

MGLD Synthetic Gold Token – Whitepaper

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Introduction

MGLD is a Dubai-based synthetic gold token designed to offer investors digital access to physical gold under a fully regulated framework. The project is a collaboration between **Rudiq**, **Fuze (Morpheus Software Technology FZE)**, and **Minted Connect FZCO (DMCC Company)**, each serving distinct roles in the token's ecosystem.

Rudiq acts as the technology provider, delivering the end-to-end tokenization and distribution infrastructure (including smart contracts, custodial wallet integrations, an online marketplace apis, and compliance integration).

Fuze, as the platform owner and a VARA-licensed broker-dealer, operates the investor marketplace and ensures all activities meet the **Virtual Assets Regulatory Authority (VARA)** requirements.

Minted Connect FZCO (DMCC Company) is the asset originator and custodian of the gold reserves. It provides the underlying synthetic gold assets and maintains sufficient reserves for every MGLD token minted.

By leveraging Rudiq's platform, Fuze's regulated marketplace, and Minted Connect FZCO (DMCC Company)'s gold reserves, the MGLD initiative bridges traditional gold investing with blockchain technology in a compliant, secure manner.

Feature	Value
Token Name	Minted Gold Token
Symbol	MGLD
Standard	ERC-20
Blockchain	Polygon
Collateralization Ratio	1 MGLD = 0.01 gram saf altin
Issuance Model	Dynamic
Decimals	18 decimal places

How it works in brief:

- Investors onboard through Fuze's platform with full KYC/AML verification (as required by VARA).
- They purchase MGLD tokens using fiat or stablecoins on the marketplace. Upon purchase, Rudiq's smart contracts **mint** the corresponding amount of MGLD and Minted Connect FZCO (DMCC Company) allocates an equivalent value of gold

reserves to back these new tokens.

- Each **MGLD token is pegged to a specific quantity of gold** (0.01 grams of 99.99% pure gold per token), ensuring that token holders have a claim to real, physical gold value.
- All tokens are issued only when backed by verified gold assets in custody, and conversely, tokens are **redeemed (burned)** when investors wish to liquidate their holdings.
- Investors can redeem MGLD through the platform at any time, either converting tokens back into fiat/stablecoin at the prevailing market price of gold, or by **requesting physical gold delivery** for a corresponding amount of tokens.
- With blockchain automation, every issuance, transfer, and redemption is recorded on-chain, providing transparent proof that MGLD tokens are fully backed and that transactions occur exactly as described.
- In essence, MGLD offers the convenience and liquidity of a digital token while maintaining the trust and stability of physical gold, all under the oversight of VARA's regulatory framework.

Key Features and Terms

- **Full Gold Backing (Hybrid Collateral Model):** Every MGLD token is 100% backed by Minted Connect FZCO (DMCC Company). Uniquely, the reserves combine **physical gold** with a portion of highly liquid gold-backed securities, and high liquid assets. This **hybrid collateral** approach merges the reliability of physical vaulted gold with the liquidity of exchange-traded gold instruments, ensuring that each token's value is firmly anchored to real gold while allowing efficient adjustments to reserve levels. Minted Connect FZCO (DMCC Company) holds a portion of reserves in other **highly liquid, low-risk assets** (e.g. cash, short-term government bonds, money market funds) to facilitate liquidity; these can quickly be converted to stablecoins or gold as needed. This structure guarantees that at any given time, the total value of reserves meets or exceeds the value of all MGLD in circulation (fully collateralized), providing strong protection for token holders:
- **Denomination – 1 MGLD = 0.01g of Gold:** MGLD tokens are pegged to the price of fine gold at a granular level. **One MGLD token represents 0.01 grams of pure gold** (equal to 100 MGLD per gram of gold). This high-resolution peg makes gold accessible in very small denominations. Investors can purchase fractions of a gram of gold cost-effectively. The token's value in the market will closely track the live price of gold, and any changes in gold price are reflected proportionally in the token price. This small unit size also means investors can **redeem physical gold in minimal amounts** (as little as 1 gram with 100 MGLD

tokens), dramatically lowering the entry/exit threshold compared to traditional gold products.

