the "collective investment schemes" BC Tokens should not be regulated by MAS due to the fact that BC Tokens received by Purchasers after completion of identification procedures contain only the rights described in Boomstarter Network Project information documentation which does not guarantee any profits or income from the use of BC Tokens. Even if we consider that funds received from purchase of BC Tokens will form a "Fund" such "Fund" will not meet the definition of an arrangement or of a class or description of arrangements specified by MAS and will not meet the definition of the collective investment scheme.

**We deduce, that all facts related to the sale of BC Tokens cannot describe such assets as a form of securities or participation in the collective investment scheme under applicable law of Singapore and should not be regulated by MAS.**

## **BC TOKENS AND THE RELATION OF SALE OF SUCH ASSETS CANNOT BE CONSIDERED AS SECURITIES UNDER THE U.S. LAWS.**

Continuing to characterize the BC Token under potential risks of U.S. law application it is important to classify it under the U.S. securities legislation.

In the case of SEC v. Howey, 328 U.S. 293 (1946) and further approval of such position in SEC v. Edwards, 540 U.S. 389 (2004), the Supreme Court found that a contract constitutes an investment contract if it meets the definition of "security" under the Securities Act of 1933 when there is: (i) an investment of money; (ii) in a common enterprise; (iii) with the expectation of profits; (iv) solely from the efforts of others. In order to be considered as security, the token should comply with all four elements of the test (SEC v. Edwards, 540 U.S., 389).

The "investment of money" element is the easiest to satisfy because it should be understood to include fiat currency or another medium of exchange that is of value to the issuer and the purchaser. The "common enterprise" element can be satisfied if the proceeds of an offering are used to create, support or maintain a system which provides some function or benefit to the purchaser. In case of the Boomstarter Network Project the basic token functionality will be available after the end of the Token Sale and completion of identification procedures of Purchasers. Moreover, the Platform was in development by the team before the commencement of the Token Sale. The elements of "the expectation of profits" and "solely from the efforts of others" are inseparable and generally considered the most relevant. These elements cannot be fulfilled in the present project due to the fact, that the token is more likely to be considered as the medium to use the platform rather than to expect speculative profit from acquiring the tokens. Even if the BC Tokens would be traded after the Token sale, the mere ability to trade tokens on cryptocurrency exchange would not itself give rise to an "expectation of profits" within the meaning of the Howey Test.

Additionally, the BC Token with less probability may be reviewed under the elements of Family resemblance test, which was first outlined in Reves v. Ernst & Young, 494 U.S. 56 (1990) case. Such test is not effectively applicable to the BC Token because this test is necessary to determine whether a note is a security and bears a resemblance to one of the categories on a judicially developed list, which can outline the four elements of the test: parties' motivation, the plan of instrument distribution, the expectation of the investing public and the presence of alternative regulatory regime. The BC Token is sold and positioned as an internal currency of Boomstarter Network Platform and is not intended to be used for any other purposes, moreover, the Token Sale is limiting U.S. individuals who cannot be



considered as qualified investors from participation in the Token Sale and the applicable law under the Token Sale Agreement is defined by the laws of Singapore. Overall, the BC Token cannot also be considered as a security under the family resemblance test.

In conclusion, we are of the view that even in case of possible estimation as security under U.S. law BC Tokens are not securities and should not be regulated by Securities Exchange Commission. However, such situation may possibly be changed in case of changes in regulation with respect to the Token Sales in the U.S. or in scope of regulation of certain U.S. States which may require further opinion from qualified local lawyer. Additionally, we include the Howey Test score table which was prepared by Coinbase for general information purposes of understanding of application of Howey Test elements to Token Sales.<sup>5</sup>

