

PEGX

Registrar Services

SSWP Legal Note

Key Highlights

- ◆ Shares are held in the investors name on the legal register
- ◆ The investment is made through a holding company based in a reputable jurisdiction with strong investor protections
- ◆ Investors enjoy the benefit offered by tokenization on the Liquid Network, including atomic swap transfers

PEGx Registrar Services

PEGx has developed a digital platform, based on the Liquid Network, which offers approved participants to transfer and hold (“Registered assets”). The platform is built using Blockstream AMP for asset management and Authenticate eID for KYC management.

PEGx provides registrar services, whereby PEGx maintains registries electronically using Blockstreams AMP software and acts as the sole transfer agent to register share transfers.

Registered assets may only be transferred between participants of PEGx confined network who have stated an explicit willingness to be offered opportunities to transact in registered assets. Registered assets will be restricted from being transferred outside the network of participants.

SSWP Partners AB

SSWP Partners AB is a Swedish limited liability holding company acting as a Special Purpose Vehicle (“SPV”) which has been accepted for registrar services by PEGx. SSWP Partners AB in turn owns shares in SideSwap Ltd, an (“Operational Company”).

SSWP Partners AB has adopted Articles of Association, in accordance with Swedish law, which are designed to protect the shareholders of the SPV by restricting decisions that may be taken by the board of directors and by tailoring the voting requirements regarding certain resolutions by the general meeting.

The Articles of Association of the company mandate that all transfers must be conducted using a designated transfer agent. That business purpose is restricted to owning shares in the designated operational company. That shareholder voting may be done via email or electronic means. That valid decisions by the general meeting require, as a main rule, at least two third of both the votes and the shares in the company. That a sale or mortgage of shares in the Operational company requires that a general meeting must consent thereto.

SSWP Partners AB, being a limited liability company, does not fall under the definition of financial instruments in the Swedish Securities Market Act (Sw. lag (2007:582) om värdepappersmarknaden) (through which Markets in Financial Instrument Directive (2004/39/EC) was implemented, and thus authorization from the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) to conduct registry services for share transfers is not required. Furthermore, there is no legal requirement to issue prospectus regarding transfers of the SPV's shares.

Holdings of Swedish and foreign unlisted limited liability Operational companies are to be considered for tax purposes as so called "trade investments" (Sw. näringsbetingade andelar) and both dividends and capital gains from trade investments are generally considered tax-exempt for the SPV.

Shares of private limited liability companies may, under Swedish law, be exchanged for cryptocurrency. Moreover, transfers of Private Shares between PEGx participants are to be reported to the applicable tax authority under the laws of its relevant jurisdiction by the participant themselves.