

# DGLD

PHYSICAL GOLD, MADE DIGITAL.



Investment Grade Gold,  
Allocated in Swiss Vaults,  
& Secured On the Blockchain.

Introduction	3
Gold in the 21 <sup>st</sup> Century	4
Key Characteristics	5
Digital Ownership of Physical Gold	6
A Better Stablecoin	6
A blockchain agnostic infrastructure	6
A Commitment to Sustainable Gold	7
Bar Mapper and Asset Integrity Certificate	7
Regulatory Oversight	8
Creation & Redemption Process	8
Technology	9
Fees	10

## Disclaimer:

*This whitepaper provides an overview on the commercial scope and the underlying technology of the DGLD Project. The information shared in this whitepaper is not all-*

*encompassing or comprehensive and the whitepaper does not in any way intend to create or put into implicit effect any elements of a contractual relationship. All rights and duties of all involved parties are exclusively defined by the General Terms and Conditions (T&Cs) available here: <https://dglld.ch/legal/general-terms-conditions-dglld-2>.*

## Introduction

Techniques for investing in gold have become increasingly digital. As a result, gold investment is now more dependent on institutions and intermediaries than ever before. This is problematic as gold is often seen to derive its value as a hedge against systemic failure.

Gold is an inefficient asset, stuck somewhere between an unusable store of value and a heavily intermediated investment. Therefore, gold, the ultimate physical bearer asset, requires a digitally disintermediated format to thrive as an independent store of value.

The aim of DGLD is to utilise blockchain technology to create a secure, portable and fully auditable method for owning physical gold. Providing the reliability of an investment in gold with the benefits of a digital asset.

In this paper we introduce DGLD, a digital bearer asset that is 100% backed by physical gold. DGLD legally represents a direct ownership of the underlying allocated gold. DGLD restores the independence of physical gold (which can be redeemed at any point) with the convenience of digital money that can be transferred, fractionalized, monetised, and secured.

DGLD is a product of Gold Token S.A. (GTSA), a hard-asset tokenization and issuance company established and operating out of Switzerland. GTSA was launched by a Consortium of trusted partners in their respective fields of gold, digital assets and blockchain.

The Consortium is comprised of the *MKS PAMP GROUP*, the *CoinShares International Ltd* and *Blockchain.com* Each bringing a vast wealth of knowledge, experience, and resources to GTSA.

- *MKS PAMP GROUP*– One of the world’s most trusted gold dealers, specializing in all aspects of the precious metals business, covering refining, producing, and trading. Established in the early 1980s, the group prides itself on the highest quality standards based on solid foundations of honesty, integrity and trust. With 900 employees across 16 countries, covering the world’s major bullion markets. This breadth of

experience and knowledge makes the MKS PAMP GROUP the ideal organization to serve as a founding partner in DGLD.

- *CoinShares International Ltd*– Pioneering new approaches to digital asset investing, and collectively, the Group enjoys the world’s longest track record of regulated investment management in digital assets. Managing approximately \$3 billion of assets on behalf of a global investor base, with 100 staff and offices in London, Jersey, Paris and New York, the Group creates, issues, and manages investment products that serve tens of thousands of investors, including institutional and accredited investors. Providing regulated, risk-managed investment products and services by which investors can participate in the growth of a new asset class, and a new technology paradigm. With a proven track record, CoinShares has the breadth, depth, and scale needed to provide investment products and services to the world’s most sophisticated investors
- *Blockchain.com* – connecting the world to the future of finance as one of the most trusted and fastest growing digital assets companies. Helping millions across the globe – from individuals to the largest institutions – get easy and safe access to cryptocurrencies. With more than 37 million wallets across 140 countries, Blockchain.com brings the distribution rails, exchange trading and digital custody for DGLD to be transported and stored.

In addition to the Consortium behind Gold Token SA, we have built several strategic partnerships and working relationships across the industry to maximise the functioning and overall utility of DGLD.

- *Gold Avenue*– Europe’s fastest growing online gold retailer and official reseller of the MKS PAMP GROUP.
- *Keyrock SA* – Market maker across centralised and decentralised exchanges
- *Uniswap* – The largest decentralized crypto exchange with over \$1Tn of volume across 100m trades.

*If you are a vaulting provider, exchange, custodian, or other service provider within either the gold or digital assets markets, please do reach out to us for partnerships at [partner@gtsa.io](mailto:partner@gtsa.io) or visit <https://dglid.ch/partner>.*

## Gold in the 21<sup>st</sup> Century

Gold is one of the most valuable commodities for individuals and investors around the world. The most precious of all metals, gold has been treated as a safety net in times of

financial uncertainty, often immune from wild currency fluctuations or economic downturns. It has an unparalleled reputation as a secure investment.