### A Securities Law Framework for BC Tokens

<b>Element 1: Investment of Money</b>				
Is there an investment of money?				
Characteristic	Points	Explanation	Examples	Y or N
There is no crowdsale. New tokens are given away for free, or are earned through mining	<b>0</b>	Tokens which are not sold for value do not involve an investment of money. For example, if all tokens are distributed for free, or are only produced through mining, then there is no sale for value.	There was never any token sale for Bitcoin. The only way to acquire new bitcoin is via mining. A token which is randomly distributed for free	<b>N</b>
Tokens are sold for value (crowdsale)	<b>100</b>	Tokens which are sold in a crowdsale, at any time, regardless of whether sold for fiat or digital currency (or anything else of value) involve an investment of money	A token which is sold for bitcoin in a crowdsale. A token which is sold for ether in a crowdsale.	<b>Y</b>
<b>Element 2: Common Enterprise</b>				
What is the timing of the sale?				
Characteristic	Points	Explanation	Examples	Y or N
Pre-deployment	<b>70</b>	A sale of tokens before any code has been deployed on a blockchain is more likely to result in a common enterprise where the profits arise from the efforts of others. This is because the buyers are completely dependent on the actions of the developers, and the buyers cannot actually participate in the network until a later time.	A developer has an idea for a new protocol, writes a white paper and does a crowdsale.	<b>N</b>
The protocol is operational on a test network	<b>60</b>	If there is a functioning network there is less likely there is to be a common enterprise where the profits arise from the efforts of others. The closer the sale is to launch of the network, the less likely there is to be a common enterprise.	A developer has an idea for a new protocol, writes a white paper and deploys a working test network before doing a crowdsale.	<b>Y</b>
Live network is operational	<b>50</b>	If the token is sold once there is an operational network using the token, or sold immediately before the network goes live, it is again less likely to result in a common enterprise	The crowdsale is done at the same time the network is launched.	<b>N</b>
What do token holders have to do in order to get economic benefits from the network?				
Characteristic	Points	Explanation	Examples	Y or N
All token holders will always receive the same returns	<b>25</b>	If returns are paid to all token holders equally (or in proportion to their token holdings) regardless of any action on the part of the token holder, then their interests are more likely aligned in a common enterprise	'HodlToken' holders are automatically paid an amount of ETH each week, based on fees generated by other users of the network.	<b>N</b>
There is a possibility of varying returns between token holders, based on their participation or use of the network.	<b>-20</b>	If token holders' returns depend on their own efforts, and can vary depending on the amount of effort they each put in, then there is less likely to be a common enterprise	'CloudToken' holders can earn more tokens by providing data storage on the network, or can spend tokens to access data storage. Holders who do not provide data storage do not earn any more tokens.	<b>Y</b>

<sup>5</sup> <https://www.coinbase.com/legal/securities-law-framework.pdf>

<b>Element 3: Expectation of Profit</b>				
<b>What function does the token have?</b>				
<b>Characteristic</b>	<b>Points</b>	<b>Explanation</b>	<b>Examples</b>	<b>Y or N</b>
Ownership or equity interest in a legal entity, including a general partnership	100	<p>Tokens which give, or purport to give, traditional equity, debt or other investor rights are almost certainly securities.</p> <p><b><i>If one or more of these characteristics apply, the token is almost certainly a security, notwithstanding the results of the other elements</i></b></p>	<p>A developer releases and sells 100 'BakerShares' tokens. Each token entitles the holder to 1 share in Baker, Inc.</p> <p>A developer releases and sells 100 'BakerProfit' tokens. Each token entitles the holder to 1% of the profits of Baker, Inc. for the next year.</p> <p>A developer releases and sells 100 'BakerDebt' tokens. Each token entitles the holder to principal and interest repayments based on the initial token sale price.</p>	N
Entitlement to a share of profits and/or losses, or assets and/or liabilities	100			
Gives holder status as a creditor or lender	100			
A claim in bankruptcy as equity interest holder or creditor	100			
A right to repayment of purchase price and/or payment of interest	100			
No function other than mere existence	100	A token which does not have any real function, or is used in a network with no real function, is very likely to be bought with an expectation of profit from the efforts of others, because no real use or participation by token holders is possible. Voting rights alone do not constitute real functionality.	A developer releases and sells 100,000 'SocialCoin' tokens to fund the development of a new Social Network. However, SocialCoin is not required to access the network and has no real function after the sale.	N
Specific functionality that is only available to token holders	0	A token which has a specific function that is only available to token holders is more likely to be purchased in order to access that function and less likely to be purchased with an expectation of profit.	'CloudToken' is the only way to access and use a decentralized file storage network.	Y
<b>Does the holder rely on manual, off-blockchain action to realize the benefit of the token?</b>				
<b>Characteristic</b>	<b>Points</b>	<b>Explanation</b>	<b>Examples</b>	<b>Y or N</b>
Manual action is required outside of the network (e.g. off-blockchain) in order for the holder to get the benefit of the token	80	A token whose value depends on someone taking specific manual action outside of the network means that the token is not functional in and of itself. Instead, the token relies on a level of trust in a third party taking action off-blockchain. This sort of token is more likely to be bought for speculation - i.e. the expectation of profits.	A developer releases and sells 'FreightCoin', which will allow the holder to pay FreightCoin to access capacity on a new real-world freight network. The network relies on legal contractual relationships and manual actions.	N
All functionality is inherent in the token and occurs programmatically	0	A token which is built with all the necessary technical permissions means that the token holder does not rely on manual actions of any third party. This means that the buyers are more likely to purchase the token for use rather than with the expectation of profit from the efforts of others.	Holders of 'SongVot BC Token' can sign transactions on the network as votes for their favorite new songs and earn rewards for doing so.	Y
<b>What is the timing of the sale?</b>				
<b>Characteristic</b>	<b>Points</b>	<b>Explanation</b>	<b>Examples</b>	<b>Y or N</b>
Pre-deployment	20	A sale of tokens before any code has been deployed on a blockchain is more likely to result in buyers purchasing for speculative reasons with the expectation of profit, rather than practical use cases.	A developer has an idea for a new protocol, writes a white paper and does a crowdsale.	N
The protocol is operational on a test network	10	If the sale occurs after code has been deployed and tested, the token is closer to being able to be used	A developer has an idea for a new protocol, writes a white paper and develops a working test network before doing a crowdsale.	Y
Live network is operational	0	If the token is sold once there is an operational network using the token, or immediately before the network goes live, it is more likely to be purchased with the intention of use rather than profit.	The live network is launched before the crowdsale.	N

