

AUDC PTY LTD

AUSTRALIAN DIGITAL DOLLAR

WHITEPAPER

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UNLOCKING POTENTIAL: DRIVING EFFICIENCIES & LIQUIDITY IN FINANCIAL SERVICES.

The emergence of cryptocurrency and blockchain technology has ignited a transformative wave across global financial systems. Despite this innovation, Australia faces significant barriers that limit the effectiveness and adoption of digital currencies, amplified by an inefficient payment rail system and exclusionary banking practices.

INEFFICIENCIES IN TODAY'S PAYMENT SYSTEM:

Australia's current financial system exhibits inefficiencies, particularly in international transactions. Consumers and Businesses face high transaction fees, averaging 3.94% on retail payments (US\$500-US\$100,000), driven by foreign exchange margins, which, while often undisclosed, are estimated to account for 60-100% of the charge. Additionally, the average international transaction takes 2.5 days to settle, causing friction and inconvenience. While there is a clear demand for real-time payment tracking and greater transparency in costs, with 64% of corporations desiring better tracking capabilities and 47% seeking clearer cost visibility, the security of cross-border payments remains a critical concern, exemplified by significant breaches such as the \$81 million theft from Bangladesh's central bank in 2016.

EXCLUSIONARY BANKING PRACTICES:

The banking sector's 'debanking' practices further exacerbate these challenges, unfairly denying services to industries and inhibiting stable banking access essential for business and client fund management. The ripple effects restrict the services available from FinTech companies, which face debanking fears and penalties for supporting blockchain and digital assets, leading to limited growth and financial accessibility in the sector.

IMPACT OF THE PROBLEMS:

These systemic issues have profound implications for stakeholders, including digital currency exchanges, businesses using digital assets, and individual users, who face worsening access to stable, reliable payment services. Domestic payments are increasingly delayed or refused, infringing on consumers' rights to manage their finances. The increased operational costs incurred are often passed on to businesses, eroding the value and raising premiums for dealing with Australian dollars. Furthermore, the potential for stablecoins such as USDT or USDC to improve cross-border transactions is largely untapped due to reliance on existing (traditional) remittance rails for large-scale purchases.

THE SOLUTION: AUSTRALIAN DIGITAL DOLLAR.

The Australian Digital Dollar, or AUDD, introduces a ground-breaking solution to the systemic challenges of Australia's financial landscape. As a stablecoin pegged to the Australian dollar, AUDD provides a stable and reliable medium for financial transactions and value storage. Utilising Blockchain technology, AUDD is a public, permissionless asset that serves as a gateway to the Australian market for various sectors, including underbanked industries. AUDD enables instant, cost-effective payments and settlements globally, sidestepping the costly and time-consuming intermediaries typical of cross-border transactions.

AUDD operates 24 hours a day, seven days a week, and overcomes standard banking boundaries by providing continuous transaction capabilities outside of office hours. All transactions are recorded on a decentralised, immutable ledger, ensuring transparency and facilitating straightforward reconciliation. AUDD ensures greater user flexibility and safeguards against the FX risks associated with US dollar-based stablecoins, making it an ideal choice for maintaining value and conducting transactions in a secure environment.

UNDERSTANDING AUDD:

AUDD maintains a 1:1 parity with the Australian dollar. For every dollar deposited in our segregated reserve accounts, one AUDD is minted on the blockchain. This issuance process adheres strictly to compliance-first principles and operates on a non-custodial basis, ensuring that users retain ownership of their assets. All AUDD funds are held in Australian dollars as either cash or cash equivalents, either with a registered Authorised Deposit-taking Institution (ADI), which guarantees liquidity and is protected under the Financial Claims Scheme (FCS), or as Treasury instruments issued by the Reserve Bank of Australia (RBA).



RISING DEMAND:

THE GROWING NEED FOR DIVERSIFICATION.

Strong market indicators and changing financial practices in Australia underpin the demand for an Australian dollar stablecoin like AUDD. A striking 95% of Australians are aware of cryptocurrencies, and approximately 27.5% have engaged with crypto in the past year, illustrating a substantial base of potential users familiar with digital assets. This high degree of cryptocurrency awareness and adoption creates fertile ground for AUDD by capitalising on existing familiarity and trust in digital currencies.

Moreover, there is a strong preference among Australians for regulated and traditional investment avenues. Following the approval of Bitcoin spot ETFs, 25% of Australians expressed a more favourable view towards Bitcoin, indicating a willingness to engage with crypto investments accessible through traditional and regulated channels. AUDD could cater to this preference, providing a secure method to interact with this regulated investment alternative amidst economic uncertainties, such as rising interest rates and cost-of-living increases, that are prompting Australians to seek stable investment vehicles.

Globally, the dominance of USD stablecoins, which account for 99.8% of the market, provides a big opportunity for non-USD stablecoins like AUDD to capture a share of the global market.

This is particularly relevant in regions seeking alternatives to USD-denominated assets. AUDD could facilitate cheaper and more efficient cross-border transactions and remittances, which is especially important given Australia's close economic links with Asia-Pacific countries.

The Reserve Bank of Australia's experiments with a Central Bank Digital Currency (CBDC) and ANZ's (Australian and New Zealand Bank) foray into stablecoin offerings demonstrate a strong institutional interest in stablecoin technology. This validates the existence of AUDD and signals a robust institutional framework willing to engage with and support the advancement of similar technologies. This trend towards embracing digital currency solutions by reputable financial institutions enhances the legitimacy and potential integration of AUDD within established financial systems.

In just three years, non-USD stablecoins have seen a dramatic 319.26% surge in market cap, highlighting a strong global shift towards alternative currencies.



TECHNICAL ASPECTS.

AUDD MINT: BRINGING THE AUSTRALIAN DOLLAR TO THE BLOCKCHAIN.

AUDD operates a robust system called the 'AUDD Mint', to maintain a consistent 1:1 value ratio with the Australian dollar. This system is pivotal for the minting (creation) and burning (destruction) of AUDD tokens.

► Minting Process

A multi-signature process that necessitates consensus-based approval governs the AUDD Mint's introduction of new tokens onto the blockchain.

► Burning Process

AUDD is removed from circulation when Distributors convert their AUDD back to Australian dollars.

Additionally, the AUDD Mint manages:

► Treasury Functions

These include managing fiat deposits and withdrawals and maintaining the reserves backing each token issued.

► System Integrations

Managing API integrations, transaction oversight, and wallet management on the blockchain.

In our commitment to ensuring asset ownership, the AUDD Mint operates as a non-custodial solution. This means we never hold AUDD, instead, we facilitate transactions directly with the Distributor's external wallet.

BLOCKCHAIN AGNOSTIC APPROACH.

AUDD adopts a blockchain-agnostic strategy, enabling it to function seamlessly across multiple blockchain platforms. Currently, AUDD is natively issued on Stellar, XRP Ledger, Ethereum (as ERC20 tokens), and Solana.

This approach not only harnesses the unique strengths of each blockchain—such as enhanced transaction speeds, integrated KYC processes, and advanced Web3 functionalities—but also ensures greater flexibility and scalability tailored to various use cases.

Importantly, AUDD is committed to native issuance on these blockchains without resorting to bridging solutions. While bridging is a noteworthy innovation, it introduces significant risks that could impact the stability and security of our operations.

