

Commercial Policy

1. Glossary

All capitalised terms used in this Policy shall have the following meaning:

Crypto-Asset Service Provider (CASP)	entity authorised to provide services of crypto-asset exchange of crypto-assets for funds or other crypto-assets.
Crypto-Assets	means digital representations of value or rights that can be transferred, stored, or traded electronically, including cryptocurrencies, utility tokens, and stablecoins.
Funds	means legal tender or fiat money that is recognized by a government and used as a medium of exchange.
Clients	means individuals or entities that utilize the services of the CASP to exchange crypto-assets for funds or other crypto-assets.
MiCA (Markets in Crypto-Assets Regulation)	means Regulation (EU) 2023/1114, a regulatory framework established by the European Union to ensure transparency, consumer protection, and market integrity in the crypto-assets sector.
Non-Discriminatory	means a principle requiring that all clients be treated fairly and equally, without unjust or prejudicial distinctions.

Other terms shall have the meaning given to them in the body of this Policy.

1. Introduction

1.1. This policy outlines the commercial practices of Teroxx Digital Asset Ltd ("the Company") in compliance with Article 62.2 (o) and Article 77 of MiCA. The Company is committed to maintaining a transparent, fair, and non-discriminatory relationship with its clients when providing services for the exchange of crypto-assets for funds or other crypto-assets. This policy is designed to ensure that all clients have equal access to the services offered by the Company, and that their rights are respected throughout their engagement with the Company.

1.2. If any discrepancies between this Policy and the applicable laws and regulations are identified, the legal acts must be followed until such discrepancies are properly eliminated.

2. Purpose and Objectives

- a) Ensure Compliance: Align the Company's commercial practices with the requirements set forth in Article 62.2 (o) and Article 77 of MiCA.
- b) Promote Fairness: Establish a non-discriminatory framework governing the relationship between the Company and its clients.

- c) Enhance Transparency: Provide clear and accessible information to clients regarding the terms and conditions of the exchange services offered by the Company.
- d) Safeguard Consumer Rights: Protect the interests of clients by ensuring that the Company's practices do not unjustly disadvantage any client.
- e) Support Market Integrity: Foster a competitive and equitable market environment in the crypto-assets sector.

3. Main Principles

3.1. Fairness

The Company is committed to ensuring that all clients are treated equitably, with no client receiving preferential or discriminatory treatment based on subjective or arbitrary criteria.

All services, including pricing, access, and support, are provided based on transparent, objective standards that apply equally to all clients.

3.2. Transparency

The Company operates with full transparency, providing clear and comprehensive information about its services, fees, and policies.

Clients are informed in a timely manner about any changes to the Company's terms of service, or pricing structures through the official website and/or mobile application.

3.3. Non-Discrimination

The Company ensures that no client is discriminated against based on nationality, residence, or any other characteristic unrelated to the service criteria.

Access to services and benefits is provided on a first-come, first-served basis, or according to transparent and pre-defined criteria that apply equally to all clients.

3.4. Consumer Protection

The Company prioritizes the protection of client rights, ensuring that all practices comply with applicable legal and regulatory standards.

Mechanisms are in place to safeguard clients from unfair practices, fraud, and exploitation.

3.5. Accountability

The Company holds itself accountable for adhering to this policy, with internal processes in place to monitor compliance and address any deviations.

Employees and representatives of the Company are trained and held accountable for upholding the principles outlined in this policy.

3.6. Accessibility

The Company is dedicated to ensuring that its platform and services are accessible to all clients.

Efforts are made to continuously improve the accessibility of the Company's platform, aligning with global accessibility standards.

3.7. Client Empowerment

The Company empowers its clients by providing them with the knowledge and tools necessary to make informed decisions about their engagements with the platform (aka mobile and/or web application).

Clients have access to educational resources, clear communication channels, and responsive customer support to address their needs and concerns.

4. General Provisions

4.1. Compliance with Legal and Regulatory Standards

The Company monitors changes in regulatory requirements to promptly update its policies and ensure ongoing compliance. This includes participation in industry forums, legal and regulatory consultations.

4.2. Implementation of Non-Discriminatory Practices

All clients are offered the same service levels and options, with no preferential treatment based on nationality, gender, race, or other characteristics. This is implemented through automated processes that ensure uniformity in service provision. Services shall be provided on a first-come, first-served basis, ensuring that no client receives preferential treatment unless explicitly stated in the terms and conditions.

Any variations in pricing or fees shall be based on transparent, objective criteria, such as transaction volume or membership tier, and shall be clearly communicated to clients in advance.

The Company uses automated systems to regularly check for and correct any disparities in the treatment of clients, including pricing and service access.

4.3. Client Eligibility and Onboarding

The Company has set criteria for both individual and corporate clients. Individuals must be at least 18 years old or the legal age in their jurisdiction. Corporate Clients must be legally registered and active. Both types must be based in jurisdictions where the Company operates and where crypto services are allowed.