Can the token holders exercise real and significant control via voting?				
Characteristic	Points	Explanation	Examples	Y or N
Token holders as a whole are able to control the development team's access to funds	-20	If the collective approval of token holders is required in order for the development team to access the funds raised in the crowdsale, then any value realized by the token holders is more closely tied to their own decisions, and less reliant on the efforts of others.	A development team sells 100,000 Tokens for a total of 100,000 ETH. 50,000 ETH will be released from the token contract to the development team immediately, but the remainder is only released once milestones are met, which requires approval of a majority of the token holders each time. If the milestones are never met, the remaining ETH will be returned to the token holders.	N
Token holders as a whole are able to vote on significant decisions for the protocol	-10	If the collective approval of token holders is required in order to make significant changes to the protocol, then any value realized by the token holders is more closely tied to their own decisions, and less reliant on the efforts of others.	Changes to the protocol require a vote by token holders.	N
How is the token sale marketed?				
Characteristic	Points	Explanation	Examples	Y or N
Marketed as an 'Initial Coin Offering' or similar	50	It is not possible to prevent some buyers from buying a token purely for speculation. However, marketing the token as an investment leads buyers to believe they can profit from holding or trading the token, rather than from using the token in the network. Using terms like 'Initial Coin Offering' or 'ICO', and investment-related language like 'returns' and 'profits' encourages buyers to buy a token for speculation, rather than use.	'ProfitCoin' includes potential of 'high ROI' and 'investor profits' in its marketing material.	N
Marketed as a Token Sale	0	Marketed as a sale of tokens which give the right to access and use the network		Y
There is no economic return possible from using the network	-100	If there is genuinely no economic return possible for the token holders, then there is unlikely to be a common enterprise. This will be rare.	Backers contribute to a cause and receive a 'thank you' token which has no economic value.	N
Results				Res ults
Guide				Res ults

Total Points	How likely is the element to be satisfied?	Res ults
0 or less	Very unlikely	Total for Element 1 <b>100</b>
1 - 33	Unlikely	Total for Element 2 <b>40</b>
34 - 66	Equally likely and unlikely	Total for Element 3 <b>10</b>
67 - 99	Likely	<b>Overall Risk Score 10</b>
100 or more	Very likely	

A token will only be a security if it satisfies all three elements. The higher the point score for each element, the more likely the element is to be satisfied.

For many blockchain tokens, the first two elements of the Howey test are likely to be met. The third element has the most variables and the most different outcomes depending on the characteristics of the particular token.

#### Important notes

*Please remember that this methodology produces nothing more than an estimate. The Overall Risk Score and the categories of likelihood are a guide only.*

*The Howey test has not yet been directly applied by the courts to any digital currency or blockchain token. The Howey test as applied by the courts does not involve any points-based calculation. The points system is intended as a guide - to highlight the characteristics of a token which are relevant to the securities law analysis.*

*This Framework should be read together with the full legal analysis. This Framework and the full legal analysis may be updated in the future as the law in this area develops.*

