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DISCLAIMER

Please note that this Whitepaper does not provide all the information related to Mongol Tether or MONT.

This paper may be subject to change due to technological and legal requirements.

Please read the following statements carefully.

This statement applies to everyone reading the paper. This paper was prepared only for informational purposes.

All information and materials available in this paper and on the website, published, distributed, or otherwise used, are for informational purposes only and are for your personal use only. Under no circumstances should the contents of this document be considered as financial advice, and you should always remember that you are responsible for your own financial decisions.

This paper is not intended to influence, encourage the purchase of MONT, and reading this paper will not create any legal relationship between the parties.

1. ABSTRACT

1.1 VIRTUAL ASSET

The wave of globalization has become one of the hottest topics in the new age of information and technology. The most important factor behind the price of virtual assets, which is intangible, is the technology behind it. In other words, virtual assets' values are created by technology unlike having to dig it out of the earth like gold.

The value of gold and silver can be maintained for a long period of time. It is universally accepted, and cannot be easily copied, thus creating a reasonable demand in the market. According to this principle, virtual assets are globally recognized with a certain amount of circulation, can be stored for a long time and cannot be copied.

1.2 STABLECOIN

Stablecoin is the most effective and reliable trading tool for accurately valuing the value of any asset, whilst ensuring the stability of the virtual asset market and its price.

The price for an item increases due to market demand and usage. Similar to this principle, the price of the first virtual asset, Bitcoin, has risen steadily, from the initial price of \$0.08 to \$64.863.

Despite the fact that stablecoin is not regulated, its widespread use continues to attract the attention of the International Financial Action Task Force (FATF) and other policy and regulatory bodies. In this context, the FATF acknowledged the advantages of stablecoin, but said it was not sufficient to control legal cash flows. The solution is to have a central bank-regulated digital currency, the CBDC, in its recommendations for regulating the use of stakeholders.

1.3 CENTRAL BANK DIGITAL CURRENCY (CBDC)

Noticing the growth of world and the use of electronic money, central banks around the world are experimenting with digitizing their national currencies. The People's Bank of China is leading the way in digital currency research and testing. The PBOC already implemented e-yuan programs in Xinjiang and Shanghai. Therefore, the question of when the Chinese government will introduce the e-yuan on a large scale has attracted the attention of analysts around the world.

The central bank's issuance of its own currency and the supply of digital currency should provide significant regulatory and infrastructure benefits. In terms of regulation, this would be a more convenient way to pay taxes and follow the recommendations of international organizations such as the FATF. In terms of infrastructure, it has the advantage of saving costs such as the production, transportation and protection of paper money.

This updated recommendation is intended for both the country and the private sector implementing the current FATF standards. In this context, the FATF is focusing more on the Virtual Assets and Virtual Asset Providers' sector. Stablecoin, peer-to-peer (P2P), NFT, and Decentralized Financial System (DeFi) are included in this recommendation.

1.5 IMPACT

The advantages of virtual assets are:

1. The equality of all parties is guaranteed.
 2. Independent of any party.
 3. Borderless.
 4. Instant.
 5. A stable system.
 6. Secure.
 7. Follows the value and volatility of the backing asset.
- Mongol Tether (MONT), the first Mongolian stablecoin containing all of the above advantages, was developed and introduced by Mongol DeFi LLC.

