TIAMONDS

TOKENIZED DIAMONDS

White Paper

Tokenized Diamonds Empowered by

Blockchain Technology

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Abstract

Tokenization is an emerging and rapidly evolving area in the blockchain industry. As the market of Blockchain technology matures, the impact of cryptocurrencies, digital assets and tokenized assets on financial markets increases. However, the average consumer doesn't understand what tokenization is or why it matters, let alone how the technology works or why the legal framework matters.

As a result, the growth of the tokenization is limited while the large opportunities and long-term economic growth implications remain.

Tiamonds will make tokenization known and accessible through three main tactics:

- **Showcase** the opportunities of tokenized assets
- **Gamify** features of tokenization to educate and inform
- **Community** first token economy, sustainable and fair-launch

Tiamonds is a project by LCX with the goal to showcase the opportunities of tokenized assets, to educate consumers about tokenization by gamification and to create a community driven token economy. LCX is a regulated fintech company, registered as a compliant trusted technology service provider, and is conducting the token offering in accordance with the innovative Liechtenstein blockchain laws.

The Tiamonds project includes two key elements: Tokenized Diamonds called Tiamonds and a deflationary cryptocurrency called TIA Token.

Tiamonds are non-fungible tokens (NFT) representing the ownership rights of real-world Diamonds. A diamond is the hardest material on Earth, and has long-since been recognized for its beauty as a gemstone. Each Tiamond is receiving TIA Tokens as rewards over time through the "Own to Earn" model.

TIA Tokens are a community driven, fair launched DeFi Token connected to Tiamonds. TIA Tokens are a deflationary cryptocurrency with three simple functions which occur during every transaction: Reflection, Rebalancing, and Burn.

Tokenization

Tokenization aims to reimagine and improve financial services on the foundations of distributed ledger technology, digital assets and smart contracts. As such, Tokenization is an important and emerging sector of financial technology (fintech) and the blockchain industry.

Tokenization refers to the process of creation of digital tokens on a blockchain platform that grants certain ownership or other rights to physical, digital or even financial assets to token holders. Asset tokenization enables easier exchange for tangible and intangible assets through digital tokens on a global platform empowered by blockchain technology. The assets that can be represented by a token can range from financial instruments like debts, bonds, stocks and securities to legal rights, copyrights, or physical assets like real estate property, cars, art or diamonds.

LCX

LCX is a regulated fintech company headquartered in Liechtenstein with a global business strategy. LCX is a secure and compliant platform for buying, selling, transferring, and storing digital currency.

LCX, the Liechtenstein Cryptoassets Exchange, was founded in 2018 with headquarters in Vaduz (Liechtenstein) and offices in Crypto-Valley Zug (Switzerland) and New Delhi (India). LCX has obtained 8 crypto-related registrations by the Financial Market Authority Liechtenstein, operates in accordance with the new blockchain laws and has introduced a comprehensive crypto compliance suite.

The LCX Token ($LCX) is the fuel of the LCX.com platform and LCX Cryptocurrency Exchange. LCX Token works as a long-term sustainable incentive mechanism to motivate various stakeholders to participate in the ecosystem. LCX Token is an exchange based utility token which grants all users a reduction of trading fees at LCX's compliant digital asset exchange and many more benefits.

More Information available at www.LCX.com

Tiamonds

Safely add diamonds to your investment portfolio via blockchain technology.

Tiamonds are Non-Fungingle-Tokens (NFTs) to represent ownership of individual and real-world diamonds. Tiamonds NFTs are based on the Ethereum Blockchain and backed one on one by an individual diamond.

Tiamonds NFTs are enabled by LCX's regulatory framework and LCX's advanced blockchain infrastructure. LCX is showcasing the functionality to connect the physical with the digital world.

Diamonds as an Asset Class

Diamonds were formed billions of years ago, they are the hardest material on the planet and are often used by investors to diversify with a hard asset portfolio. Diamonds are available in many sizes, are portable and easy to store.

Due to the lack of fungibility diamonds are rarely used for asset diversification.

Diamonds are non-fungible as they are always unique. There are several diamond grading systems that allow diamonds to be measured on specific metrics, e.g. color, clarity, carat, and cut-quality. Nevertheless each diamond will never be fully identical as there are attributes which are not standardizable .