The Company uses standardized KYC and AML procedures for all clients to ensure fair and equal access to the platform. This process is supported by advanced verification technologies that apply consistent criteria to all clients.

The onboarding process includes Know Your Customer (KYC) and Anti-Money Laundering (AML) checks, which are necessary to ensure compliance with applicable laws and regulations.

No client shall be denied access to services based on arbitrary criteria. However, the Company reserves the right to refuse service to any client who fails to meet the legal and regulatory requirements necessary for onboarding, as per Clients' Acceptance Policy.

4.4. Consumer Protection and Dispute Resolution

The Company has implemented a clear and accessible dispute resolution process. Clients can easily lodge complaints via an online form, and a dedicated team is responsible for resolving issues in a timely and impartial manner.

The Company shall ensure that clients are informed of their rights and the procedures available for dispute resolution, including the right to seek redress through external regulatory bodies if necessary.

4.5. Market Integrity and Fair Competition

The Company employs algorithms designed to prevent price manipulation and ensure that all clients receive fair pricing based on market conditions. These algorithms are described in the internal document “Description of the Pricing Methodology” and is regularly reviewed to prevent any form of discrimination. Advanced fraud detection systems are in place to identify and prevent market abuses. This includes monitoring for wash trading, market manipulation, and other activities that could harm market integrity.

4.6. Monitoring and Continuous Improvement

The Company conducts annual reviews of its commercial policy to ensure it remains aligned with regulatory requirements and industry best practices. These reviews involve (if any) feedback from clients, regulators, and industry experts.

The Company performs regular (at least annual) internal audits to assess compliance with this policy. Any identified issues are promptly addressed through corrective actions and process improvements.

The Company provides ongoing training for employees on the principles of non-discrimination, transparency, and fairness. This ensures that all staff understand and adhere to the Policy in their daily operations.

4.7. Service Availability and Accessibility

The Company shall ensure that its platform is accessible to all clients at all times, subject to maintenance, technical upgrades, or force majeure events. Any planned downtime or service interruptions will be communicated to clients in advance.

The Company shall not impose any barriers that would unfairly limit or restrict a client's ability to use its services. This includes ensuring that the platform is accessible to clients with disabilities, in compliance with applicable accessibility standards.

The Company maintains multiple channels for communicating with clients, including a dedicated customer support team, regular newsletters, and a comprehensive FAQ section on the website. Clients are informed of any changes in policies or services.

4.8. Enforcement and Accountability

Any violations of this policy by employees or representatives are subject to disciplinary actions, including potential termination of employment or contractual relationships.

The Company reserves the right to take legal action against any client or third party that engages in activities that are contrary to the principles of this policy or that undermine the Company's compliance with MiCA.

5. Pricing Overview

6.1 Sources of price information

The Company determines cryptocurrency prices by aggregating data from trusted market data aggregators, industry-standard exchanges, and real-time price feeds from liquidity providers and financial institutions. The exchange rates are published on the Company's website for Clients and potential Clients.

6.2 Pricing algorithms and models

The pricing of crypto assets is determined using a comprehensive and transparent methodology designed to reflect true market conditions adjusted with margins for product and currency risks. The methodology is based on the Real-Time Market Pricing, where the Company determines the price of crypto assets using real-time market data from multiple sources, including:

- a) Global cryptocurrency market data provider Crypto Coin Comparison Limited (www.cryptocompare.com), which aggregates and analyzes tick data from internationally recognized exchanges and seamlessly integrates different datasets in the cryptocurrency price.
- b) Gas fees estimated based on distributed ledger network, usually within 10% of estimated transaction.
- c) For fiat-to-crypto exchanges (and vice versa) the Company uses comparison rates from reputable providers, such as Kraken, Binance and Bybit. The rates are updated periodically to ensure accuracy and adjust market volatility.

The Company adjusts the base price derived from market data to account for:

- a) blockchain fees - gas fees and network-related costs are incorporated.
- b) transaction fees - is applied to reflect the Company's profit margin and operational costs. The fee is variable based on market conditions and liquidity levels.
- c) market Volatility - in periods of high volatility, the transaction fee may be widened to manage risk.

6.3 Transaction limits policy

The Company sets transaction limits based on regulatory compliance, client risk classifications, market conditions and liquidity. To manage exposure the Company applies the limits, that are informed to the clients before initiation of transaction directly in the web or mobile application (platform).

6. Information disclosure to the clients

The Company will publish aggregated information on a monthly basis regarding the crypto-asset exchange pairs from the previous month. The published data will include the total transaction volume, the total number of transactions, and specific exchange pairs with a monthly volume exceeding EUR 100,000. For each of these pairs, the monthly transaction volume and the average exchange rate for the month will be provided. This information will be made publicly available on the Company's official website and updated once per month.