AUDRedeem:

ON-CHAIN GOVERNANCE & SECURITY.

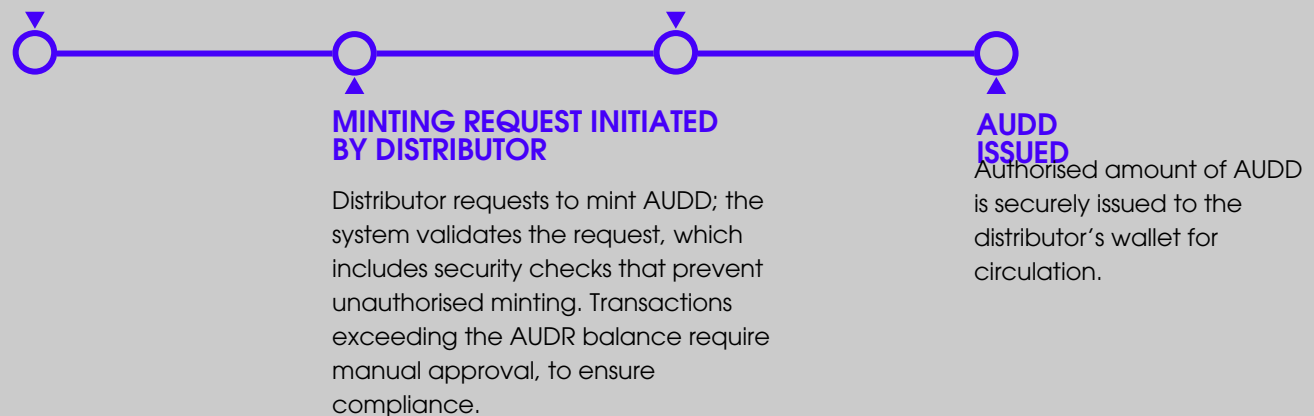
AUDR (AUDRedeem) is the core of our patent-pending governance solution, enhancing the security framework of how we issue AUDD. Functioning distinctly from AUDD, AUDR is pivotal in the 'on-the-fly' minting process of AUDD, safeguarding against excess unauthorised issuance and thus preserving its integrity. AUDR is valued 1:1 with AUDD but is not for public use. Instead, AUDR is an essential operational tool within the AUDD Mint ecosystem, facilitating secure and efficient transactions.

AUDR MINTED & ALLOCATED

AUDR tokens are minted through multi-sig authorisation, and allocated to the distributor's wallet within the AUDD Mint.

AUDR:AUDD SWAP

AUDR is swapped for AUDD through a secure on-chain function, creating the desired amount of AUDD instantly.



This streamlined process mechanism enhances operational efficiency, enabling instant response without the typical risks of delays due to manual processes. Additionally, AUDR introduces a critical security layer that safeguards against cyber threats and system failures. It restricts direct access to the AUDD supply, where any unauthorised attempt to mint AUDD is automatically limited by the available AUDR balance and a stringent multi-signature threshold.

AUDR enforces compliance through transaction limits. All minting operations are strictly bound by the available AUDR balance, with any request exceeding this limit requiring manual verification and approval. This stringent control mechanism ensures each transaction is valid, maintaining a trustworthy and compliant platform.

ETHICAL FRAMEWORK.

Australia's regulatory climate is yet to fully embrace digital currencies, including stablecoins, resulting in a significant regulatory gap. In response, AUDD actively enforces its fiduciary commitments through a strong Ethical Governance Framework. This framework is constantly refined with insights acquired from our significant experience, as well as contributions from academic institutions, industry professionals, and global policy guidelines. It ensures impartiality and maintains relevance by integrating the key policies outlined below:

TREASURY MANAGEMENT:

To ensure that AUDD remains stable, AUDC Pty Ltd maintains highly liquid, low-risk reserves backing the stablecoin's value. Regular reviews are conducted on the reserves, ranging from internal reconciliation processes to independent audits confirming the sufficiency of these reserves.

AML/CTF COMPLIANCE:

AUDC Pty Ltd adheres to Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) laws applicable under the AML/CTF Act (2006) enforced by the Australian Transaction Reports and Analysis Centre (AUSTRAC). Transaction monitoring is in place to prevent unlawful actions, and any suspicious activity is reported to the appropriate authorities.

CONSUMER PROTECTION & MARKET INTEGRITY:

AUDC Pty Ltd has clear and transparent terms and conditions and provides ample educational material to inform users about the risks associated with using stablecoins. Procedures for handling complaints and disputes are fair and unbiased.

OPERATIONAL RESILIENCE:

In the case of technological breakdowns or cyber threats, AUDC Pty Ltd has developed procedures to handle operational risks. This includes redundant systems, secure data storage, key and signatory management, and strong cybersecurity safeguards.

INTEROPERABILITY:

AUDC Pty Ltd ensures that AUDD is interoperable with other blockchains and payment systems, promoting competition and preventing any one protocol or entity from gaining excessive influence.

DATA PRIVACY & SECURITY:

AUDC Pty Ltd acknowledges and adheres to the Australian Privacy Principles, developed from the Privacy Act (1988) and applied by the Office of the Australian Information Commissioner (OAIC). The protection of users' personal and financial data is paramount. Sensitive data is encrypted, data sharing is limited, and users will be notified of any data breaches.

COOPERATION WITH REGULATORS:

As an industry innovator, AUDC Pty Ltd closely and continuously works with domestic and international regulators to help shape a policy framework that embodies the key principles listed above.

ENSURING VALUE STABILITY:

AUDD IS DEDICATED TO MAINTAINING ITS PEG TO THE AUD THROUGH ROBUST TREASURY MANAGEMENT PRACTICES THAT ENSURE SOLVENCY.

RESERVE ASSETS COMPOSITION:

A diversified portfolio of high-quality liquid assets is the foundation for AUDD. These include cash and Treasury instruments issued by the Reserve Bank of Australia, characterised by short-term maturities and efficient liquidation mechanisms.

VALUATION:

We conduct daily mark-to-market valuations to ensure that the total value of our reserve assets always matches or exceeds the AUDD in circulation.

CUSTODY & SEGREGATION OF ASSETS:

Our reserve assets are held in segregated accounts, distinctly separate from operational funds. This separation mitigates operational risks and ensures assets are readily available for redemption. We engage custodians who meet stringent requirements, including appropriate licences and strong credit ratings, to manage these assets.

RESERVE ASSET LIQUIDITY MANAGEMENT:

AUDDC's Reserve Asset Liquidity Management program, guided by our High Liquidity Coverage Ratio (HLCR) calculator, ensures AUDD has sufficient high-quality liquid assets to cover all potential withdrawals over a 30-day period. This system is influenced by the BIS Basel Framework concerning high-quality liquid assets and is designed to withstand substantial stress scenarios without external financial intervention.

RIGHTS OF REDEMPTION:

Our commitment to authorised account holders is that AUDD will always be redeemed 1:1 with AUD. We adhere to rigorous self-imposed standards to ensure that AUDD redemptions are timely and can be quickly and efficiently redeemed. Typically, AUDD is settled within 24-48 hours, although our benchmark allows up to five business days.

DISCLOSURE & TRANSPARENCY:

AUDD ensures transparency through stringent, regular audits by Novatti Group Ltd and, soon, Ernst and Young (EY) to independently verify our financial health and reserve asset stability. In our pursuit of enhanced openness, we are transitioning to a real-time attestation model for live validation of our assets. This shift will also introduce more detailed disclosures on the types, ratings, and liquidity profiles of the reserve assets, elevating stakeholder confidence and regulatory alignment.