Owning gold can be complex, though. In many cases, you may not actually own the physical gold. Many individuals consider investing in an exchange-traded fund (ETF) which tracks the relative value of gold at any given time. Other products may give the impression that you own your gold, but suffer from additional, inconvenient layers of intermediaries which create distance between investors and their asset. These products are often unallocated and therefore difficult to verify independently and with absolute certainty.

From Ancient Egypt to serving as part of a modern-day investment strategy, gold has been sought after and evolving in both form and utility for centuries. At GTSA, we are less interested in gold's past, but very much focused on its future. We are focused on the role gold will play in a 21<sup>st</sup> century financial world rife with uncertainty and a monetary system damaged by central bank policies, and the opportunities provided by the disruptive developments in blockchain and digital assets.

## Key Characteristics

**Allocated** – Every DGLD in circulation is 100% backed by allocated gold.

**Certified** – All gold meets the London Bullion Market Association (LBMA) certified standard.

**Secured** – DGLD is a digital proof of ownership, secured using the blockchain.

**Regulated** – Approved as a payment token under the Swiss financial regulator (FINMA).

**Redeemable** – Redeem full gold bars directly from the vault or smaller amounts through our online partners.

**Accessible** – DGLD is the most widely accessible form of gold ownership ever created.

**Insured** – All gold is physically secured in the highest-grade insured vaults.

**Bankruptcy Remote** – There is no intermediary balance sheet between you and your gold.

**Zero Fees** – GTSA charges no fees on transfers or custody of DGLD.

Each DGLD token represents ownership of one fine troy ounce of LBMA gold. Prior to the creation of a new DGLD token, London Bullion Market Association (LBMA) certified London Good Delivery gold (providing accreditation and certainty for the most sophisticated participants in the gold market) is allocated and physically placed within a fully audited and insured approved vaulting facility. Once the receipt of deposit has been verified, DGLD representing the specific quantity of fine troy ounces of gold bullion is created and sent to the DGLD creation wallet.

## Digital Ownership of Physical Gold

DGLD represents significant breakthroughs for one of the world's most valuable commodities. DGLD has all the benefits of physical gold; as a safe-haven asset and a hedge against inflation, but with the added benefit of being available in a digitally disintermediated format that is mobile, liquid, and secure.

## A Better Stablecoin

DGLD enables holders to store and transact in their own “gold standard”, which is legally operated outside the perimeter of the private banking system.

The majority of digital asset stablecoins, especially those backed by short-term unsecured assets like Tether (USDT), carry substantial risks. These risks include, but are not limited to, freezing of assets either privately or publicly, regulatory interdiction and risk of default from the issuers' capital market counterparty. For holders of digital assets who are seeking a currency independent of fiat risk and sovereign control, it makes little sense to use stablecoins that have those same problems.

A trusted stablecoin issuer should be politically neutral and 100% transparent with regards to the collateralisation of the stablecoin. We are a Swiss registered company, operating under the purview of the Swiss Financial Market Supervisory Authority ([FINMA](#)). We operate rigorous procedures to ensure that 1 DGLD is always collateralised by 1 Fine Try Oz of allocated LBMA gold at all times. Our fully collateralised stablecoin was the first to be classified by FINMA as a payment token in February 2019.

## A blockchain agnostic infrastructure

DGLD operates on the Ethereum Virtual Machine (EVM) which can be deployed across a growing number of open blockchain protocols. The initial deployment of DGLD will be on the Ethereum network, where the breadth of decentralised finance (DeFi) services is greatest. To meet a growing demand for stablecoins across other ecosystems, DGLD will also be deploying on alternative Layer 1 (L1) and Layer 2 (L2) networks. The blockchain industry is continuously evolving and no one can say with certainty which L1 and L2 networks will ultimately be the IOS and Androids of tomorrow. GTSA have designed an issuance platform and bar mapping application to support the deployment of DGLD on any EVM compatible blockchain.

## A Commitment to Sustainable Gold

We support the sustainable mining, refinement and delivery of gold and other precious metals. We believe that ASM (artisanal miners), recycled gold and other sustainability initiatives are hugely important to fully integrate into the supply chain. Our current commitment focuses on sustainable gold, fully certified by the LBMA [\[\[http://www.lbma.org.uk/good-delivery\]\(https://www.lbma.org.uk/good-delivery/about-good-delivery\)\]](https://www.lbma.org.uk/good-delivery/about-good-delivery) under a rigorous sustainable sourcing [\[\[http://www.lbma.org.uk/responsible-sourcing\]\(http://www.lbma.org.uk/responsible-sourcing\)\]](http://www.lbma.org.uk/responsible-sourcing) criteria. DGLD aim to create a fully fungible digital medium for gold ownership and therefore must ensure every gold bar is certified under the same standards. While we aim to include recycled gold and artisanal mined gold into our offering, this market currently trades at a premium to LBMA good delivery bars.