- **Low Minimum Physical Redemption:** A key differentiator of MGLD is the ability for investors to **claim physical gold with as little as 1 gram** worth of tokens. Competitor gold tokens often require large minimum quantities (for example, 430 ounces for certain products, which is over 13,000 grams), but MGLD's redemption threshold is **only 1 gram**, the lowest in the industry. Investors can accumulate MGLD and, upon holding 100 tokens ($\approx 1\text{g}$ gold) or more, request delivery of physical gold. This feature seamlessly bridges digital and physical ownership: even small-scale investors can convert their digital assets into tangible gold. Delivery options range from small 1g gold coins or bars up to large bars (e.g. 1kg or the standard 400 oz LBMA bar), with **insured shipping** to the investor's choice of delivery location (initially in select regions). (*Delivery fees apply, see "Liquidity and Exit Mechanisms" for details.*)
- **Regulated Platform (VARA Compliance):** The entire issuance and trading of MGLD occurs on a regulated platform under **VARA's oversight**. Fuze (Morpheus Software Technology FZE) is a licensed broker-dealer authorized by VARA to offer virtual asset investments, ensuring that the offering of MGLD tokens complies with Dubai's **virtual asset regulations**. All users must undergo thorough **KYC/AML verification** before participating, and the platform adheres to anti-money laundering standards and reporting obligations. Minted Connect FZCO (DMCC Company)'s operations (asset custody, reserve management, token issuance/redemption) are structured to meet regulatory requirements for transparency and asset-backed tokens. This regulated setup provides investors and regulators alike with confidence that MGLD is handled in a lawful and accountable manner, similar to a traditional financial product but leveraging the efficiencies of blockchain.
- **24/7 Liquidity and Global Access:** As a digital asset, MGLD can be traded **24/7 globally**, without the limited trading hours or geographic constraints of traditional gold markets. Investors worldwide (subject to compliance checks) can access the token through the online platform or participating exchanges at any time. The continuous market for MGLD means investors can react to gold price movements or liquidity needs instantly, unlike physical gold which can be cumbersome to trade on short notice. This around-the-clock liquidity is further enhanced by planned listings of MGLD on major cryptocurrency exchanges (where it can trade against other cryptocurrencies or stablecoins), and by the Fuze platform's internal marketplace where peer-to-peer token trades are enabled. Through these avenues, holders can swiftly enter or exit positions, making MGLD a highly liquid proxy for gold.
- **Secure Custody and Insurance:** Physical gold backing MGLD is stored with professional **custodian partners** that meet VARA's standards and international security certifications. All gold bars are held in vaults that are **SOC 2 Type II and ISO 27001 certified** for security and operational integrity. Custodians implement strict access controls, including multi-signature authorization for any movement

of assets, 24/7 surveillance, and regular audits/inventory checks to reconcile token supply with physical holdings. Moreover, the gold reserves are protected by **comprehensive insurance policies** covering risks such as theft, loss, or damage (including in-vault coverage and transit insurance for physical deliveries). These measures ensure that the underlying assets are safe and that token holders' interests are protected even in extreme scenarios. On the digital side, Rudiq's platform employs institutional-grade crypto custody integration with Fuze's crypto custody services for any on-chain assets (like stablecoins or tokens in holding), using encryption, multi-factor authentication, and cold storage for master keys. Collectively, these safeguards maintain the integrity of both the physical and digital aspects of the MGLD ecosystem.

- **Platform Fees and Charges:**

Transaction Type	Price
Token Purchase	0.15% Minted Connect FZCO (DMCC Company) 1.75% Fuze Fees
Token Sell	0.15% Minted Connect FZCO (DMCC Company) 1.75% Fuze Fees
Transfer	Only gas fees
Custody	No additional fees
Physical Gold Claim	1.5% + delivery

Rudiq and Fuze sustain the marketplace through modest fees, kept transparent to users. There is **no management fee** for simply holding MGLD, but certain actions incur small costs;

The fee structure is disclosed upfront: buying and selling MGLD on the platform is designed to be low-cost (comparable to buying/selling a gold ETF), while physical delivery has a nominal charge given the extra logistics. Importantly, these fees are implemented within the smart contract or platform logic in a clear manner, and all transactions remain transparent. The goal is to ensure the product remains an attractive, cost-efficient gold investment vehicle while providing enough revenue to maintain the secure infrastructure and regulatory compliance.

Token Backing and Reserves

Underlying Asset	Purpose
Physical Gold	Physical delivery, long-term holding
iShares Physical Gold ETC (SGLN)	Liquidity, fast redemption transactions
Liquid assets (USD cash or cash equivalents)	Liquidity, fast redemption transactions

MGLD's value is fully backed by real assets. Minted Connect FZCO (DMCC Company), as the asset custodian, maintains a reserve of gold and equivalent high-quality assets to mirror every token in circulation. The reserve structure follows a “**one token, one unit of gold value**” principle: for every MGLD issued, an equivalent amount of gold (or gold-backed asset) is held in reserve. This section details how those reserves are composed and managed:

- Hybrid Reserve Composition:** MGLD employs a **hybrid reserve model** combining physical gold and gold-backed electronic assets. The majority of the reserves are allocated to **physical gold bullion** stored in secure vaults. This can include a mix of small bars (for easier redemption logistics) and large bars (for storage efficiency), all of which meet international purity standards (e.g., 99.99% LBMA-certified gold). The remaining portion of the reserves is held in a highly liquid **Gold ETC (Exchange-Traded Commodity)**, specifically, the iShares Physical Gold ETC (ticker SGLN) or a similar instrument. SGLN shares are backed by physical gold and trade on financial markets, providing a means to tap liquidity or rebalance reserves quickly without needing to physically move large amounts of gold. Minted Connect FZCO (DMCC Company) holds a portion of reserves in other **highly liquid, low-risk assets** (e.g. cash, short-term government bonds, money market funds) to facilitate liquidity. By holding a slice of reserves in an ETC and high liquid assets, Minted Connect FZCO (DMCC Company) can sell or buy gold exposure in seconds during market hours, which helps in managing inflows or outflows of the token. At the same time, the bulk physical holding ensures the reserves remain tangible and not solely dependent on financial instruments. This blend offers **optimal coverage**: the physical gold gives security and trust, while the ETC portion adds agility and liquidity to meet redemption demands:

