



BlockRules

BlockRules Compliance Engine

WHITEPAPER OVERVIEW



Revolutionizing capital markets with regulations-compliant security token offerings

The main obstacle to widespread adoption of token offerings is enforcing multiple countries' unique regulatory rules.

Token offerings provide unique benefits

- Easy access to capital markets. From anywhere, anytime.
- Streamlined banking infrastructure and fewer expensive bottlenecks.
- Publicly recorded transactions on-chain, verifiable by anyone.
- Added liquidity unlocked by tokenized assets.

The BlockRules Compliance Engine brings regulatory certainty to blockchains

- BlockRules Compliance Engine enforces comprehensive compliance rules for security tokens across international borders.*
- Compliance processing occurs on-chain, minimizing vulnerability to security threats and maximizing transparency.

*Compliance rules are established by issuing companies together with their legal counsel.

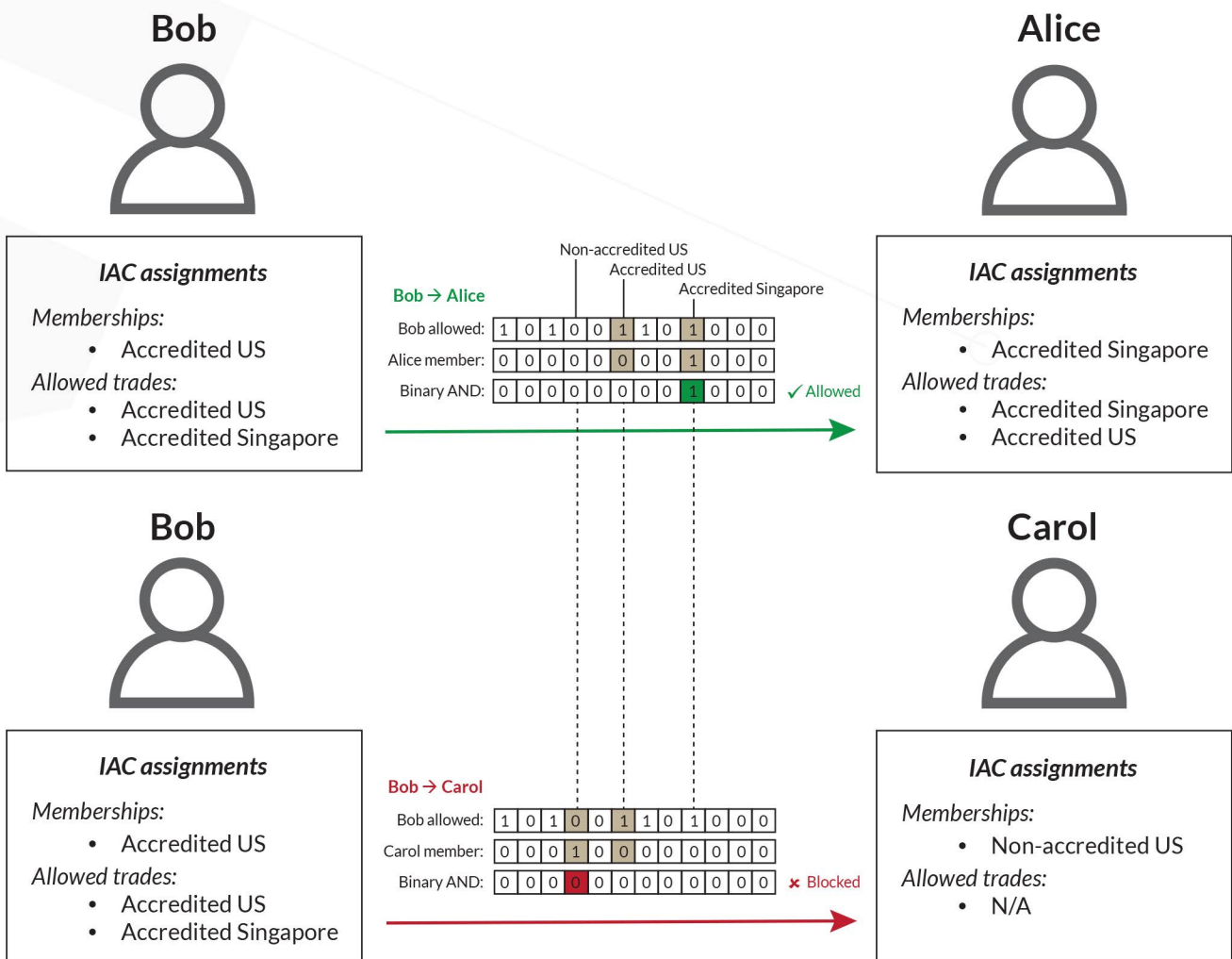
Example application of the BlockRules Compliance Engine

ABC Co. wants to launch a security token

- ABC Co. is a fictitious, United States-based company with a prospectus filed in Singapore.
- ABC Co. works with legal counsel and a BlockRules partner token manager to define the details of the token offering, including a set of compliance rules.

BlockRules Compliance Engine enforces regulatory compliance for this token as instructed by ABC Co.

- Investors complete KYC/AML verification through BlockRules and are assigned Investor Address Categories (IACs) based on country of residence, accreditation status, etc.
- IACs are anonymized and converted into bitmasks stored on the blockchain for compliance checks.



For more information, please read the complete whitepaper:

<https://www.blockrules.com/reports/whitepapers/blockrules-compliance-engine-wp.pdf>