

# Universal Gold (UPXAU)

*Institutional-Grade Gold on Ethereum*

## Abstract

*UPXAU is tokenized government-backed gold with zero custody fees leveraging the efficiency and transparency of blockchain. Each UPXAU token represents 1 troy oz (31.10348 grams) of pure physical gold held at the Perth Mint in Western Australia, each certificated by 1 GoldPass Gold certificate. Value substantiation is published on the Ethereum blockchain in a transparent process audited by renowned blockchain security firm CertiK.*

## Foreword

Since the inception of cryptocurrencies, there have been numerous attempts to produce a superior, digitized gold solution. But until now, no product has managed to combine the following properties:

1. Government-backed guarantee on underlying assets
2. Redeemable for physical gold
3. Instant settlement & transfer
4. Zero storage and management fees
5. Zero transfer fees
6. Spendable on a Debit Card

Universal Gold delivers all six advantages and in doing so provides a better way of holding gold, and one that addresses all the traditional drawbacks of investing in gold. Leveraging transparent-value substantiation technology, the Universal Protocol Alliance (UPA) has built a gold token that opens up the largely opaque and OTC-dominated 20 trillion dollar gold market to a far broader constituency. For the first time, virtually anyone, anywhere can easily invest in gold and spend their holdings as easily as cash.

Unlike any other gold-token available for investors today, UPXAU does not charge any transaction fees, storage fees or ongoing management fees.

## Universal Gold

UPXAU is purpose built to be the most easily accessible, flexible, trusted and cost-efficient gold investment product in the world. With institutional grade custody and audit, real-time transparency, and the digital portability of an Ethereum Token, UPXAU represents both a great way to allocate to gold, but also a great building block for gold-related products. Furthermore, thanks to its integration with the Uphold platform, UPXAU is the first and only gold token that's instantly spendable on a regular debit card.

## Key Facts

Audit	CertiK
Administration	Universal Protocol Alliance
Technology	Trovia
Custody	Self-Custody or Uphold (leveraging Ledger Vault)
Counsel	Paul Hastings LLP
Issuer	Universal Protocol Alliance

## Technology

UPXAU is an ERC-20 *wrapper* token that leverages blockchain technology for two important reasons: transparency and efficiency. The transparency gains are immediately evident: the exact state of the accounts housing the tokens and the 1:1 backing with digital gold certificates and underlying bullion are auditable in real time, and visible on the UP Alliance transparency page.<sup>1</sup>

Efficiency, particularly with respect to Ethereum, is contentious: the network can be congested and isn't always inexpensive. That said, it is robust, and its recent congestion is a reflection of the market's conviction in its suitability for being the backbone of a scalable financial system. For UPXAU, the extreme efficiency of the token (zero custody fees, no transfer costs, spendable on a debit card, redeemable for physical gold, and instantly settled) reflects the superiority of the underlying product. Moreover, the broad adoption of ERC-20 tokens positions UPXAU for expedited liquidity and flexible custody, including self-custody in a private wallet on the Ethereum Network.

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<sup>1</sup> <https://transparency.universalprotocol.io/>

## Risks

Secure storage of cryptocurrencies, while a non-trivial challenge, has matured to institutional standards over the past few years. Solutions such as Ledger's Vault empower appropriate controls, including the separation of roles, multisignature transfers, and a suite of egress controls tied to IPs, wallet addresses, and velocity.

Much of the historic risk in holding gold derives from fraud and credit exposure. While the former is addressed via working with reputable auditors and choosing custodians wisely (which we certainly recommend), the latter is more nuanced and requires typically ensuring that your gold is held in segregated accounts or covered by an insurance policy. All this increases 'carry costs' and meaningfully degrades long-term returns of gold as an asset.

The Perth Mint, where the underlying gold is held in custody, is owned by the government of Western Australia and operates the only government-guaranteed metals program in the world. This vastly reduces the credit counterparty risk element of the equation. The real-time substantiation of UPXAU tokens addresses the former and both benefits are integral to UPXAU's design and come with zero incremental cost.

## Key Partners

The **Perth Mint** is the trading name of the Gold Corporation, an entity wholly owned and guaranteed by the government of Western Australia, with a long term credit rating of AA+<sup>2</sup>. It is the largest refinery of newly-minted gold in the world.

**Trovio** is a leading precious metal digitization company and is the developer of the technology underpinning GoldPass, the digital gold certificates that map each unit of gold housed at the Perth Mint. The team previously developed SMARTS, the leading global market surveillance system, acquired by NASDAQ in 2010.

## About the Universal Protocol Alliance

**Universal Protocol Alliance's** vision is that every asset class will be digitized and tokenized. We are an alliance of like-minded cryptocurrency companies and blockchain

pioneers including Bittrex Global, CertiK, Fifth Era, Hard Yaka, Trovio, Ledger, and Uphold. We know how to tokenize and transparently substantiate any asset. Our mission is to build out the world's leading tokenization platform, ushering in a new era in finance. Learn more at [www.universalprotocol.io](http://www.universalprotocol.io).

The UP Alliance has already successfully issued Universal Dollar (UPUSD), Universal Bitcoin (UPBTC) and Universal Euro (UPEUR). All are wrapped tokens on the Ethereum Network and feature transparent value substantiation with a public record of the underlying collateral.

## Contacts

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## DISCLAIMER

Precious metals are often volatile assets and UPXAU is built atop blockchain technologies, which, given their nascency, are still at elevated risk of failure.

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<sup>2</sup> Standard & Poors