SGLN Key Information	Value
Net Asset Value (NAV)	\$36.48 Billion
Gold in Custody	246.09 tonnes (~7.9 million ons)
Total Expense Ratio (TER)	0.12%
Custodian	JPMorgan Chase Bank N.A., Londra
ISIN	IE00B4ND3602
Bloomberg Ticker	SGLN LN
Product Structure	Physical Metal (Physical Replication)
Reference Index	LBMA Gold Price

- Collateral Flexibility for Liquidity:** In addition to gold-specific assets, Minted Connect FZCO (DMCC Company) is permitted to maintain part of the collateral in **other low-risk, liquid assets** for operational flexibility. For example, Minted Connect FZCO (DMCC Company) can hold funds in USD cash or cash equivalents (like treasury bills or money market funds) as a short-term buffer. These assets are not a primary backing (gold is), but serve to **manage liquidity**.

For instance, to instantly fulfill a surge of sell orders or to pre-fund redemption payouts. Because MGLD tokenization is synthetic (the tokens are a representation of gold value rather than title to specific gold bars), there is **no legal requirement that reserves be exclusively physical gold**. What is required is that the *value* of reserves always covers the token supply. Thus, Minted Connect FZCO (DMCC Company) may temporarily hold collateral in forms that can **readily be converted to gold or stablecoins**. All such assets are chosen for being high-quality and liquid (e.g. short-term government bonds that can be sold quickly, or bank deposits that can be converted to USDC). If non-gold assets are used, Minted Connect FZCO (DMCC Company) will maintain robust processes to convert them on-demand: using **on/off-ramp services**, cash can be converted into stablecoins or into gold positions swiftly to meet any redemption. The inclusion of these assets also provides a cushion for volatility and can generate slight yield (interest on bonds or deposits), which helps cover operational costs like storage and insurance. Importantly, any such supplementary assets are *in addition* to the 100% base gold backing. The project will often be over-collateralized to ensure excess coverage.

- Reserve Management and Oversight:** Minted Connect FZCO (DMCC Company) actively manages the reserve pool to preserve the peg and meet all redemption obligations. When new tokens are to be issued, Minted Connect FZCO (DMCC Company) either **allocates gold from existing inventory or procures additional gold/ETC** using the incoming funds. Conversely, when

tokens are redeemed and burned, the equivalent reserve assets may be released (sold or set aside) since they are no longer needed to back circulating tokens. The overall reserve mix (physical vs ETC vs cash equivalents) is periodically rebalanced to stay within target ranges and to respond to market conditions.

For example, if a large number of tokens are redeemed for cash, Minted Connect FZCO (DMCC Company) might temporarily hold the returned gold value in cash until it's optimal to buy back gold. At all times, **the total reserve value is at least 100% of token value**. This is enforced not only by internal policy but also by the smart contract and oracle checks. Reserves are also subject to **independent audits** and VARA's oversight. Minted Connect FZCO (DMCC Company) will produce regular attestation reports showing holdings of physical gold (verified by vaulting partners) and any financial instruments or cash, matched against the token supply. These reports can be provided to regulators or made public to bolster trust.

- **Redemption Liquidity and Dual Custody:** MGLD's reserves and processes are designed to withstand even extreme redemption scenarios. Physical gold backing the token is held across two independent, insured vault providers. Nadir Gold (an LBMA-certified custodian vaulting at DMCC-Brinks in Dubai) and SAM Precious Metals (in mainland Dubai), to diversify custody and ensure robust access to the metal. In addition to the physical reserves, overcollateralized liquid assets (such as the gold ETC and cash buffers) are maintained so that if a large number of holders redeem at once, Minted Connect FZCO (DMCC Company) can rapidly liquidate these liquid reserves to meet redemption requests without delay. These precautions, combined with regular audits and insurance coverage, mean that even in a worst-case mass redemption scenario, all MGLD tokens can be redeemed for their underlying value (in gold or cash equivalent) without shortfall.

Token Issuance and Investment Process

Investor onboarding and purchase: To participate in MGLD, investors must first create an account on the Fuze platform and complete the **onboarding process, including KYC/AML verification**. Fuze, being a regulated marketplace, verifies the investor's identity and eligibility in compliance with VARA guidelines (collecting official ID, proof of address, and performing liveness and sanctions checks). Once approved, the investor is provided access to a personal digital wallet within the platform (custodial wallet managed by Rudiq's infrastructure) where they can hold MGLD tokens and other assets. The investor can fund their account through various on-ramp options, for example, by depositing fiat currency (which Fuze will seamlessly convert into a stablecoin on-chain) or by depositing an accepted stablecoin or cryptocurrency directly into their provided wallet. In practice, if an investor deposits USD via bank transfer or credit card, the platform converts that into a USD-pegged stablecoin (like USDC) within

the user's wallet. This on-chain stablecoin funding allows subsequent token purchase transactions to be executed transparently on the blockchain.