TOKEN HOLDER INCENTIVES:

Due to the current regulatory landscape in Australia, AUDD Pty Ltd does not currently offer a yield for holding AUDD tokens. We maintain a compliance-first approach, aligning operations with existing regulations and risk assessments. However, pending regulatory clarity and a favourable environment, we are open to exploring incentive models to reward our token holders in partnership with appropriately licenced operators and entities.

UNDERSTANDING RISKS:

DISCLOSING THE RISKS OF FIAT-BACKED STABLECOINS.

FIAT-BACKED STABLECOINS, SUCH AS AUDD, CARRY INHERENT RISKS THAT STAKEHOLDERS MUST UNDERSTAND. THESE INCLUDE:

► **Regulatory Changes**

Changes in regulations can affect the legality and use of stablecoins, potentially limiting user access or altering functionality.

► **Market Instability**

Economic downturns or financial crises can challenge the stability of a stablecoin, risking users' investments.

► **Operational Disruptions**

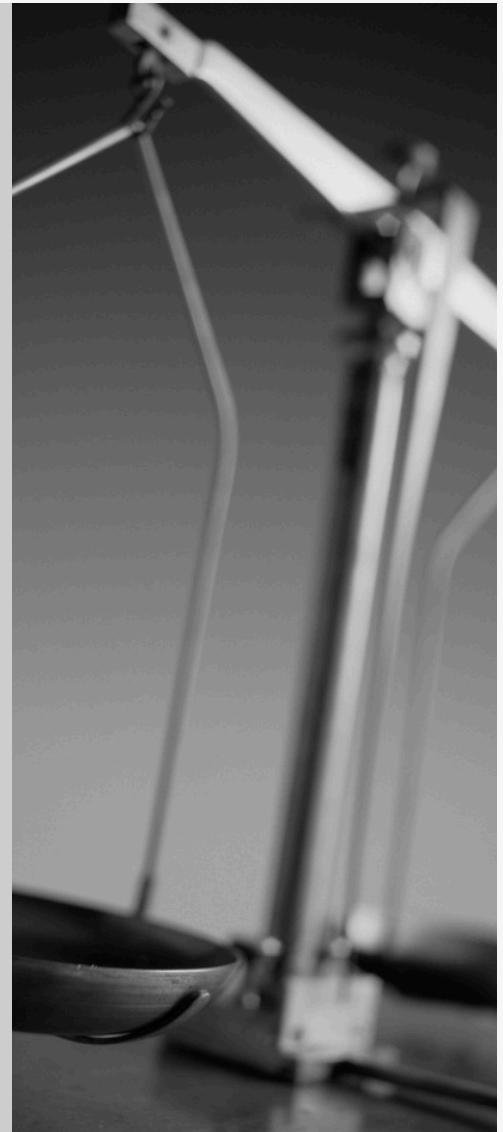
Technical failures or cyberattacks can prevent users from accessing their funds when needed or lead to the loss of funds.

► **Counterparty Dependencies**

Reliance on third parties for services like wallet management or transactions can introduce risks if these parties fail or experience breaches.

► **Liquidity Constraints**

During volatile market conditions, there might be challenges in converting stablecoins back to fiat quickly at the expected value, affecting liquidity and usability.



OUR COMMITMENT TO EXCELLENCE IN RISK MANAGEMENT:

Our commitment extends beyond merely addressing these risks. By embedding risk management into our decision-making processes, AUDD aims to maintain operational excellence and uphold the highest standards of integrity and reliability. This proactive approach ensures that AUDD remains a trusted and resilient digital asset in the rapidly evolving field of financial technology.

OUR RISK FRAMEWORK.

AUDD'S PROACTIVE RISK MANAGEMENT STRATEGY

AUDD's risk management strategy is shaped by a robust framework, initially inspired by Deloitte's best practices. To address the particular difficulties in managing AUDD, we have modified and expanded these principles, creating a dynamic risk framework under the control of our thorough policy. This framework includes nine key 'Risk Domains,' encompassing over 300 identified risks, each with specific mitigation strategies. These risks and strategies are continually updated as new challenges emerge. The table below is a summary of this work:

Risk Domain	Key Focus Areas for Mitigation
Compliance Risk: <i>The complexities and responsibilities related to legislative and industry-specific standards.</i>	Regular updates and training on legislative and industry standards to ensure adherence, including AML/CTF standards, and privacy laws.
Cyber Risk: <i>Threats posed by cyber-attacks, data breaches, and other cyber-based vulnerabilities.</i>	Robust cybersecurity measures including firewalls, encryption, Audits, and ongoing staff training.
Operational Risk: <i>Risks associated with internal processes, systems, people, and external events that may affect operations.</i>	Streamlined internal processes and implementing quality controls to enhance operational efficiency.
Control Environment Risk: <i>The adequacy and effectiveness of internal controls within the organisation.</i>	Continuous review and strengthening of internal controls to maintain organisational integrity.
Blockchain Risk: <i>Potential vulnerabilities within the blockchain technologies we support.</i>	Regular audits and upgrades of blockchain technologies to secure operations against vulnerabilities.
Regulatory Risk: <i>Changing laws, rules, or regulations that may affect our stablecoin operations.</i>	Active monitoring of regulatory changes and engagement with legal experts to ensure compliance.
Extended Enterprise Risk: <i>Risks related to our partnerships, suppliers, and other third-party entities that might affect our value chain.</i>	Strategic assessments and robust management of partnerships and third-party interactions.
Reputational Risk: <i>The potential for negative public perception, which could diminish user confidence and market adoption.</i>	Proactive public relations strategies and transparent communication to manage public perception.
Business Risk: <i>Risks affecting our business model, including market risk, commercial risk, and strategic risk.</i>	Diversification strategies and continuous market analysis to mitigate commercial and strategic losses.

CREATING A USE CASE ECONOMY.

TRANSFORMING INEFFICIENCIES & DRIVING THE GROWTH OF AUSTRALIA'S DE-FI ECOSYSTEM THROUGH DIVERSE APPLICATIONS & EMERGING TECHNOLOGIES.