## Bar Mapper and Asset Integrity Certificate

One of the most pressing concerns for any gold investor is the security of their physical investment. With DGLD, you not only have the digital gold in your wallet, protected by the blockchain; but the physical gold is also safely stored in highly reputable Swiss vaults that are maintained by the industry's leading and most trusted groups.

Traditional methods of gold investment have historically suffered from a lack of transparency. Issuers of Exchange Traded Funds (ETFs) have gone some way to address these concerns through publishing daily bar lists of the gold bullion held on their balance sheet. While this can provide certain reassurances to investors, our DGLD bar mapper and asset integrity certificate goes a step further.

Every unit of DGLD issued is mapped to a specific, vaulted gold bar at all times and publicly available through our bar mapping application or "[Explorer](#)". DGLD holders can use the bar mapper to independently verify their ownership of allocated vaulted gold bars, without relying on any intermediary to validate this. Each allocated gold bar which is tokenised by GTSA has a publicly available, unique asset integrity certificate.

The Asset Integrity Certificate displays the following information for every bar:

- Producer, Custodian, Creation date, Creation transaction on the blockchain, metal type, Fine Weight (Try Oz).

- Receipt of deposit: A certified document confirming the physical placement of gold bullion into a vaulting facility.
- Inventory report: Audited statements which track physical inventory movements.

The full list of allocated bars backing DGLD can be directly and independently verified.

## Regulatory Oversight

- Financial Regulator: FINMA
- Compliance Audit: VQF (Switzerland)
- Financial Audit: Grant Thornton
- Smart Contract Development: ConsenSys Software Inc
- Independent Smart Contract Audit: Jita Digital

## Creation & Redemption Process

DGLD has 4 essential features to issuing and redeeming tokens:

- 1) *Tokens will only be issued against physical delivery of LBMA certified gold:* Tokens can only be issued once the recipient has deposited the necessary amount of gold with PAMP. This ensures that the tokens are physically backed by gold at all times.
- 2) *Tokens can be created on the same day:* Participants can purchase gold directly from MKS PAMP GROUP and receive the issuance of a token on the same day;
- 3) *Tokens can be redeemed against delivery of physical gold:* Since each token represents ownership of allocated gold and is mapped to the gold held in the PAMP vault, holders can redeem the token directly against the delivery of physical gold.
- 4) *Tokens are securely and verifiably issued and redeemed:* The issuance and creation of tokens is configured with multi-signature permissions, where several separate parties are required to sign an issuance transaction. Additionally, the mapping table and signed vault deposit receipts are made publicly available which users can use to verify the underlying gold matches the circulating supply of DGLD. This is combined with bi-annual audits of stock and DGLD circulating supply.

*For more information on creation and redemption, please feel free to contact GTSA for a full process and timeline at [admin@gtsa.io](mailto:admin@gtsa.io).*



## Technology

DGLD is an EVM compatible blockchain token developed under the [ERC20 standard](#) and issued by Gold Token SA. The token is represented by a smart contract which follows the well-established protocol for representing custom digital assets on a blockchain.

The ERC-20 (Ethereum Request for Comments 20), proposed by Fabian Vogelsteller in November 2015, is a Token Standard that implements an API for tokens within Smart Contracts.

Example functionalities ERC-20 provides:

- Transfer tokens from one account to another.
- Get the current token balance of an account.
- Get the total supply of the token available on the network.
- Approve whether an amount of token from an account can be spent by a third-party account.

The benefits of building on an ERC20 open standard include:

- Independently verifiable smart contract code.
- Censorship resistance.
- Enhanced access to network effects.
- Compatibility with leading on-chain liquidity pools.
- Compatibility with leading wallet providers.

Smart contracts are configured by the issuer in accordance with their preferences. Some notable configurations within the DGLD contract include:

Function	Purpose
Mint	Enables creation of new DGLD units
Burn	Enables redemption of DGLD units into a physical bar
WhiteListed	Whitelisted wallet does not pay creation or redemption fees
tcURL	General Terms & Conditions that legally govern DGLD

## On-chain Transparency

The public nature of an open blockchain enables any user to verify the outstanding balance of DGLD at any time, without needing GTSA or any other supervisory authority to administrate the review.

For more information on the DGLD smart contract, please visit the contract address found [here](#).

## Zero Fees

### Custody and Transfer

There will be no fees administered by GTSA to custody or transfer DGLD. This decision enables us to provide a true representation of digital gold. Users should however be aware that transacting over blockchain networks will incur transfer fees, charged by the blockchain network in order to secure the infrastructure. For the Ethereum network, this charge is known as “Gas” and goes directly to miners. You can read more about Ethereum network fees [here](#). Fees charged by the network are independent of GTSA.

### Creation and Redemption

GTSA charges a small fee of 20bps for the both the creation and redemption of gold bars.

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*For more information, visit <https://dglD.ch>*