Token purchase and minting:

- With funds in their account, the investor can place an order to **buy MGLD tokens** through the Fuze marketplace interface.
- The platform will display the current price of MGLD (which tracks the real-time market price of gold per 0.01g with **Rudiq Oracle System**) and the investor can specify the amount of gold value or number of tokens they wish to purchase.
- When the purchase order is confirmed, the following happens under the hood: the investor's fiat or stablecoin funds are debited from their wallet, and via Rudiq's smart contracts the equivalent value is allocated to Minted Connect FZCO (DMCC Company)'s reserve pool (e.g., the stablecoins are transferred into Minted Connect FZCO (DMCC Company)'s custody wallet earmarked for reserves).
- At the same time, Rudiq's **tokenization smart contract** mints the corresponding number of new MGLD tokens and credits them to the investor's wallet address. This process is atomic and orchestrated by smart contracts to ensure **tokens only get created if payment is received and reserve allocation is successful**.
- Minted Connect FZCO (DMCC Company) will then use the incoming funds to either purchase physical gold or gold ETC as needed to back the new tokens (if not already holding sufficient excess reserves).
- The entire issuance event (the transaction of stablecoin and the minting of MGLD) is recorded on the blockchain
- From the investor's perspective, within seconds they will see the new MGLD token balance in their portfolio on the platform, and they now effectively own tokenized gold.

Post-purchase holding:

After issuance, investors can hold MGLD tokens in their Fuze custodial wallet or transfer them to a personal wallet (if they prefer self-custody on the blockchain). Holding MGLD is similar to holding physical gold in terms of economic exposure. If gold's market price rises or falls, the value of MGLD will correspondingly rise or fall. While holding, there are no yield distributions (gold does not inherently yield a dividend), but investors benefit from price appreciation of gold. The platform dashboard provides tools to track the value of holdings in real time (with price oracles updating the gold price feed) and to initiate transactions such as additional purchases or preparing for redemption. Because MGLD is structured as a **redeemable asset-backed token** rather than a perpetual fund, there is no fixed term or maturity, investors can choose their own holding period. Some may treat it as a short-term liquid asset (a way to quickly get in and out of gold

positions), while others may hold long-term as they would physical bullion, with the comfort that they can liquidate or claim gold whenever needed.

Token supply control: The supply of MGLD tokens is dynamic, expanding or contracting based on investor demand, but always underpinned by reserves. When new purchases occur, new tokens are minted (increasing supply) *only* after verification that new reserve assets have been added. Conversely, when redemptions or buybacks occur (described in the next section), tokens are **burned** (permanently removed from circulation) as the corresponding reserve assets leave the pool. This mechanism ensures that the token supply is an accurate representation of the gold reserves at all times.

Liquidity and Exit Mechanisms

One of the advantages of MGLD is that it provides investors with multiple avenues for liquidity, unlike holding physical gold which can be slow or costly to liquidate. Holders of MGLD can **sell or redeem their tokens at any time**, subject to platform procedures, to exit their investment partially or fully. This section explains how an investor can liquidate MGLD holdings either back to cash (or stablecoin) or into physical gold and how the ecosystem maintains liquidity for smooth transactions.

Selling MGLD on the platform (fiat/stablecoin redemption): The primary exit mechanism is through the Fuze-operated marketplace itself. An investor who wants to liquidate can use the platform's **instant redemption** option: the platform quotes the current price for MGLD (derived from the live gold price minus a small bid/ask spread) and, upon confirmation, automatically processes the sale. The underlying smart contract will **burn** the MGLD tokens being sold (reducing the total supply) and simultaneously transfer the equivalent fiat value to the investor (in stablecoins). In practice, the payout is made in a stablecoin (like USDC) to the investor's wallet, which can then be withdrawn and converted to fiat via Fuze's banking partners or on/off-ramp facilities. Because Minted Connect FZCO (DMCC Company) maintains a pool of liquidity (including a reserve of stablecoins in the custodial wallet specifically for redemptions), sell orders can be fulfilled instantly (T+0 settlement). Minted Connect FZCO (DMCC Company) is responsible for keeping sufficient stablecoin liquidity on hand and will top up this pool as needed by converting Minted Connect FZCO (DMCC Company)'s fiat or other assets to stablecoin. This design means that under normal market conditions, **investors can sell MGLD and receive cash proceeds on the same day**, without having to find a buyer themselves, essentially the platform or Minted Connect FZCO (DMCC Company) acts as the counterparty, similar to how one might sell shares back to a fund. There is no lock-up period; liquidity is available continuously.