1.4 UPDATED GUIDELINES FOR VIRTUAL ASSETS AND VIRTUAL ASSET SERVICE PROVIDERS

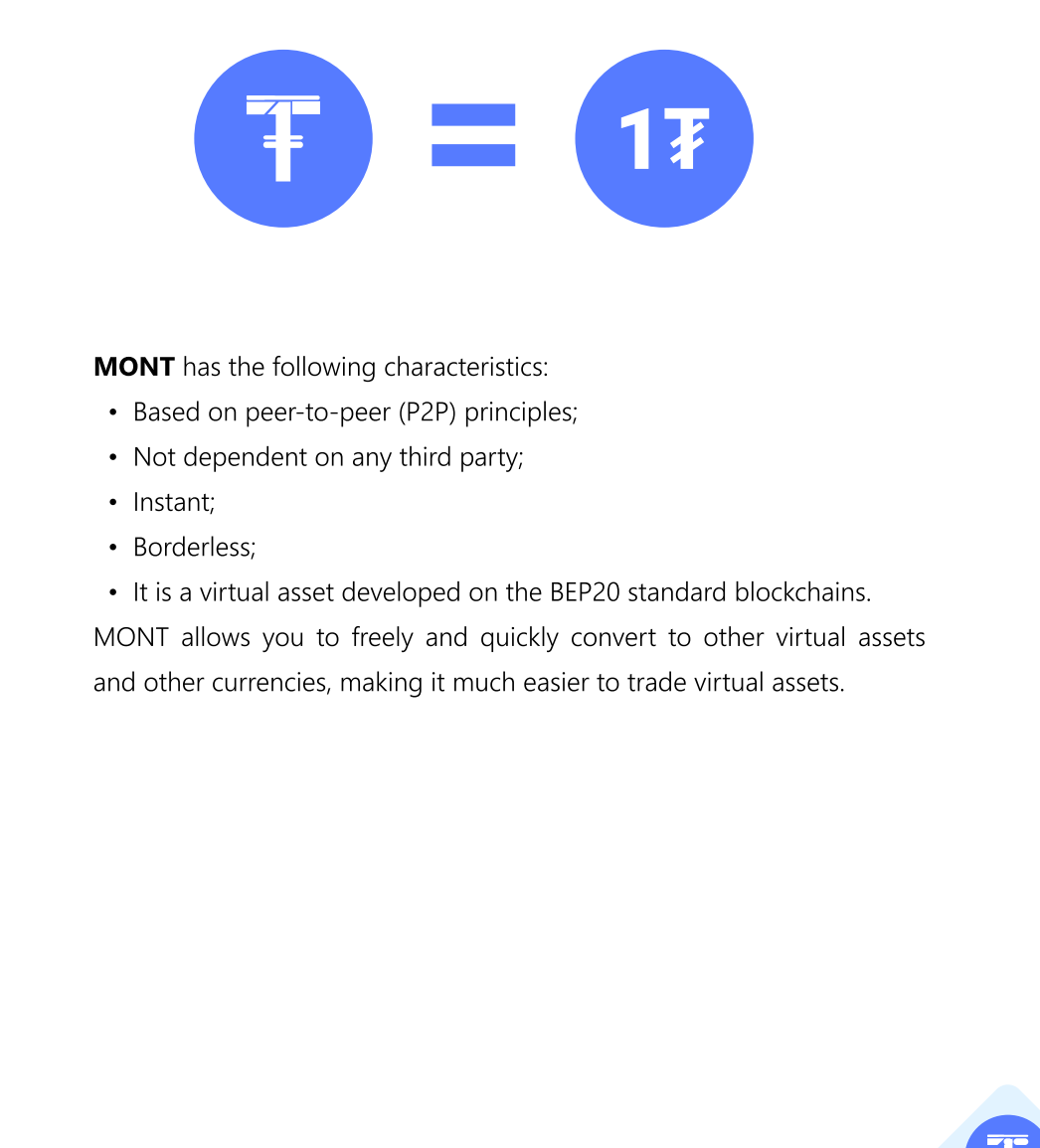
The rapid development of the virtual asset sector and its ever-evolving technology necessitate improved communication and oversight between the public and private sectors.

In June 2020, the FATF Virtual Assets and Virtual Asset Service Provider Updated Standards Review identified areas that need attention to determine the application of the FATF Revised Standards, and the FATF announced that it would review and update its 2019 guidelines. As a result of public consultations in March and April 2021, the FATF finalized the 2021 Guidelines for Risk-Based Approaches to Virtual Assets and Virtual Asset Providers and explained in its FATF Recommendations how to regulate these assets and service providers.

This recommendation provides the definitions of virtual assets and virtual asset providers, furthermore it gives an instruction on implementing the FATF standards in relation to a stablecoin to a G20 report. It also outlines ways to identify and mitigate the risk of peer-to-peer (P2P) transactions. The guidelines also addressed the licensing and registration of Virtual Asset Providers and included the principles of information exchange and collaboration between Virtual Asset Providers, known as the "travel rule".

