



Universal Protocol introduces a scalable solution to blockchain interoperability and stronger user safeguards to move industry towards mass adoption

The Universal Protocol Platform, a transformational development for the blockchain industry, will make all cryptocurrencies accessible and convertible on a single network - and in a form significantly more convenient and secure than currently available.

Creating a practical value proposition for the vast majority of people who have yet to participate in the cryptocurrency market, the UP model paves the way towards the mass adoption of blockchain technology by overcoming two of the biggest challenges facing the industry: the lack of interoperability between blockchains and concerns over cryptocurrency security.

Conceived by a coalition of cryptocurrency companies and blockchain pioneers - including Brave, Blockchain at Berkeley, Cred and Uphold - the UP Platform is specifically designed to help decentralized ledger technology achieve mainstream adoption as the universal method for transferring value over the internet.

The ecosystem opens up a new world of tokenized digital assets - ranging from Proxy cryptocurrencies such as Bitcoin, to Proxy fiat currencies like USD, to Proxy Private Equity - and facilitates the instant and seamless conversion of different forms of value over a single blockchain, using smart contracts to reduce dependence on centralized exchanges.

Adopting a model of hybrid decentralization, the UP Platform will appeal to blockchain purists by enabling decentralized exchange of all cryptocurrencies and other tokenized assets, while satisfying more risk-averse users by offering a highly-secure wallet option. For ordinary users, the model introduces safeguards that render cryptocurrencies significantly more practical and convenient to own, such as key recovery, inheritability and loss assurance*.

At the heart of the UP Platform are Ethereum Proxy Tokens, based on a new ERC-20 compatible token, capable of representing any underlying asset held by the platform reserve on a fully-substantiated, 1:1 basis. For every Proxy Bitcoin issued, for example, a 'real' Bitcoin is held in custody, a reserve model that emulates the security of the gold-backed dollar. By translating the value of any cryptocurrency - or other tokenized asset - into the language of Ethereum, Proxy Tokens act as the 'conversion layer' in the ecosystem.

Utilizing the Uphold Reserve, an established ledger serving customers in 184 countries, the UP Platform will publish the value of reserved assets backing Proxy Tokens in real-time on public blockchains. The reserve will also be subject to quarterly third-party audits that will be shared with the community to demonstrate the financial soundness of the Proxy Token ecosystem.

Key benefits

- ▶ For financial institutions, the platform solves the technical and custodial challenges of supporting multiple cryptocurrencies on bespoke blockchains: the UPP model provides a single standard compatible with any Proxy Token representing any tokenized asset. As a result, institutions will only have to write their business logic once, for Ethereum, in order to support any cryptocurrency, radically simplifying the integration process.
- ▶ For retail investors, the platform creates a more practical and 'spendable' way of holding cryptocurrencies: for example, users can borrow in fiat currencies against their Proxy Token holdings, a giant leap forward for the industry. Proxy Tokens also make cryptocurrencies far less risky to hold by introducing many of the safeguards associated with mature financial assets, such as fund recovery and easy inheritability.
- ▶ For centralized exchanges, the platform dramatically streamlines the process of listing new cryptocurrencies, currently an expensive and time-consuming task that can take weeks, if not months, of work. After the introduction of the Universal Protocol, exchanges will only have to add Ethereum ERC-20 support once in order to list Proxies representing any cryptocurrency or other tokenized asset class.
- ▶ For innovators, the UP Platform provides the freedom to create bespoke blockchains for specific projects, since it makes any blockchain readily compatible with the widely-adopted Ethereum network and its ecosystem of smart contracts, DApps and decentralized exchanges.

Transparency Framework

The Universal Protocol Platform is run for the benefit of participants in the ecosystem, and operates with a revolutionary degree of transparency. For example:

- ▶ The platform publishes the value of the reserve assets backing all Proxy Tokens - and every supporting transaction - in real-time, on the underlying public blockchains.
- ▶ The reserve is audited quarterly by reputable third-party firms with the audit reports published and shared with the community.

* Uphold, a member of the UP Alliance, offers \$25MM of first-loss assurance to users in the event of hacking or theft.