Physical gold redemption: The marquee feature of MGLD is the ability to redeem tokens for **physical gold**. Investors who prefer to hold actual gold can request physical delivery through the platform. To do so, a token holder initiates a **physical redemption request** specifying the amount of gold they wish to withdraw (in grams or ounces). The request must meet the minimum threshold of 1 gram (100 MGLD), and higher amounts can be specified in common bar denominations for convenience (e.g. 10g, 100g, 1kg,

etc.). Upon a physical redemption request, the corresponding number of MGLD tokens are **burned** (just as with a cash redemption), and Minted Connect FZCO (DMCC Company) arranges the withdrawal of the appropriate physical gold from its vault reserves. The gold is then prepared for delivery to the investor. Delivery can be fulfilled via secure courier to authorized delivery locations or via pickup at designated vault locations, depending on the user’s preference and the provider’s policies. Initially, physical delivery is offered in certain regions; for example, the UAE (Dubai) and Turkey (Istanbul) are planned delivery/pickup locations for early operations, with expansion to more locations as the project grows. The investor redeeming physically will need to have completed all necessary **KYC and delivery verification steps** (including providing identity documents, proof of address, and any import/export customs information if shipping internationally). This ensures regulatory compliance and prevents misuse of physical delivery for illicit purposes. There is also a fulfillment fee for physical delivery (approximately 1.5% of the gold’s value, as noted in Key Features, plus shipping insurance costs) which the investor pays to cover handling and insured logistics

The **timing of delivery** depends on the amount: small orders such as 1g or 10g may take about **7–10 business days** as they may be batched or sourced from smaller unit inventories, whereas large bars like 1kg could be delivered in **2–5 business days** and very large withdrawals (e.g. the 12.4kg LBMA 400oz bar) potentially within **1–2 business days** after burning the tokens. These time frames reflect vault handling and courier transit. Throughout the process, the platform keeps the user updated, and once the gold is delivered, the chain of custody is transferred to the investor (often with certificates or serial numbers provided for the bars). Physical redemption effectively allows an investor to **exit the digital token and receive the underlying real asset**, completing the cycle of tokenization in reverse:

Options	Minimum Amount	Processing Time
Micro Delivery	1 gram (100 MGLD)	7-10 business days
Small Bar	10 grams	5-7 business days
Standard Bar	100 grams	3-5 business days
Large Bar	1 kg	2-3 business days
LBMA Bar	400 ons (~12.4 kg)	1-2 business days

Platform buyback and liquidity management: To ensure that redemptions (either for cash or gold) are always honored, Fuze and Minted Connect FZCO (DMCC Company) have established a robust liquidity management strategy. Part of this involves maintaining **reserve stablecoins and gold inventory** to satisfy routine redemption requests without delay. Minted Connect FZCO (DMCC Company) custodial wallet in Fuze platform, holds a float of stablecoins (such as USDC) funded by Minted Connect FZCO (DMCC Company)’s reserve assets to immediately pay investors who sell tokens. If this reserve of stablecoins falls below a certain threshold due to many investors selling in a short period, Fuze will trigger an on-ramp conversion of fiat or sell some of

Minted Connect FZCO (DMCC Company)'s ETC holdings to replenish the stablecoin liquidity. Similarly, Minted Connect FZCO (DMCC Company) keeps a selection of smaller gold bars readily available in the vault to meet physical redemption requests up to a certain amount on short notice. Larger redemptions are planned for (the vault holds standard large bars that can be allocated as needed, or Minted Connect FZCO (DMCC Company) can acquire additional gold from the market if ever necessary). In extreme cases of high demand, Minted Connect FZCO (DMCC Company)'s hybrid reserve (with ETC and liquid assets) provides a buffer, they can liquidate the ETC portion quickly to raise funds to buy more physical gold or pay cash redemptions, ensuring the system remains solvent and liquid.

In summary, whether an investor exits via a **platform buyback** (direct sale), or by **converting tokens into physical gold**, the processes are in place to handle it smoothly. These exit mechanisms give MGLD holders flexibility and confidence: they are not locked into the investment and can realize the value of their gold quickly, a feature rarely available with physical precious metals in traditional settings.

Blockchain Infrastructure and Security

The MGLD token operates on a robust blockchain infrastructure provided by Rudiq, which underpins the token's issuance, trading, and oversight with automation and transparency. This infrastructure combined with strong security measures is the backbone that ensures **all processes are executed exactly as intended**, and that both users and regulators can trust the integrity of the system.

Smart contract-driven tokenization: At the heart of MGLD is a set of audited **smart contracts** that govern the token's lifecycle. These contracts are deployed on the supported blockchains (e.g. Polygon) and encode the rules for minting, burning, and transferring MGLD tokens. Whenever an investor completes a purchase on the platform, the smart contract is invoked to **mint** the required tokens to the user's address (only after verifying through oracles that reserves have been updated). Similarly, redemption requests trigger the **burning** of tokens and the release of funds or gold, following the logic in the contract. Because these operations are executed by code, they happen consistently for every user without bias or manual error. Key contract functions include: enforcing that only the authorized issuer (Rudiq/Fuze contract) can mint or burn tokens, pausing transfers if needed in emergency or if a user's tokens must be frozen for compliance reasons. Every token movement, whether a sale, purchase, or transfer, is recorded as a transaction on the blockchain ledger, creating an immutable audit trail. The benefit of using blockchain and smart contracts is **end-to-end transparency and trust through automation**.