¹ The Financial Action Task Force (FATF) is the global money laundering and terrorist financing watchdog.

Advantages Of Virtual Assets



2. INTRODUCTION

2.1 FEATURES

According to the Law of the Central Bank, the main objective of the Bank of Mongolia is to ensure the stability of the national currency, the Tugrik (MNT). To achieve this goal, the bank's activities are regulated by issuing the national currency, controlling the supply, making payments only in tugrik in the territory of Mongolia, and controlling the monetary policies. MONT aims to ensure the safety of virtual asset traders, the reliability, efficiency, and effectiveness of virtual asset service providers, and will operate in accordance with the government's monetary policy and Mongolian legislation, where the amount of MONT is equal to the amount of cash held at the company.

MONT is a MNT-backed stablecoin with a ratio of one to one (1:1) with MNT, which is always equal to the exchange rate of the Tugrik. In other words, behind every MONT on the market, there is always an equal amount of cash held in the company.

MONT = 1T

MONT has the following characteristics:

- Based on peer-to-peer (P2P) principles;
- Not dependent on any third party;
- Instant;
- Borderless;
- It is a virtual asset developed on the BEP20 standard blockchains.

MONT allows you to freely and quickly convert to other virtual assets and other currencies, making it much easier to trade virtual assets.

3. SOLUTIONS

MONT aims to address the following common issues:

Deposit

When trading a virtual asset, the customer must wait for the transfer of money to his/her account of the trading platform to be approved by the employee of the platform, while MONT will be able to top up the account directly in a few seconds.

Transparency

Customers will be able to view information such as their MONT account balance, expenses and income history at any time without informing others.

Fees

Making transfers across a blockchain network without being bounded by borders can be more cost-effective and faster than traditional transfer systems.

Dependency

The customer can make any external or internal transfers using MONT at any time without having to be limited to working hours.

Price fluctuation

MONT is free of crypto market fluctuations due to its stable value that is pegged to Mongolian tugrik. This relative price stability will reduce the risk of cryptocurrency trading.

Speed

By eliminating the time-consuming process of making international transfers and high-value domestic transfers, MONT allows transfers to be instant using blockchain technology.

4. VALUE

MONT operates on the same principles as the internationally used tokenized dollars, the USDT and the USDC, and retains the value of the asset, which is the most common feature of these virtual assets.

Furthermore, except when traded on a virtual asset trading platform, MONT will have an exchange rate that is equal to the Mongolian tugrik, as described in Section 2 of this whitepaper, the total supply will be determined by the amount of reserves held at the company.

As mentioned above, MONT 1,000 will have equal value to MNT 1,000, and if MNT 1 billion is deposited to the company, a total of MONT 1 billion will be in circulation in the market.

To ensure stability and liquidity, MONT reserves are maintained as cash in the company.

This price stability allows MONT to enter the market on a different basis from other virtual assets, such as Bitcoin and Ethereum / Ether, which do not have a stable price, but only fluctuate depending on market supply and demand. Dollar-based stablecoins such as USDC and USDT are common examples, and the daily trading volume of USDT exceeds the total trading volume of Bitcoin and Ethereum.

5. UTILITY

5.1 VIRTUAL ASSET TRADING

MONT could revolutionize the crypto trading market in Mongolia and become one of the key tools to save time and money of Mongolian virtual asset owners.

Furthermore, MONT can be transferred between converted into used blockchains, such as Ethereum and Solana, and is freely converted into the native tokens of these blockchains.

MONT will be freely traded and converted (Swapping) according to the trading combination created by the trading platforms. The MONT owner will be able to convert MONT to the virtual asset of their choice at any time and can receive it on other blockchains as well.

6. GUARANTEE

6.1 RESERVE GUARANTEE

It will be possible to see the total amount of MONT in the market through the Blockchain registration system, and the amount of MNT held at the company will be audited by an accredited external auditor and made public.

