

5.8 Structured Financial Products

1. Preliminary Actions

- ❑ A. Identification of Structured Products: Select structured financial products suitable for tokenization, considering their complexity, underlying assets, and risk-return profile.
- ❑ B. Risk and Reward Analysis: Perform a detailed analysis of the risks and potential rewards associated with the structured products.
- ❑ C. Legal and Regulatory Compliance: Ensure compliance with financial regulations and securities laws related to structured products and tokenization.
- ❑ D. Market Feasibility Study: Conduct a market study to understand investor appetite and the viability of tokenizing such products.

Responsibility: Structured Product Manager or Issuer

2. Creation of Tokenization Whitepaper

Develop a comprehensive whitepaper detailing the tokenization project, including specifics of the structured products, token structure, investor rights, risk factors, and legal considerations.

Responsibility: Team HYFI

3. Establishment of Legal Structure

- ❑ A. Special Purpose Vehicle (SPV) Formation: Set up an SPV or similar legal entity to hold and manage the structured products.
- ❑ B. Legal Terms for Token Holders: Clearly define the relationship between the SPV and token holders, including their rights to returns and obligations.

Responsibility: Structured Product Manager or Issuer

4. AMA (Ask Me Anything) Session with Core Team

Organize an interactive session for potential investors to learn about the structured products and ask questions.

Responsibility: Team HYFI and Structured Product Manager/Issuer

5. Tokenization Process

- ❑ A. Token Creation: Develop tokens representing ownership or investment in the structured products on blockchains like HYFI, Ethereum, Binance, or Polygon.
- ❑ B. Token Valuation: Determine the value of each token based on the underlying assets and structured product valuation.
- ❑ C. Smart Contract Implementation: Set up smart contracts to manage investment terms, distributions, and token transfers.
- ❑ D. Distribution Strategy: Plan the distribution of tokens, including private sales, public offerings, and categorization of investors.
- ❑ E. Exchange Listing: List the tokens on the HYFI Asset Marketplace and digital asset exchanges.

Responsibility: Team HYFI (Costs covered by Structured Product Manager/Issuer)

6. Marketing and Promotion

Develop and execute a marketing strategy to attract suitable investors, using channels that target the financial investment community.

Responsibility: Team HYFI (Costs covered by Structured Product Manager/Issuer)

7. Token Sale Launch

Facilitate the token sale, ensuring transparency and compliance with financial regulations.

Responsibility: Team HYFI

8. Post-Sale Management and Reporting

Manage the tokens post-sale and provide regular updates and reports to token holders about the performance of the structured products.

Responsibility: Team HYFI (Training provided to Structured Product Manager/Issuer's team)

9. Secondary Market Facilitation

Assist in facilitating trading of tokens on secondary markets, crucial for liquidity in structured product investments.

Responsibility: Team HYFI (Training provided to Structured Product Manager/Issuer's team)

10. Ongoing Compliance and Asset Management

- ❑ A. Continuous Regulatory Compliance: Ensure ongoing adherence to financial and securities regulations.
- ❑ B. Management of Structured Products: Oversee the performance and management of the structured products and distribute returns to token holders.

Responsibility: Structured Product Manager or Issuer