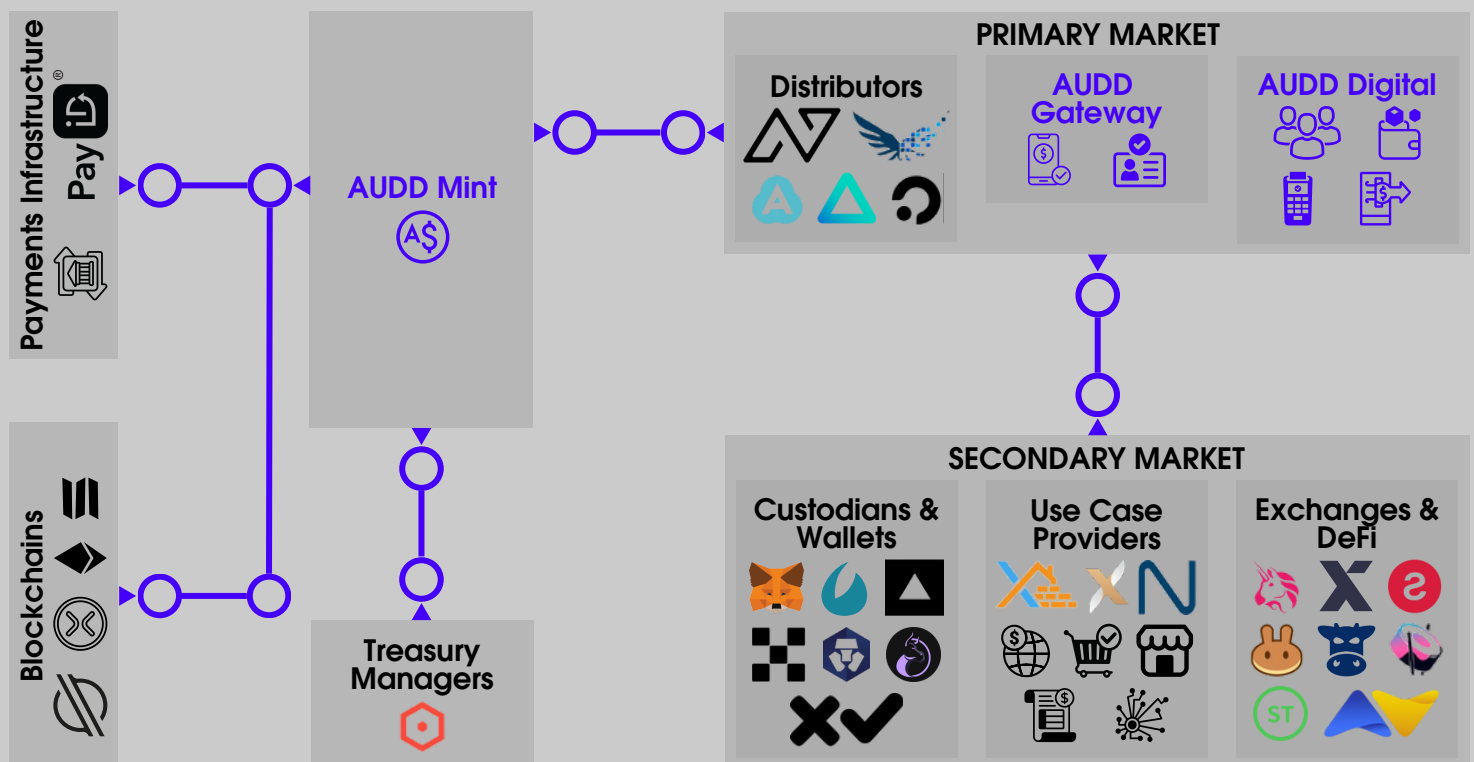
AUDD aims to revolutionise payment systems and broaden its utility across diverse applications such as international remittances, atomic settlements, escrow, payroll, and lending. By enhancing accessibility and implementing robust custody solutions, AUDD offers a reliable platform that spearheads the growth of Australia's De-Fi sector. This expansion attracts numerous users, from individuals to large institutions, solidifying AUDD's role as a leading, versatile stablecoin. Additionally, integrating AUDD with cutting-edge financial technologies like DeFi platforms, smart contracts, and digital identity systems will increase circulation and relevance in the rapidly evolving digital finance arena.

"AUDD not only offers a reliable platform but also spearheads the growth of Australia's De-Fi sector."

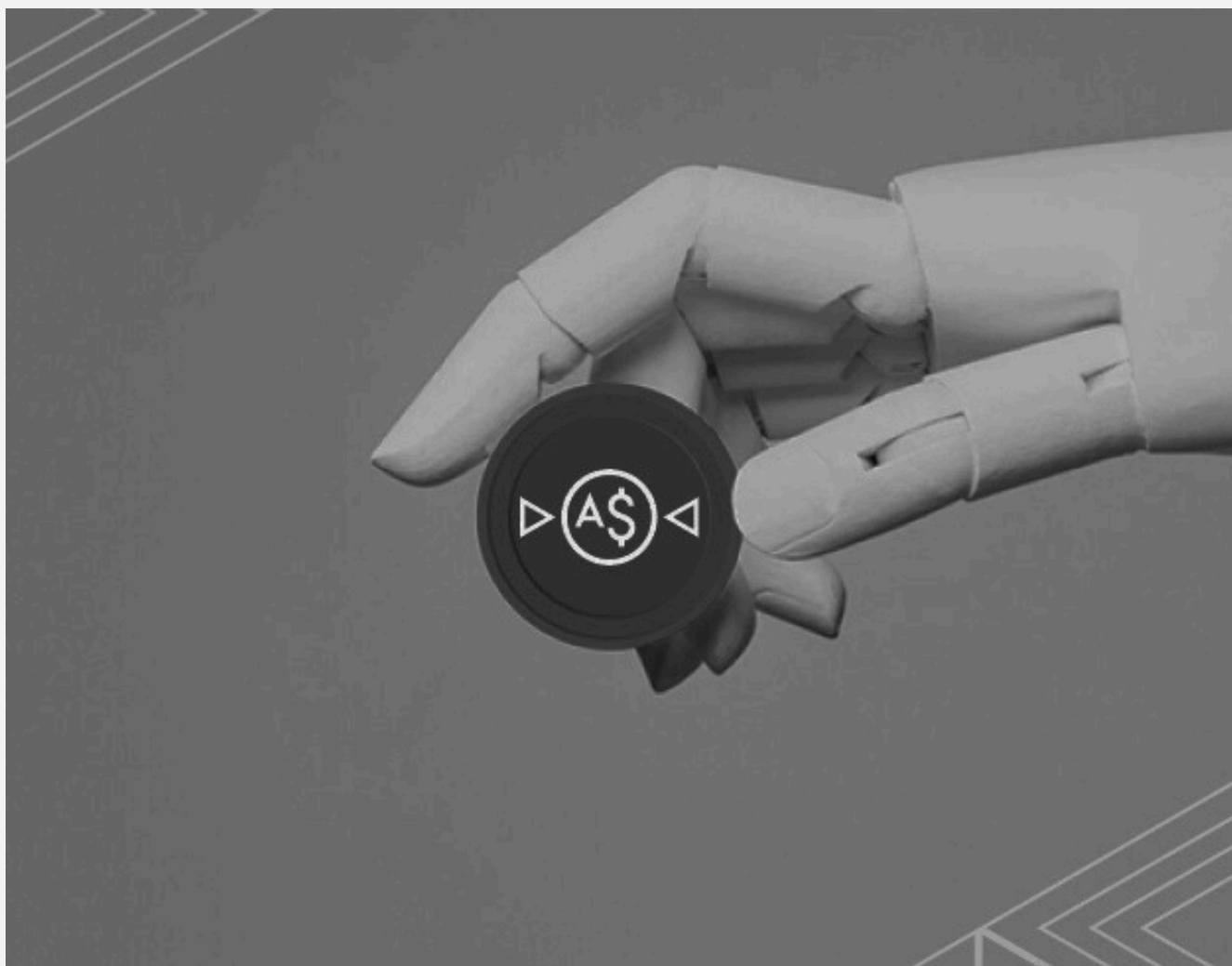
GROWING OUR ECOSYSTEM.