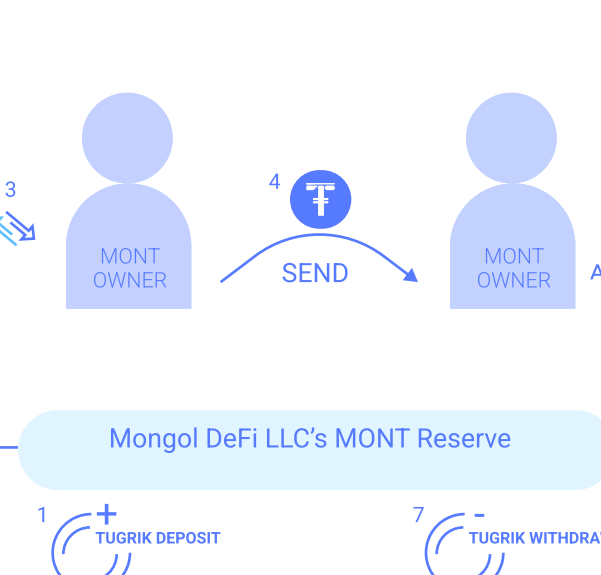
6.2 CONFIDENTIALITY GUARANTEE

Confidential information related to MONT, (i) the owner's personal information, (ii) the amount of MONT, (iii) the recipient, (iv) the amount of the transfer, (v) other confidential information protected under Mongolian law shall be protected as follows. These include:

- Common blockchain privacy mode;
- Internal regulations of the company;
- It will be protected in accordance with the relevant laws and regulations of Mongolia.

7. MONT TOTAL SUPPLY

The amount of MONT in circulation is determined by market demand.



MONT's primary market trading took place on the Digital Assets Exchange (DAX) and Trademn, well-known virtual asset trading platforms in Mongolia, and MONT is being offered to customers through primary market trading. It will be listed on major exchanges by the end of the 4th quarter of 2021.

9. SECURITY

9.1 TECHNICAL SECURITY

We aim to ensure the security of virtual assets via the following features available on the smart contract:

- (i) whitelist function;
- (ii) to ensure the safety of MONT holders by including functions such as suspension in the MONT smart contract

In addition, MONT's registered, transferred, and used blockchains, such as Ethereum, Solana, and Binance Smart Chain, have a high level of security, so MONT is fully protected from hackers and other cyber-attacks.

Furthermore, since the blockchain is guaranteed by a consensus mechanism, it is not possible for any third party to make any changes to the MONT holder's transaction, as there is no external influence on the MONT transaction.

In addition, MONT has been audited by Certik, an international organization that audits the security and other necessary factors for smart asset virtual contracts and obtained a security certificate to guarantee its security.

9.2 RESERVE SECURITY

We will maintain MONT's reserves in commercial banks and exchanges, which operate in Mongolia. The system that ensures the security of the bank and the exchange, the oversight of the regulator and the state of the bank and exchange's governance, the adequacy of its capital and the quality of its assets are factors that protect MONT's reserves.

8. MONT MINTING AND BURNING PROCESS

8.1 MULTI VERIFICATION

The process of minting and burning a new MONT is set out in the MONT Smart Agreement, which requires multi-signature authentication. This multi-signature smart contract is based on Gnosis Safe and Openzeppelin Defender.

Openzeppelin Defender is one of the world's leading decentralized financial tools that is used to secure the dApp and Aave protocols.

8.2 TOKEN MINTING AND BURNING PROCESS

MONT is to be minted and burned only by Mongol DeFi LLC. When a customer participates in secondary market trading, he/she will be able to purchase MONT by submitting a request to purchase MONT by depositing MNT in his/her digital wallet. At the moment MONT is available on Mongolian crypto exchanges. In the future, customers will be able to obtain MONT from international exchanges.



1. The virtual assets exchange will transfer MNT to the account of the company.
2. The company will mint new MONT and place it on the blockchain address of the virtual stock exchange. MONT enters circulation.
3. Coins are traded on the virtual stock exchange. Customers own MONT.
4. The trader uses MONT for the purpose of trading pairs that are appropriate to him.
5. The virtual assets exchange will be purchased from customers to convert MONT into MNT.
6. The virtual assets Exchange will send a request to convert MONT into MONT MINT to be located on the blockchain address of the company.
7. The company will deduct the MONT from market and send the equivalent amount to the exchange account.