Lack of fungibility is one of the main reasons why diamonds have a complex, illiquid and in-transparent marketplace. Diamond marketplaces are fragmented and include many middle men.

Tiamonds - Tokenized Diamond Tokens

An asset backed token based on the Ethereum blockchain which represents a real-world individual diamond. The token is a 1-1 digital representative of the individual diamond. The digital token has been developed as a non-fungible token with the ERC-721 token standard in combination features known from the Liechtenstein Protocol technical white paper token standard developed and published by LCX.

The first drop of Tiamonds will include 100 Tokenized Diamonds. LCX issues 100 tokenized Diamonds as NFTs called Tiamonds.

Each NFT represents the ownership rights of one indivisible Diamond.

In addition to this, each Tiamonds (of the first generation of Tiamonds) grants the owner the right to receive 1 million TIA Tokens, where 1 TIA Token will be rewarded every minute for 1 million minutes. There are 525,600 minutes per year, so 1 Million minutes is almost 2 years.

The first generation of Tiamonds will be numbered from 001 to 100.

Each Tiamond will be described with its key characteristics in the 4 C's: cut, color, clarity and carat. Furthermore each Tiamond will include a LCX Certificate and the diamond certificate by the Gemological Institute of America (GIA) which can be both looked up online.

Each Tiamond will be visualized with an image outlining the key characteristics of the NFT.

All diamonds used for Tiamonds are GIA diamonds, which are diamonds certified by the Gemological Institute of America, the World's foremost authority in independent third-party diamond certification. In general LCX will refer to the OECD's five-step risk-based Due Diligence Guidance for Responsible Supply Chains of Minerals where possible and relevant, and take into consideration the EU Conflict Mineral Regulation, effective 2021, and the London Metal Exchange Responsible Sourcing initiative, effective June 2022.

In summary LCX has established operational business processes to ensure the contractual enforceability of the Token rights embedded in every Tiamond NFT.

Benefits of Tiamonds

Tiamonds use the Ethereum blockchain and the ERC721 Non-Fungible Token standard to create digital representatives of single diamonds and enable that diamond to function as a tradeable asset.

Benefits of Tokenized Diamonds:

- Asset Backed Investment: Each Tokenized Diamond is backed 1-1 by real-world individual diamonds.
- Tokenized Diamonds are NFTs and can be traded and even redeemed.
- Rewards of TIA Tokens over a fixed period of time.

The approach of Tiamonds is to embrace the lack of fungibility as a non-fungible crypto asset. Tiamonds can now be traded on any crypto-exchange in the world that supports the ERC721 standard. A Tiamond can be bought and sold as easily as a CryptoKitty.

Purchase of Tiamonds

The first generation includes 100 Tiamond NFTs. The initial drop of Tiamonds will be exclusively sold at Tiamonds.com. 50 Tiamonds will be offered for sale at a fixed price and 50 Tiamonds will be offered in an auction.

Only verified users are eligible to participate in the sale and auction.

Tiamonds Sale at Fixed Price

The Tiamonds sale at fixed price is limited to VIP users at LCX. To become a VIP User at LCX and to have access to the Tiamonds sale at, users have to stake a fixed amount of LCX Token for a minimum of 1 year. They may resell Tiamonds or TIA Token but they cannot unstake LCX token before 1 year. VIP users at LCX may be granted additional benefits at LCX platform over time.

VIP users will have preferred access to Tiamonds sale platform. Only LCX Tokens are accepted as a payment method.

Tiamonds Auction

Tiamond NFTs will also be offered for sale in auctions. The auction is available for any verified LCX user. Also known as an English auction, the Tiamond NFTs will be sold to the highest bidder.

Within all auctions, attendees will purchase Tiamond NFTs using LCX tokens exclusively. Each Tiamond token will have a starting price of 1.000 LCX tokens ('opening bid') while each bid will increase the starting price by another 1.000 LCX token.

The bidding process is managed on a fully decentralized platform at Tiamonds.com. All bids are on-chain transactions where the amount of tokens for the bid will be blocked on-chain during the auction bidding process and then used to execute the purchase if this was the winning bid.