AUDD was created to address key issues in Australia's financial system, including inefficient payments, high fees, slow settlements, and limited transparency. By merging blockchains' strengths with the stability of fiat currencies, AUDD introduces a streamlined, secure, and transparent financial ecosystem. Our market strategy revolves around three core objectives: enhancing accessibility, ensuring security, and broadening application possibilities. These pillars tackle the foundational challenges of the existing financial system and are crucial for the scalability and integration of AUDD into various financial landscapes.

To democratise financial services, we aim to integrate AUDD across numerous blockchain platforms, reaching users in Australia and globally. This includes listings on cryptocurrency exchanges, OTC desks, brokers, payment gateways, and partnerships with traders and market makers. Central to our strategy are 'distributors'—entities that facilitate the purchase and sale of AUDD with fiat or cryptocurrencies, bolstering market liquidity and facilitating capital transfers for trade settlements. This network solidifies AUDD's market presence and supports its adoption in new use cases.



AUDD MINT.



Designed for commercial and institutional usage, the AUDD Mint serves as our Distributor platform. It provides a direct link to the AUDD minting and burning processes, mirroring the retail platform's use of bank transfers and PayID to manage AUD balances. What distinguishes the AUDD Mint is its API integration feature, which significantly improves use case management efficiency. As a non-custodial platform, it enables effective treasury management by allowing clients to mint and burn directly from their own wallet solutions. The AUDD Mint also enables Distributors to create their own

branded Australian Dollar Stablecoin using our Tokenisation-as-a-Service (TaaS) offering. Approved Distributors can additionally take advantage of our 3rd party payment offering: virtual accounts linked to the Distributor, allowing for the collection of AUD payments from their end users to be converted to AUDD. Similarly, Distributors can burn AUDD with AUD settlements made directly to their end users. This allows the Distributor to manage their treasuries solely in AUDD.



AUDD MINT.

USE CASE: A CUSTOM STABLECOIN SOLUTION FOR INSTITUTIONAL EFFICIENCY.

A large institutional firm faced challenges with currency risk and high transaction costs. Due to operational and regulatory constraints, the firm could not adopt public stablecoins, requiring a tailored digital currency solution for secure and efficient transactions. Additionally, the diverse support of blockchains among their counter-parties would require significant resources to develop cross-compatibility.

The firm partnered with AUDD to develop a custom stablecoin solution through AUDD's Stablecoin-as-a-Service. This collaboration resulted in a permissioned, blockchain-agnostic stablecoin pegged to the Australian Dollar. The stablecoin was restricted to authorised stakeholders and was equipped with consistent control mechanisms, such as the ability to recall balances and transactions.

KEY BENEFITS:

► Regulatory Alignment and Enhanced Privacy

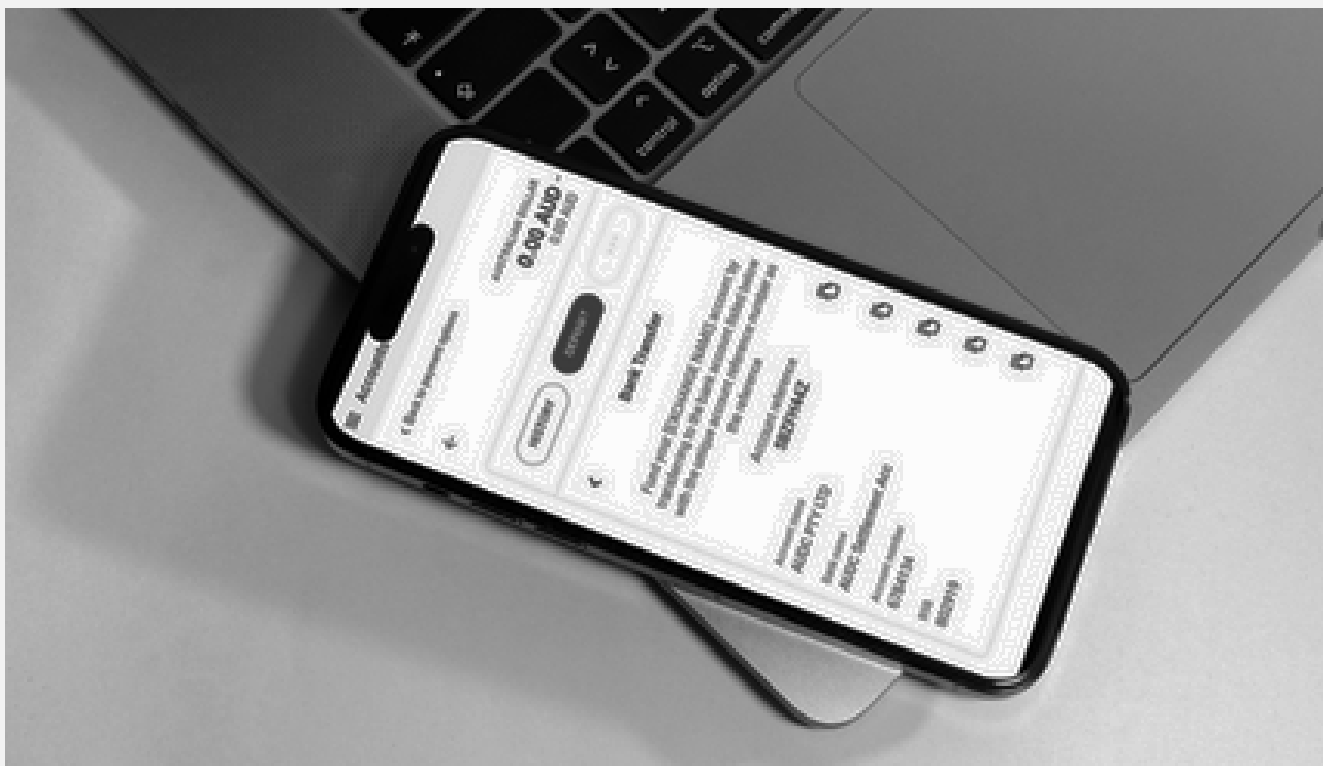
The stablecoin ensured compliance with international standards and offered transaction compliance in a secure, permissioned environment.

► Operational Efficiency

The integration of the stablecoin into the firm's systems streamlined international payments, reduced currency conversion costs, and mitigated transaction delays.

► Customised Control

The firm was able to tailor the stablecoin's features, ensuring it met specific operational requirements while maintaining control over access and use within its ecosystem.



AUDD GATEWAY.

The AUDD Gateway is an all-encompassing solution for businesses (referred to as merchants) aiming to connect instantly with the Australian market. This platform simplifies the complexities of entering the Australian market by managing customer onboarding processes such as Know Your Customer (KYC) requirements and fiat on/off ramping. It also handles back-end management tasks like operations, compliance, licencing and regulatory requirements (including DCE registrations and report filing), and transaction and customer monitoring. Merchants using the AUDD Gateway can effectively manage their Australian Dollar treasury on-chain. Upon receiving a customer's payment, the merchant immediately mints AUDD and deposits it into the designated wallet. Conversely, merchants can send AUDD to the AUDD Gateway for processing payouts or settlements directly into their customers' Australian Dollar bank accounts.

INTERACTIVE GATEWAY

- ▶ Upon selecting the fiat deposit/withdrawal option, a seamless on-screen pop-up of the AUDD Gateway appears, guiding the user through each step.
- ▶ This integration is turnkey: it's automated, requires no UX/UI development effort, and is compatible across web browsers and mobile apps.