10.2 ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING

The founders of MONT, the newly established company and the company's executives will cooperate with Mongolian and international authorities and will protect the interests of MONT owners by complying with their legal requests and any requirements and obligations.

Furthermore, Mongol DeFi LLC will demand that the virtual asset trading platforms that trade MONT to comply with Mongolian Anti-Money Laundering and Counter-Terrorist Financing Law. The cooperation agreement with these platforms shall require "Know Your Customer" and other necessary implementations.

In addition, when a consumer makes a deposit to a commercial bank account or swaps MONT with MNT, the process of identifying the customer is done in accordance with the relevant laws of Mongolia.

11. ABOUT THE COMPANY

11.1 FOUNDERS

MONT stablecoin will be created and managed by Mongol DeFi LLC. In addition, the following organizations are consulting on the control, development, and future plans of the stablecoin. These include:

- Ard Financial Group JSC
- GrapeCity Mongolia LLC
- ARD Ex LLC - DAX.mn
- Digital Exchange Mongolia LLC - Trademn
- AI Diverse Solutions LLC
- TenGenLeague Media Group

We believe that the fact that these leading companies in the industry are part of the MONT project to advise Mongol DeFi LLC will be the biggest guarantee for MONT owners.

11.2 GOVERNANCE

The founders will form a joint venture company and will be fully responsible for the functions related to MONT.

Mongol DeFi LLC with the investment of its founders shall establish a Board of Directors with 9 members with alternates to manage the activities authorized by the Company Law and regulations.

Shareholder structure:

1. Ard Holding International LLC
2. GrapeCity Mongolia LLC
3. Ard Ex LLC
4. TenGenLeague Media Group JSC
5. AI Diverse Solutions LLC
6. Digital Exchange Mongolia LLC
7. GrapeCity Mongolia LLC, Ard Financial Group JSC
8. GrapeCity Mongolia LLC, Ard Ex LLC
9. Uusenburen U (Chairman, "Complex Digital Ecosystem" LLC)
10. Tensun O (CEO, "Oyung Undraa Group" LLC)
11. Erdembaatar B (CEO, "Tether" LLC)
12. Munkhsaevan N (Chairwoman, "Mongolymet Group" LLC)
13. Khatansalkhan S (Board member, "Green Group" LLC)

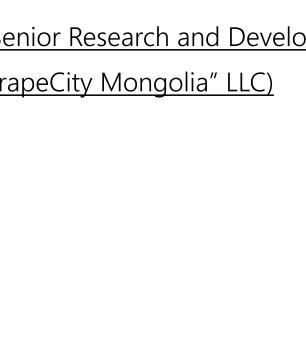
Board of Directors

1. Gerdnyag O (CEO, Ard Financial Group JSC)
2. Tami T (VP of Operations, "GrapeCity Mongolia" JSC)
3. Battamir A (Chairman, "Digital Exchange Mongolia" LLC)
4. Ganegochi Ch (CEO, "Ard Ex" LLC)
5. Uusenburen U (Chairman, "Complex Digital Ecosystem" LLC)
6. Ganegochi Ch (CEO, "Ard Ex" LLC)
7. Enkh-Amgalan M (CEO, "AI Diverse Solutions" XXX)
8. Munkhsaevan N (Chairwoman, "Mongolymet Group" LLC) / Tensun O (CEO, "Oyung Undraa Group" LLC)
9. Uusenburen U (CEO, "Tether" LLC) / Khatansalkhan S (Board member, "Green Group" LLC)

*Click on the names to see social profiles.

11.3 TECHNOLOGY TEAM

The technology team of AI Diverse Solutions LLC performed all the technological work related to MONT.



Technology team:

1. Enkh-Amgalan M (CEO, "AI Diverse Solution" LLC)
2. Munkhsaevan N (CEO, "AI Diverse Solution" LLC)
3. Ganegochi Ch (CEO, "Ard Ex" LLC)
4. Gerdnyag O (Head of Product department, "GrapeCity Mongolia" LLC)
5. Munkhsaevan N (Head of Technology department, "GrapeCity Mongolia" LLC)
6. Galbadrakh P (Senior Research and Development Engineer at Technology department, "GrapeCity Mongolia" LLC)