Important Note: Any bids made in the last 10 minutes of an auction will extend each auction by 10 more minutes. Popular auctions are often extended by new bids offered in the last 10 minutes. This continues until no one is willing to increase the bid any further, at which point the auction is closed and the final bidder receives the item at his bid price.

The sales platform for Tiamonds will be accessible at Tiamonds.com. Once Tiamonds are bought users can transfer NFTs or sell them on third party platforms, such as OpenSea.

Trading of Tiamonds

Tiamonds are issued by LCX and will offered at LCX's decentralized NFT platform at Tiamonds.com

Once you've bought a Tiamond, you can keep it, trade it or hodl it to enjoy the benefits of the "Own to Earn" model and get TIA Tokens as rewards.

Tiamonds can be traded or sold on third party NFT marketplaces such as OpenSea and the upcoming LCX NFT marketplace.

Analog Safekeeping

The rights from the "real world" will be fully embodied in the digital token and can be enforced. The Analog Safekeeping Process is a process to ensure that the value, availability, safety and similar characteristics of the offline objects are preserved and maintained throughout the tokenization process and during the token ownership.

In particular LCX takes the diamonds in custody and stores all diamonds in special security vaults at highest security levels. The Diamonds are insured and stored in Liechtenstein at a high security vault outside the banking system with protection level 10 and 6 eyes principle.

Physical safekeeping is highly important as it is the basis of tokenization and enables the token economy: providing certainty, allowing the tokenization of assets and enabling secure trade and transfer powered by blockchain.

Digital Safekeeping

The rights from the real world will be embodied in the digital token. Beside the analog safekeeping LCX also makes sure that the rights are represented in the digital token in a way that is accessible for the token holders and can be verified by them. LCX takes all necessary steps to ensure that the contractual and legal rights are embodied in the digital token.

Key elements of the Digital Safekeeping Process are

- Evaluation, testing and development of the smart contract and its functionalities
- Evaluation, testing and maintaining of purchasing, transfer, trading and redemption process
- Internal and External Smart Contract Token Audit
- Legal token documents and white paper

LCX Certificate

Furthermore LCX is publishing a certificate (the "LCX Certificate"). The LCX Certificate is an apostilled document as an overview of the guarantees and rights embodied in the token. This certificate will be made public and published by LCX, as the token issuer.

The LCX Certificate includes the following information:

- Name of the Token Issuer
- Name of the Digital Token
- The TT System that is used
- A summary of the embodies right in each token
- Date of Certificate
- Certified Signatures

LCX will be publishing the Certificate about the Digital Asset Token:

- The LCX Certificate will be publicly available without the need to log-in or sign up.
- The LCX Certificate will be published in a web or PDF format.

Redemption of Tiamonds

Owners of Tiamonds can redeem their Tiamond and physically receive their diamond. Redeeming a Tiamond will destroy the token connected to the physical diamond. To get the diamond and keep it in your own possession there are a few steps.

- First, you have to have a fully verified LCX account.
- Second, you have to contact our support at hello@LCX.com.
- Third, we will email you the shipping cost and service fee total for redemption, along with payment instructions to pay these fees and a wallet address to send the Tiamond NFT token to.
- Fourth, once the fee is paid, the Tiamond has been sent and the payment has been received, we will retrieve your diamond from our vault and will mail it to the address you specified or you may pick it up in Liechtenstein personally.

Physical Validator

LCX the Tiamonds project is a perfect showcase to present its capabilities and process for future tokenization projects on behalf of third parties. **LCX has applied for registration at the Financial Market Authority in Liechtenstein as Physical Validator to offer tokenization services to clients after regulatory approvals are obtained.**

Liechtenstein introduced the Token and Trusted Technology Service Provider Act, also known as the Blockchain Act, or in German "Gesetz über Token- und VT-Dienstleister, Token- und VT-Dienstleister-Gesetz (**TVTG**)".