PROGRAMMATIC GATEWAY

- ▶ We provide the API infrastructure for our Interactive Gateway to offer merchants a more tailored user experience directly on their platform.
- ▶ While the process flow remains consistent, users will experience it entirely within the merchant interface and service environment. Notably, no AUDD Gateway branding is visible.

AUDD GATEWAY.

USE CASE: FACILITATING SEAMLESS MARKET EXPANSION FOR INTERNATIONAL WALLET SOLUTIONS.

In the continuously evolving digital economy, expanding financial services across borders presents enormous opportunities but also substantial challenges. A European-based company specialising in multi-currency wallet applications faced such a crossroads. Keen to enter the Australian market, the company confronted obstacles such as resource limitations and the complexities of navigating local regulatory requirements.

The integration of the AUDD Digital Gateway offered a strategic solution to overcome the conventional barriers to market expansion. By leveraging AUDD's infrastructure, the company could connect to the Australian financial ecosystem within weeks, minimising the extensive processes involved in setting up local operations, including resourcing and navigating de-banking risks.

KEY BENEFITS:

► Rapid Market Access

The AUDD Digital Gateway enabled the company to fast-track its expansion into the Australian market, significantly reducing the timeline from months or years to just a few weeks.

► Seamless AUD Transactions

Wallet users gained the ability to send and receive Australian dollars (AUD) effortlessly. For the company, this process was simplified by managing AUDD behind the scenes for treasury purposes.

► Resource Optimisation

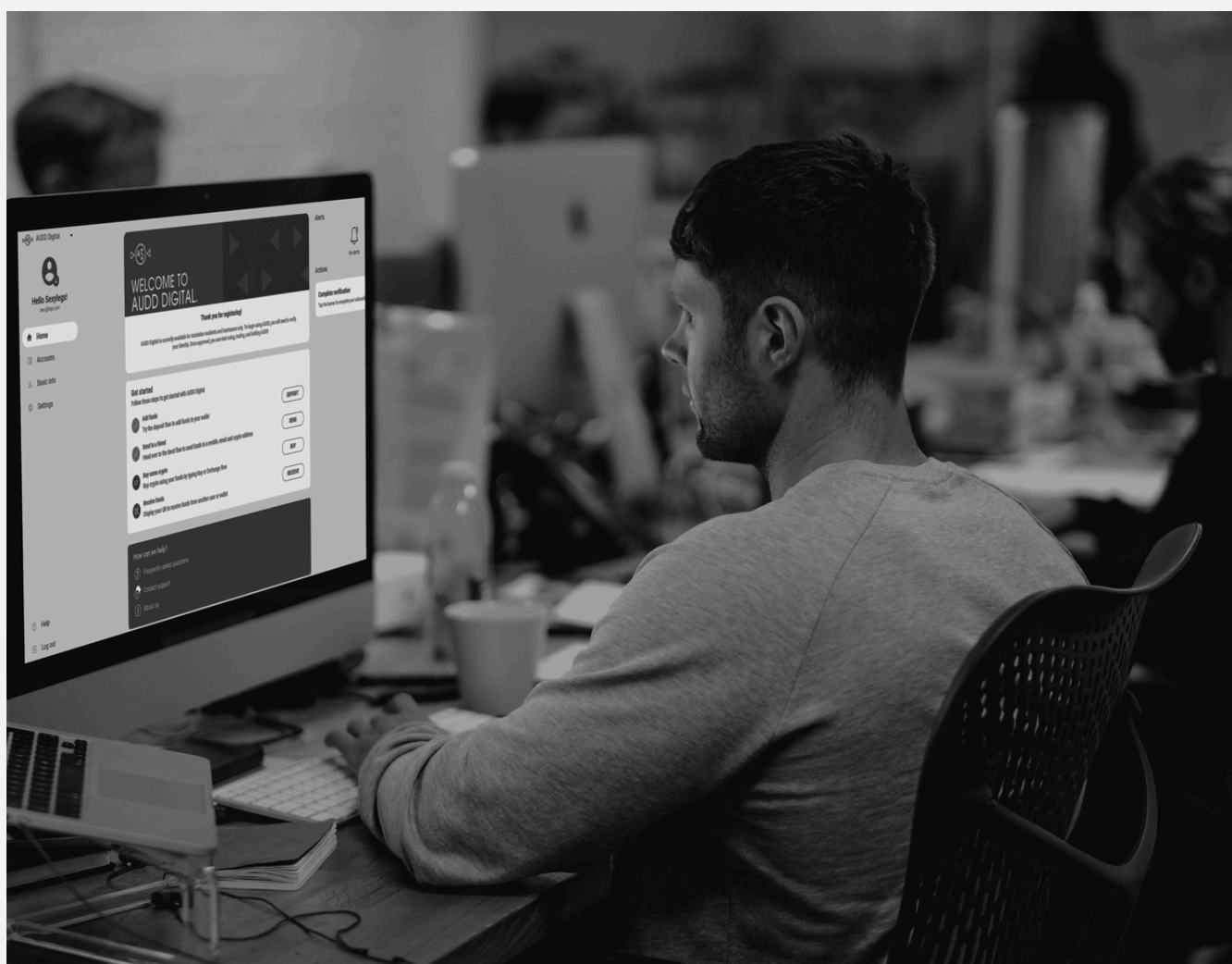
This approach significantly minimises the resource impact on the company, enabling it to focus on its core services while expanding its market footprint.



AUDD DIGITAL.

AUDD Digital is our innovative retail platform catering to small to medium-sized businesses (SMBs) and individuals. This user-friendly platform allows for seamless buying and selling of AUDD while maintaining a 1:1 parity with Australian Dollars. Transactions are conveniently facilitated through bank transfers or PayID. The ability of AUDD Digital to support the exchange of AUDD across various blockchains, such as Stellar, XRP Ledger, Solana, and Ethereum, gives users the flexibility to deposit to or withdraw from external wallet addresses.

Additionally, AUDD Digital is differentiated by allowing users to send AUDD to anyone using just an email or mobile number with the creation of a 'claimable balance'—a feature that works even if the recipient doesn't have an AUDD wallet or account. The platform also caters to businesses by offering essential features like invoicing, mass payouts, a point-of-sale system, and comprehensive reporting tools.





AUDD DIGITAL.

USE CASE: STREAMLINED PAYMENTS FOR FREELANCE SERVICES.

A freelance platform faces challenges in efficiently disbursing monthly earnings to hundreds of freelancers across Australia. Traditional payment methods are slow, require the sharing of sensitive banking information with multiple parties, and involve complex integration processes. This results in delayed payments and potential security concerns for freelancers. Additionally, the administrative burden and costs associated with such methods are substantial, impacting the platform's operational efficiency.

The freelance platform adopts AUDD Digital to streamline payments. Using the Mass Send feature, the platform uploads a CSV file with freelancer emails or mobile numbers already validated with the freelance platform to distribute earnings in AUDD instantly and without errors. For freelancers who do not yet have an AUDD Digital wallet, the AUDD is held as 'claimable balances.' They receive a notification to create a wallet and claim their AUDD, ensuring a secure and inclusive payment experience.

KEY BENEFITS:

► Efficiency and Prompt Payments

Facilitates immediate, bulk payments to freelancers via a simple CSV upload, enhancing payment timeliness and reducing administrative workload.