On-chain record-keeping and transparency: Because MGLD transactions occur on-chain, there is a permanent public record of the token's supply and distribution. **Investors and auditors can independently verify** the total number of MGLD tokens in existence, the wallet addresses holding tokens, and any transfers that have occurred, by inspecting the blockchain (e.g. via block explorers). For privacy and compliance, certain details (like investor identities) are not on-chain, but the critical economic data

(token balances, contract rules, reserve oracle reports) are open. The platform provides references to the relevant smart contract addresses and oracle feeds so that sophisticated users or third parties can easily monitor them.

Stablecoin integration and fiat ramps: To interface with traditional money, Fuze's platform employs **stablecoins and bank integrations** as part of its infrastructure. When investors bring fiat currency into the platform, the backend converts this into a stablecoin (for example, a UAE Dirham or USD-pegged token) which is then used in on-chain transactions (purchasing MGLD, receiving payouts). Conversely, when investors cash out, the on-chain stablecoin is converted back to fiat and sent to the user's bank or made available for withdrawal. This mechanism allows all value transfers related to MGLD to happen on-chain as token transfers while still letting users interface in their familiar currency. The benefits include: **programmability** (since stablecoins can be handled by smart contracts, all flows like payments for gold or distribution of proceeds are automated on-chain) and **transparency** (all transactions use tokens, which are traceable). The platform's integration with banking (the on/off ramps) is handled by Fuze. Fuze ensures that for every fiat deposit, stablecoins are minted into the ecosystem, and for every fiat withdrawal, stablecoins are redeemed. This coupling means the system's on-chain accounting always mirrors the real-world funds movement. Additionally, Rudiq's system abstracts these technical details away from the user: investors see a simple interface where they deposit or withdraw **money**, while behind the scenes the conversion to or from stablecoins is done automatically. By removing the need for users to handle crypto directly (if they choose not to), the platform makes the experience more secure and user-friendly, reducing errors and lowering the barrier to entry for non-crypto-savvy investors.

Custodial wallet and security architecture: Recognizing that not all investors will be comfortable managing their own blockchain wallets, the Fuze platform uses a **custodial wallet system** for convenience and safety. Upon onboarding, each investor is assigned a unique crypto wallet within the platform, which is managed by Rudiq's secure custody integrations. This means the private keys are stored and handled by the platform's systems (protected by hardware security modules and multi-signature controls), and investors access their assets through the platform dashboard with traditional login credentials and two-factor authentication. This custodial approach ensures that if a user loses their password, their assets are not lost (since the platform can recover access through identity verification), and it prevents scenarios where user errors (like misplacing a key or sending tokens to the wrong address) could lead to irreversible loss. The custody solution uses **segregated accounts**, each user's assets are tracked separately on the ledger even if some are held in omnibus wallets, and the system can produce a clear accounting of which assets belong to which user at any time. For added security, sensitive operations (like large transfers or asset movements out of cold storage) require multiple approvals (multi-sig) and are monitored. From a security standpoint, the custodial wallets and the underlying smart contracts undergo regular **security audits**. Independent blockchain security firms audit the MGLD token contract and associated systems before launch, and any updates are subject to review. The smart contracts enforce strict rules that eliminate many traditional risks.

System safeguards and risk management: Rudiq's blockchain infrastructure for MGLD includes several safeguards to protect investors. All critical actions are logged and can trigger alerts. For instance, if an unusual pattern of token minting or burning is detected, it is flagged for review (though minting/burning can only happen via the defined processes). The platform can pause token transfers temporarily in case a severe vulnerability or regulatory issue is discovered, preventing potential misuse while an issue is addressed (this is a standard feature in regulated token contracts, used only under oversight). Additionally, **multi-signature governance** is in place for administrative control of the contracts: no single party (not even Rudiq or Minted Connect FZCO (DMCC Company) alone) can make unilateral changes to the token contract parameters or access reserve funds. Changes or upgrades would require agreement from multiple authorized entities, potentially including a trustee or regulatory approver, adding a layer of oversight. From a cybersecurity perspective, the system undergoes penetration testing and employs real-time monitoring to fend off hacking attempts. The combination of on-chain transparency and off-chain security practices means that any deviation or anomaly in the operations is likely to be quickly noticed and addressed. For example, if someone attempted an unauthorized mint, it would show up on-chain and be halted by the PoR check; if someone attempted to penetrate the custodian wallet system, layers of authentication and limited withdrawal rules would mitigate the impact.