According to Article 2 at TVTG the Physical Validator is defined as the following:

> *"Physical Validator": a person who ensures the enforcement of rights in accordance with the agreement, in terms of property law, represented in Tokens on TT systems;*

According to Article 17 at TVTG the Physical Validator must introduce special internal control mechanisms, such as:

> *e) for Physical Validators, their liability in the event that rights to property*

guaranteed by the Physical Validator cannot be enforced in accordance with the contract;

According to Article 33 at TVTG the Physical Validator has an important responsibility towards Token Holders, including publication requirements of the basic information:

"for the issuance of Tokens, the rights to property represent:

1. evidence of a registered Physical Validator regarding ownership of the property; and

2. a confirmation from a registered Physical Validator, that the rights registered in the issued Tokens are also enforceable in line with the basic information.

To summarize, the Physical Validator ensures the contractual enforcement of the legal rights represented by the tokens issued on TT Systems with respect to objects as defined by local property law ("Sachenrecht"). This may include the safekeeping of the objects in the interests and for the benefits of the Token Holders, assessing, validating or confirming the value of the objects, identification of the owner and/or confirmation of the legitimacy and the provenance of the ownership with respect to the physical object.

In this capacity LCX aims to be a Physical Validator as an integral part of our strategy to be a full range service provider covering all activities as a Trusted Technology Service Provider.

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TIA Tokens

TIA Tokens is a community first and fair launched DeFi Token. TIA Tokens are deflationary cryptocurrency, as the supply decreases with time.

TIA Tokens integrate three simple functions: Reflection, Rebalancing and Burn.

In every on-chain transaction a fee of 10% total is automatically taken and is split three ways:

1. **Reflection:** 5% fees are redistributed to all existing holders.
2. **Rebalancing:** 2.5% fee is sold by the smart contract into LCX token at Uniswap. The acquired LCX Token will be added to the long-term LCX company reserve.
3. **Burn:** 2.5% of the TIA Tokens are burned.

TIA Token Distribution

Fair launch and distribution. TIA Tokens are launched in a fair community driven way, without a token sale and without an initial coin offering (ICO).

TIA Tokens will be distributed to the owners of Tiamonds in an "Own to Earn" model over a period of 1 million minutes (approximately 2 years) with a rate of 1 TIA Token per minute for each Tiamond NFT. The distribution starts directly after the initial token offering and sale at the LCX platform.

In the first generation of Tiamonds drop a total 100 Million TIA Tokens will be distributed via the "Own to Earn" model to 100 Tiamond NFT owners over 1 Million Minutes.

The rewards for the first generation of Tiamonds drop is set to 1 million TIA Tokens per Tiamond. The amount of TIA Tokens reward for each Tiamonds will be reduced in the future and will be decided with governance system.

Own to Earn Model

The Own to Earn model will distribute TIA Tokens to Tiamond NFT owners over a fixed period of time. Each user who owns a Tiamond NFT will get a fixed supply of TIA Tokens automatically. The TIA Tokens can be claimed by the owner at a dedicated decentralized app (Dapp) at the Tiamonds.com platform.

TIA Token Airdrop

10,000,000 TIA Tokens (4.8%) will be distributed in an Airdrop in two installments: 1) LCX Token Holders and 2) TIA/LCX Liquidity Providers.

5,000,000 TIA Tokens will be airdropped to LCX Token holders. To be eligible to receive the airdrop users have to fulfill the following
- be fully verified at LCX.
- hold a minimum of 100 LCX Token before December 24th 2021 in their LCX Main Wallet.

TIA Tokens will be distributed equally based on the number of eligible users.

Another 5,000,000 TIA Tokens will be used for rewards for liquidity providers of TIA / LCX pair at Uniswap and other reward promotions. Liquidity providers may contribute to TIA / LCX trading pair at Uniswap.

TIA Token Governance

The TIA Token is enabling community first approach and a vibrant, diverse, and dedicated governance system, which will actively guide the Tiamonds project towards the future.

Tiamonds is embracing a community driven governance framework. Governance contribution and voting will focus on aspects for future tokenization and Tiamond releases to expand and develop the broader LCX ecosystem.

TIA Tokens can be staked at LCX's platform. Staked TIA Tokens can be delegated and used to vote through the Tiamonds governance platform. The governance system will allow the submission of votes to key decisions that govern Tiamonds project.