► Enhanced Security and Privacy

Eliminates the need for freelancers to disclose sensitive banking information, leveraging claimable balances to ensure funds are securely held until the recipient's account is set up.

► Blockchain Technology and Accuracy

Operates across multiple blockchain platforms without complicated integration, using verified contact information to ensure accurate and secure transactions.

MILESTONES ACHIEVED:

AUDD'S EVOLUTIONARY JOURNEY.

Since its inception, AUDD has consistently set benchmarks in the digital currency space, marking significant milestones that underscore our evolution and leadership in stablecoin innovation. This timeline captures our pivotal achievements—from advanced technological developments to strategic partnerships—that have established AUDD as a dependable and efficient medium for transactions worldwide. Here, we highlight these critical moments that demonstrate our commitment to excellence and innovation in the financial landscape.

MAY 2022

Announce partnership with Stellar Development Foundation to develop AUDD on the Stellar Blockchain

NOVEMBER 2022

AUDD live on the Stellar Blockchain; Launch of AUDD Digital

MARCH 2023

AUDD is selected by the RBA in partnership with the DFCRC to pilot world-first Central CBDC backed stablecoin

AUGUST 2023

AUDD live on Ethereum

JUNE 2022

Announce partnership with Ripple Labs Inc. for developing AUDD on the XRP Ledger

JANUARY 2023

AUDD listed on Fireblocks

JUNE 2023

AUDD live on the XRP Ledger

DECEMBER 2023

Execute partnership with Solana Foundation to develop AUDD on Solana; AUDD listed on CoinGecko; AUDD listed with Ainslie Wealth

OCTOBER 2023

Beta launch of the AUDD Gateway

FEBRUARY 2024

AUDD supported on Amplitude's Spacewalk Bridge

APRIL 2024

AUDD is accepted at Olliv's (Coinflip) OTC desk

NOVEMBER 2023

AUDD partners with Zerocap for OTC trading and Treasury Management; the first distributor integrates with the AUDD Mint

JANUARY 2024

AUDD exceeds \$3 million in circulating supply; AUDD listed with NeoX

MARCH 2024

AUDD Listed on DeFiLlama; AUDD listed on Banxa; AUDD accepted at Independent Reserve's OTC desk

OUR ROADMAP:

A STRATEGIC BLUEPRINT FOR GROWTH.

SHORT-TERM OBJECTIVES (1-2 YEARS)

To solidify AUDD as the premier stablecoin choice for payment-based applications, our immediate focus is to scale circulation and broaden our user demographic. Starting with a circulating supply of almost 2 million AUDD and a robust base of over 1000 active users, we aim to escalate this to 5 million AUDD within the first year and 10 million in the second year.

► Expanding Distribution Networks

Central to achieving these targets is the creation of a comprehensive payments ecosystem. We will partner with key financial entities, including exchanges, traders, and brokers, positioning them as pivotal 'access points' for AUDD. This will enhance our market presence and ensure that AUDD is readily accessible for trading and transactions. This will be achieved through the adoption of our product range: AUDD Mint, AUDD Digital, and the AUDD Gateway.

► Strategic Partnerships

Building on this, we will establish at least 25 significant partnerships with both domestic and international players within the next two years. These collaborations will boost our distribution channels and enhance AUDD's liquidity, facilitating easier and more efficient transactions.

► Technological Advancements

Driving technological innovation, we will implement a live, decentralised attestation model to enhance transparency and trust in our proof-of-reserve mechanism. Moreover, we will expand our blockchain footprint by incorporating at least three additional protocols into our existing infrastructure.

► Marketing and Community Engagement

Marketing strategies will be intensified to highlight AUDD's stability and efficiency as a transaction medium. A blend of digital marketing tactics and content creation will be used to educate potential users about the benefits of stablecoins, particularly AUDD. Engaging with our community through interactive sessions and updates will be crucial to nurturing a supportive user base and soliciting valuable feedback.

Our objective is to become the go-to stablecoin, enhancing payment systems and boosting on-chain liquidity to facilitate use cases across retail and institutional sectors.

OUR ROADMAP:

A STRATEGIC BLUEPRINT FOR GROWTH.

LONG-TERM GOALS (3-5 YEARS)

As we transition to our long-term objectives, AUDD aims to redefine its role in the global financial landscape, targeting a circulating supply of over 1 billion AUDD by the fifth year.

► Market Diversification

We will diversify the stablecoin market, positioning AUDD as a leading choice for both domestic and international transactions. This involves strategic alignment with major players in the financial ecosystem to integrate AUDD seamlessly into existing financial infrastructures.

► Technological Leadership

Continual technological enhancements are planned to ensure AUDD remains at the forefront of blockchain innovation. This includes developing capabilities for seamless AUDD swapping across different blockchains and enhancing user flexibility and liquidity.

► Future-Proofing Technology

We will remain committed to adapting to the fast-paced changes in blockchain technology. Ongoing investments in research and development will enable us to continuously refine our offerings and stay ahead of industry trends.

► Enhanced Strategic Partnerships

Our growth will be supported by forging robust partnerships with financial institutions, payment processors, and fintech firms globally. These relationships will facilitate the integration of AUDD into traditional financial systems, helping to replace outdated infrastructure and bridge the gap between conventional finance and the digital currency space.

► Supporting Global Financial Inclusion

AUDD will focus on financial inclusion by delivering stable, affordable financial services to regions with close economic ties to the Australian Dollar, such as the Pacific Islands. Collaborations with financial inclusion groups will help extend our reach to unbanked and underbanked communities, leveraging AUDD's stability and ease of access.

Through these focused and strategic efforts, AUDD is set to become a cornerstone of the evolving financial paradigm, offering a reliable, transparent, and versatile stablecoin solution.

GLOSSARY:

►

3rd Party Payment: A payment made between two parties facilitated by a third-party service provider, such as a payment gateway or processor.

► A

AML/CTF Compliance: Adherence to Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) laws, including transaction monitoring and reporting suspicious activity.

AUDRedeem (AUDR): A governance solution enhancing the security framework of AUDD issuance and ensuring integrity through on-the-fly minting processes.

Australian Digital Dollar (AUDD): A stablecoin pegged to the Australian Dollar, designed to address inefficiencies in Australia's financial system by leveraging blockchain technology to provide streamlined, secure, and transparent financial transactions.

Australian Securities and Investments Commission (ASIC): Australia's corporate, markets, and financial services regulator, responsible for ensuring market integrity and investor protection.

Australian Transaction Reports and Analysis Centre (AUSTRAC): Australia's financial intelligence agency, tasked with combating money laundering, terrorism financing, and other financial crimes.

Authorised Deposit-Taking Institution (ADI): A financial institution licenced to accept deposits from customers, such as banks and credit unions, regulated by the Australian Prudential Regulatory Authority (APRA).

► B

Bitcoin ETF: An exchange-traded fund (ETF) that tracks the price of Bitcoin, allowing investors to gain exposure to Bitcoin without directly owning it, traded on traditional stock exchanges.

Blockchain Technology: A decentralised, immutable ledger technology that ensures transparency and facilitates straightforward reconciliation of transactions.

Blockchain-Agnostic Approach: A strategy allowing a crypto asset to function natively across multiple blockchain platforms.

Bridging: The process of facilitating seamless interoperability and the transfer of assets or data between two disparate systems, networks, or protocols.