In essence, **MGLD's technical infrastructure is built to VARA's high standards of security and transparency.** By using blockchain as the source of truth, it provides a clear, incorruptible log of all token-related activities. By incorporating modern security and custody solutions, it safeguards user assets and the underlying gold. Investors benefit by having a platform that is as easy to use as a traditional online brokerage, yet with the added confidence that comes from blockchain verification and the knowledge that their investment in gold is being managed with cutting-edge security protocols.

Regulatory Compliance

Regulatory compliance is paramount in the design and operation of the MGLD synthetic gold token. The project is structured to meet or exceed the requirements set forth by the **Virtual Assets Regulatory Authority (VARA)** in Dubai, which is the licensing body overseeing virtual asset issuers, exchanges, and custodians in the jurisdiction. This section outlines how MGLD complies with relevant regulations and the measures in place to ensure ongoing adherence to laws and best practices.

VARA Licensing and Oversight: Fuze (Morpheus Software Technology FZE), the platform facilitating MGLD's issuance and trading, is **fully licensed by VARA** to operate as a virtual asset service provider. This licensure means that Fuze's business practices, financial integrity, and security are vetted by the regulator. Under VARA's supervision, Fuze is required to maintain proper records, submit regular reports, and undergo audits of its virtual asset activities. The MGLD token offering falls under the category of asset-backed tokens (sometimes considered a type of stablecoin or commodity token), which means VARA will scrutinize aspects such as reserve management, consumer protections, and technology risk. Minted Connect FZCO (DMCC Company), as the

entity providing the gold assets, works closely with Fuze to ensure that the token's backing and redemption mechanisms meet regulatory expectations. For instance, VARA likely mandates that the reserves be held with approved custodians and that an independent verification supports the collateral claims, measures that MGLD has implemented from inception. Any material changes to the operation (such as new token features or listing on additional exchanges) are communicated to VARA to maintain transparency and obtain necessary approvals. The result is that MGLD operates within a **clear legal framework**, giving investors the assurance that a government authority monitors and enforces the token's commitments.

KYC/AML and Transaction Monitoring: Compliance with **Know Your Customer (KYC)** and **Anti-Money Laundering (AML)** regulations is strictly enforced on the MGLD platform. Every user must verify their identity during onboarding, providing government-issued identification and proof of address, which is checked against sanction lists and databases (e.g., to prevent blacklisted individuals or entities from participation). Particularly for those wishing to use the physical delivery feature, enhanced KYC is performed, since shipping valuable goods requires confirming the legitimacy of recipients and their addresses. The platform also employs AML transaction monitoring tools to detect and report any suspicious activities. Large transactions or patterns that could indicate money laundering (such as rapid in-and-out trades of large sums) are flagged and, if required, reported to the relevant financial intelligence unit. Because MGLD could be seen as a bridge between crypto and a tangible asset, the platform is careful to prevent misuse. For example, it will not allow anonymous wallets to suddenly deposit and redeem large amounts of gold without proper vetting. **Travel Rule** compliance is also integrated: if a user transfers MGLD to an external wallet or another exchange, and if required by regulation, the platform will attach necessary identifying information to the transfer message as per FATF Travel Rule guidelines (this is facilitated by the fact that Fuze controls the transfer if within its platform; for on-chain transfers, the user would only be sending to their own verified address or exchange that also has KYC). All these steps ensure that while MGLD provides a novel service, it is **not a channel for illicit activity**, aligning with global AML standards and VARA's rulebook.

Token issuance controls: To prevent any abusive issuance, the MGLD smart contract is programmed such that **new tokens can only be minted by the authorized issuer wallet** (provided by Fuze and controlled by Minted Connect FZCO (DMCC Company)). This is a compliance measure ensuring that, for example, even insiders cannot secretly create tokens. Every mint and burn event is logged and can be audited. VARA may require notifications or approvals if token supply changes beyond certain thresholds, and the platform can accommodate that by automatically alerting compliance officers when large issuances or redemptions occur. In practice, most token minting will be directly tied to user purchases, but in scenarios like institutional allocations or moving tokens across blockchains (where one chain's tokens might be burned to reissue on another), all such actions are done under strict protocol oversight.

Investor protection and disclosures: As a regulated offering, MGLD provides clear **disclosure documentation** to users. This whitepaper itself serves as a primary disclosure, explaining the rights of investors (such as redemption rights), the risks

(volatility of gold price, operational risks, etc.), and the structure of the token. Users must acknowledge these terms before investing. Moreover, consistent with VARA's focus on investor protection, the platform provides customer support and resolution mechanisms. For instance, if there are technical issues or if a user has a complaint, there are defined processes to resolve them or escalate to VARA if needed. The platform also has an obligation to **maintain fair and orderly operations**. This means implementing measures to prevent market manipulation or insider trading on the token. Since gold price is externally determined, the main focus is to ensure no one can exploit the token system (e.g., by front-running knowledge of reserve movements or manipulating the oracle, which is mitigated by using a reliable oracle network). Minted Connect FZCO (DMCC Company), Fuze, and Rudiq personnel are likely subject to internal policies restricting their own trading in MGLD to avoid conflicts of interest and to comply with any **market conduct rules**.