**You should not rely on this Framework as legal advice. It is designed for general informational purposes only, as a guide to certain of the conceptual considerations associated with the narrow issues it addresses. You should seek advice from your own counsel, who is familiar with the particular facts and circumstances of what you intend and can give you tailored advice. This Framework is provided "as is" with no representations, warranties or obligations to update, although we reserve the right to modify or change this Framework from time to time. No attorney-client relationship or privilege is created, nor is this intended to be attorney advertising in any jurisdiction.**

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## **BOOMSTARTER PTE. LTD. IS OPERATING IN COMPLIANCE WITH KYC/AML REQUIREMENTS.**

With respect to the fact that MAS consider that digital tokens that perform functions which may not be within MAS' regulatory purview may nonetheless be subject to other legislation for combating money laundering and terrorism financing. MAS also intends to establish a new payments services framework that will include rules to address money laundering and terrorism financing risks relating to the dealing or exchange of virtual currencies for fiat or other virtual currencies. Such intermediaries will be required to put in place policies, procedures and controls to address such risks. These will include requirements to conduct customer due diligence, monitor transactions, perform screening, report suspicious transactions and keep adequate records.

In order to comply with Singaporean Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act and Terrorism (Suppression of Financing) ("CDSA") Act Boomstarter Pte. Ltd wil perform all necessary KYC/AML procedures procedures before distribution of BC Tokens for Purchasers.

According to Section 48I of the CDSA, prescribed persons have to perform customer due diligence measures and internal control measures as may be prescribed before entering into:

- A single cash transaction with any person who is involved in any cash transaction with a prescribed person (customer) for the value of which exceeds S\$20,000.00; or
- Two or more cash transactions in a single day with the same customer, or with customers whom the prescribed person knows act on behalf of the same person, the total value of which exceeds S\$20,000.00.

Boomstarter Pte. Ltd. is not a "prescribed person" under the CDSA but still apply such standards to its activity as a measure in order to comply to possible changes in regulation related to cryptocurremcy and will require the following identification information from Purchasers before the distribution of BC Tokens with necessary documents for verification:

- full name, including any alias used;*
- (b) date of birth, for an individual;*
- (c) address, which shall be —*
  - (i) for an individual, the address of the individual's usual place of residence; or*
  - (ii) for a body corporate or unincorporate, the address of its principal place of business or office;*
- (d) contact number or numbers;*
- (e) nationality, for an individual, or place of incorporation or registration, for a body corporate or unincorporate;*
- (f) identification number, which shall be —*
  - (i) for an individual, an identity card number, a passport number, a taxpayer identification number, or the number of any other document of identity issued by a*

*government as evidence of the individual's nationality or residence and bearing a photograph of the individual; or*  
*(ii) for a body corporate or unincorporate, a registration number, or the number of any other document issued by any government certifying the incorporation, registration or existence of the body corporate or unincorporate;*  
*(g) the type of identifying document referred to in paragraph (f) and the expiry date, if any, of the identifying document;*  
*(h) occupation, for an individual, or business, for a body corporate or unincorporate;"*

Boomstarter Pte. Ltd. has also provided us information that they are willing to operate in compliance with the Terrorism (Suppression of Financing) Act (Cap. 325) ("TSFA") and will disclose information of any known possession, custody or control of any property belonging to any terrorist or terrorist entity, or any information about any transaction or proposed transaction in respect of any property belonging to any terrorist or terrorist entity in accordance with Section 39 of the TSFA in scope of the Token Sale and its further operational activity.

## **APPLICATION OF OTHER LAWS AND REGULATIONS TO BOOMSTARTER NETWORK PROJECT.**

All personal data obtained during the ICO and operational activity is collected only after the receipt of consent of user.

According to Section 14 of the PDPA, the collection, use or disclosure of the personal data that is required by the organization has to be reasonable to provide the product or service. Further, the Users will have to be provided with the purpose of the collection, use and disclosure of the personal data. The same provisions are applicable under EU GDPR requirements. According to the Regulations it is mandatory to maintain records of the data processing activities; clearly inform the data subject of the data being collected and the purpose of the collection and obtain and record consent for the collection. There are certain exemptions when the data controller and processor can retain access from the data subjects to the collected data, such as national security; crime and taxation; confidential references.

All collection of personal data in the Project and on <https://boomstarter.network/> website is made under conditions of Boomstarter Network Privacy Policy and KYC/AML Policy and all data is securely stored only for period that is reasonable to assume that the purpose for which the personal data was collected is no longer being served by the retention of the personal data and the retention is no longer necessary for legal or business purposes. Moreover, Boomstarter Pte. Ltd. as a data controller makes data processing agreements with all third parties to whom it may transfer personal data of users.