Burning: The removal of stablecoins from circulation is often initiated when users convert them back to fiat currency.

► C

Central Bank Digital Currency (CBDC): Digital currency issued by a central bank as a legal tender, representing a digital form of fiat currency.

Claimable Balances: A feature of AUDD Digital that allows users to receive AUDD even without an AUDD wallet or account, facilitating secure and inclusive payment experiences.

Compliance Framework: A set of rules and procedures designed to ensure adherence to regulatory requirements, including AML (Anti-Money Laundering) and KYC (Know Your Customer) regulations.

Cross-border transaction: A financial transaction involving parties from different jurisdictions, often requiring currency exchange and compliance with international regulations.

Cryptocurrency/Crypto Assets: A digital or virtual currency secured by cryptography, typically decentralised and based on blockchain technology.

Custodian: An entity responsible for safeguarding crypto assets on behalf of others, ensuring their security and proper management.

Custody Solutions: Products and services implemented to securely store and manage users' crypto assets, ensuring the integrity and safety of their holdings.

► D

Data Privacy & Security: Measures ensuring the protection of users' personal and financial data, including encryption, limited data sharing, and notification of data breaches.

Debanking: Practices by banks that unfairly deny services to certain industries, inhibiting stable banking access essential for business and client fund management.

Decentralised Ledger: A distributed ledger maintained by multiple nodes, ensuring transparency, security, and immutability of transaction records.

Decentralised Finance (De-Fi): A sector within the blockchain and cryptocurrency industry that aims to recreate traditional financial systems using decentralised technologies, such as smart contracts and digital assets.

Digital Currency: See Cryptocurrency/Crypto Assets

Digital Currency Exchanges (DCEs): Platforms where cryptocurrencies and digital assets can be traded, including those utilising AUDD.

Distributors: Entities that facilitate the purchase and sale of AUDD with fiat or cryptocurrencies, bolstering market liquidity and supporting its adoption in various use cases.

► E

ERC20: A technical standard used for smart contracts on the Ethereum blockchain, facilitating the creation and interaction of tokens.

Ethereum: A decentralised blockchain platform that enables smart contracts and decentralised applications (DApps) to be built and executed without downtime, censorship, fraud, or third-party interference.

► F

Financial Claims Scheme (FCS): An Australian government guarantee scheme that protects depositors' funds in the event of a bank failure up to a certain limit.

FinTech: Short for Financial Technology, refers to innovative technologies and startups that aim to improve and automate the delivery and use of financial services.

Foreign Exchange Margins: The difference between the buying (bid) and selling (ask) prices of foreign exchange currency pairs represents the profit margin for foreign exchange brokers.

► G

Governance Structures: Transparent and accountable frameworks that guide decision-making processes within organisations, including policies for risk management and cybersecurity.

► H

High-Liquidity Coverage Ratio (HLCR): A financial metric measuring the ability to meet short-term obligations with highly liquid assets, usually required by regulators.

► I

Intermediaries: Entities facilitating transactions between two or more parties, often providing services such as matchmaking, validation, or settlement.

Interoperability: The compatibility of crypto assets with other blockchains and payment systems promotes competition and facilitates cross-platform transactions.

GLOSSARY:

► K

Know Your Customer (KYC): A regulatory process designed to verify the identity of clients and assess their suitability, risk, and potential illegal intentions in order to prevent money laundering, fraud, and other illicit activities.

► L

Liquidity: The degree to which an asset or security can be quickly bought or sold in the market without affecting its price, often measured by trading volume and bid-ask spread.

► M

Mass Send Feature: A feature of AUDD Digital that allows businesses to make bulk payments to recipients using AUDD, streamlining payment processes and enhancing efficiency.

Minting: The creation of new stablecoins, such as AUDD, typically backed by fiat currency deposits in segregated reserve accounts.

Multi-Signature Authorisation (Multi-Sig): A security feature used in cryptocurrency wallets or transactions that requires multiple private keys to authorise a transaction, enhancing security by distributing control among multiple parties.

► N

Non-Custodial: Referring to wallets or services that do not hold users' private keys or assets, giving users full control and responsibility over their funds.

► O

On-Chain Governance: Governance mechanisms are implemented directly on the blockchain, ensuring security and efficiency in the issuance and management of stablecoins.

Operational Resilience: The ability to withstand and recover from technological breakdowns, cyber threats, and other operational risks.

Over-The-Counter (OTC) Desk: A brokerage service that facilitates large trades of cryptocurrencies directly between buyers and sellers outside of traditional exchanges, often providing personalised service and liquidity.

► P

PayID: A payment identification system used in Australia that enables users to link their bank account to a unique identifier, simplifying peer-to-peer payments.

Payment Gateway: A technology service provider that facilitates online transactions by securely transmitting payment information between a customer, a merchant, and the financial institutions involved, enabling the authorisation and processing of payments for e-commerce or other online services.

Payment Rail System: The infrastructure and network used to facilitate financial transactions, including both domestic and international payments.

Policy Management: The process of drafting, updating, and communicating policies within an organisation, ensuring compliance and effective implementation.

Proof-of-Reserve Mechanism: A mechanism implemented to enhance transparency and trust in a stablecoin, ensuring that the supply of the stablecoin is backed by real assets or reserves.

► R

Redeem: See Burning

Regulation: The establishment and enforcement of rules, laws, and standards by governing bodies to govern and control various activities within Australia.

Reserve Assets: Assets held to back the value of stablecoins like AUDD, including cash, Treasury instruments, and other high-quality liquid assets.

Ripple: A real-time gross settlement system, currency exchange, and remittance network created by Ripple Labs Inc., utilising blockchain technology to facilitate cross-border transactions.

Risk Management: Strategies and frameworks for identifying, assessing, and mitigating risks associated with stablecoin operations, including compliance, cybersecurity, and market risks.

► S

Solana: A high-performance blockchain platform known for its scalability, support for decentralised applications, and crypto assets.

Stablecoin: A type of digital currency designed to maintain a stable value by pegging its price to a stable asset, such as fiat currency or commodities.

Stellar: A blockchain platform designed to facilitate fast and low-cost cross-border transactions and asset exchanges.

► T

Tokenisation-as-a-Service (TaaS): A service offered within the AUDD Mint that allows approved Distributors to create their own tokens, including branded stablecoins, using AUDD's infrastructure.

Treasury Management: The management of reserve assets backing stablecoins, ensuring solvency, liquidity, and compliance with regulatory requirements.

► U

USD Coin (USDC): A type of stablecoin issued by Circle, pegged to the US Dollar, allowing users to tokenise US dollars and facilitate instant, low-cost transactions.

USD Tether (USDT): A type of stablecoin issued by Tether, pegged to the US Dollar, allowing users to tokenise US dollars and facilitate instant, low-cost transactions.

► W

Wallet: A digital tool or application used to store, manage, and transact with crypto assets or digital currencies, typically accessed through private keys or mnemonic phrases.

Web3: A concept representing the next evolution of the internet, focusing on decentralised protocols, peer-to-peer interactions, and user ownership of data and digital assets.

► X

XRP Ledger: The decentralised blockchain platform and cryptocurrency ledger that powers the XRP digital asset and facilitates fast and low-cost cross-border payments.

► Y

Yield: The return on investment generated from a crypto asset over a specific period that is typically expressed as a percentage and includes interest or other earnings.

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