Key decision which will be the decided via the governance system are for example:

- decision of how many additional Tiamonds NFT will be created.
- decision of the range and variety of Diamonds to be tokenized.
- decision about distribution ratios and how many TIA Tokens will be awarded to each new Tiamond NFT.

TIA Token Economics

TIA Token is based on the Ethereum Blockchain and built on the ERC20 token standard.

Maximum Supply: 1,010,000,000 TIA

Initial Total Supply: 210,000,000 TIA

The initial supply of TIA Tokens will be 210 million at the Token Generation Event (TGE), but due to the deflationary nature of the TIA Token economics the supply will be reduced over time. Distribution of additional TIA Token is only possible in connection with distribution of tokenized Diamonds, creation of Tiamond NFTs and the via the Own to Earn model. Decisions if or how many TIA Tokens will be distributed and released will be made by the community via the Tiamonds governance framework.

47.6% of TIA Tokens will be awarded to the first general of Tiamonds NFT over a fixed period of time. 47.6 % of TIA Tokens will be added as Liquidity to two trading pools. 4.8% of TIA Tokens will be allocated for the Airdrop.

TIA Token Trading

TIA Token will be listed at LCX Exchange with three trading pairs:

- TIA / LCX
- TIA / ETH
- TIA / EUR

In addition 100 Million TIA Token will be put into two Uniswap trading pools, TIA / LCX at Uniswap V2 and TIA / ETH at Uniswap V3. TIA / ETH will be set as a one-sided token pool with a starting price of $1 USD per TIA Token. Trading fees as Liquidity Provider at Uniswap will be redeemed by LCX and used for operational expenses.

Strengthening the LCX Ecosystem

The Tiamonds project and TIA Token is strengthening the LCX ecosystem as a whole.

- To purchase Tiamonds and claim TIA Token rewards, users must become a verified LCX user.
- Tiamonds can be only bought with LCX Token.
- Tiamonds fixed price sale is only available to VIP users who have to stake a fixed amount of LCX for 1 year.
- The Rebalancing function is triggering an automatic market buying process of LCX Token on the decentralized exchange Uniswap.

Claiming TIA Tokens

Owners of Tiamond NFTs can claim their TIA Tokens directly at LCX at a dedicated Tiamonds platform provided by LCX. The TIA Tokens will be granted to the Tiamond NFT automatically. Claiming TIA Tokens is an on-chain transaction and standard gas fees will apply. The owner of the Tiamonds NFT may claim TIA Tokens as often as he/she wants, but will need to cover the Ethereum gas fees.

If the Tiamonds NFT will be transferred to another wallet or owner, the new owner will be able claim all unclaimed TIA Tokens.

Conclusion: The Future Will Be Tokenized

LCX believes in the potential of tokenization, but we also see the barriers which need to be overcome to fully embrace blockchain technology for asset digitalization.

We trust our community and genuinely believe that information, education, and a practical application and user experience is key to making the market of tokenization a global phenomenon. We strive every day to establish a blockchain ecosystem and technology infrastructure to harvest these future opportunities.

With Tiamonds we are exploring digital scarcity and tokenization of assets, an exciting but underexplored concept that blockchain empowers.

Tiamonds is the world's first project combining asset tokenization, education and gamification with a deflationary cryptocurrency all built on the Ethereum blockchain. We aim to raise awareness for tokenization and make tokenized assets approachable for the everyday consumer and bring us closer to widespread adoption of cryptocurrencies and blockchain technologies.

LCX has a long-standing commitment to foster the opportunities blockchain can bring to financial markets by bridging the gap between traditional markets, regulation and the fast moving and geeky crypto scene. LCX is committed to execute its commercial strategy and to act in the capacity as a regulated trusted technology service provider.

Specifically, for Tiamonds LCX will ensure that the rights represented by the tokens are always valid, clearly defined, duly documented, certified or otherwise confirmed, and enforceable.

But above all, LCX aims to innovate capital markets and to change the future as a new category leader. We believe that the best way to achieve this is to have fun with it. That's why we integrated a gamified approach to increase interest in the power of tokenization.

We hope you all have Tiamond hands.
Onwards and upwards.