Data protection and privacy: VARA's regime also intersects with data protection laws (such as UAE's PDPL or equivalent GDPR-like rules). The platform therefore ensures that all personal data collected for KYC/AML is stored securely and only used for compliance purposes. Users' privacy is respected; their identities are not exposed on-chain, and any sharing of personal information (for example, during an off-ramp to a bank) is done in accordance with privacy laws and only to fulfill the transaction under regulated processes.

In summary, **MGLD is engineered to be fully compliance-ready**, effectively blending the innovation of tokenization with the rigors of traditional financial regulation. The governance structure (with licensed entities), the transparent reserve mechanisms, and the strong KYC/AML controls all contribute to making MGLD a product that regulators can get comfortable with. By proactively building compliance into the platform, MGLD not only adheres to current VARA rules but is also positioned to adapt to any future regulatory developments in the virtual asset space. This gives the project a solid foundation to operate legitimately and to earn the trust of both investors and regulators as a model for tokenized real-world assets.

Roadmap

Phase 1 — Foundation (Q1–Q2 2026)

- Secure necessary VARA regulatory licensing and develop robust internal control systems.
- Establish comprehensive KYC/AML onboarding procedures and deploy the MGLD ERC-20 smart contract on Polygon.
- Set up gold custody with Nadir Gold (LBMA-certified, vaulting at DMCC-Brinks) and SAM Precious Metals (mainland Dubai), both providing insured and audited vault storage.

Phase 2 — Market Launch (Q3 2026)

- Launch MGLD under regulatory approval with a controlled beta release and initial user onboarding/testing.

- Issue the first MGLD tokens fully backed by gold reserves at approved custodians.
- Pursue initial exchange listings and implement all necessary compliance monitoring and controls.

Phase 3 — Growth and Market Deepening (Q4 2026 – Q1 2027)

- Expand user onboarding and roll out MGLD to a wider market, supported by additional exchange listings.
- Introduce selective DeFi integrations and launch a mobile app for broader accessibility.
- Enhance redemption logistics to accommodate increased volumes and new delivery/pickup locations.

Phase 4 — Regional Expansion and Product Diversification (2027 and Beyond)

- Obtain licenses in additional jurisdictions and extend services to new regions.
- Introduce new tokenized precious metal assets (e.g., silver and platinum) following the MGLD model of full backing and compliance.
- Develop institutional offerings such as an OTC trading desk, API access for partners, and structured liquidity products to support market growth.

Conclusion

The **MGLD Synthetic Gold Token** represents an innovative fusion of traditional gold investment with cutting-edge blockchain technology, delivered on a regulated platform. By tokenizing gold reserves, MGLD provides investors with a convenient, liquid, and transparent way to gain exposure to physical gold, an asset renowned for its stability and enduring value, without the typical barriers of storage, transport, or large minimum purchases. Investors can acquire as little as 1 gram of gold worth of tokens, hold them with confidence that each token is fully backed by actual gold, and redeem them at will either for cash or the metal itself. This flexibility is unprecedented in the gold market, effectively **combining the tangibility of real gold with the speed and accessibility of digital assets**.

Throughout this whitepaper, we have outlined how MGLD's ecosystem is built on a foundation of trust: from the secure vaults and audited reserves managed by Minted Connect FZCO (DMCC Company), to Rudiq's robust smart contract infrastructure ensuring all processes are executed fairly and transparently, to Fuze's compliant marketplace which enforces KYC/AML and provides a user-friendly interface. Every MGLD token transaction is recorded on-chain, reinforcing trust through verifiability. The roles of the key entities are aligned with investor interests. Minted Connect FZCO (DMCC Company)'s reputation and business depend on maintaining full reserves and smooth redemptions, Fuze's license depends on compliant operations and consumer

protection, and Rudiq's technology is built to be secure and immutable collectively creating a powerful alignment to uphold the token's integrity.

For VARA and other stakeholders, MGLD serves as a **case study in how real-world assets can be brought into the digital realm safely**. The token adheres to regulatory standards while unlocking new efficiencies: 24/7 trading, instant settlement, fractional ownership, and cross-border accessibility, all backed by one of humanity's oldest stores of value. It opens the door for a wider range of investors, from institutions to retail savers, to include gold in their portfolio with ease, knowing they can convert between physical and digital at any time.

As the project moves forward, it will continue to engage with regulators and improve the platform. Future plans include expanding physical delivery locations globally, launching on additional blockchains and exchanges for broader reach, and potentially introducing other precious metal tokens (such as silver or platinum) using the same model of full collateralization and compliance. By maintaining our emphasis on transparency, security, and regulatory alignment, **MGLD is positioned to become a benchmark for tokenized commodities**, fostering trust in the crypto ecosystem and demonstrating how traditional assets and blockchain can co-exist to the benefit of investors. In conclusion, MGLD offers a **secure, regulated, and innovative avenue to invest in gold**, marrying the timeless appeal of a physical asset with the efficiency of modern fintech, truly a gold standard for the digital age.