MiCA White Paper
ETHEREUM

Definitions & Convetions

"**Applicant**" means the offeror or person seeking admission to trading.

"**BTC**" means Bitcoin.

"**Genesis Sale**" means the offer of ETH to the public.

"**Not applicable**" means that a specific disclosure item is not relevant for this fictitious white paper and may be left anunswered.

"**PoW**" means proof-of-work, a type of consensus mechanism.

"**[*not available*]**" means that the data is not available for this fictitious white paper, but it should be provided in a real white paper.

Part A. Information about The Applicant		
1.	Name	Ethereum Switzerland GmbH ("**EthSuisse**" or the Applicant)
2.	Legal form	A Swiss Gesellschaft mit beschränkter Haftung ("**GmbH**")
3.	Registered address and head office, where	Zeughausgasse 7, 6300, Zug, Switzerland

	different	
4.	Date of the registration	July 28, 2014
5.	Legal entity identifier or another identifier required pursuant to applicable national law	[*not available*]
6.	Telephone number and email address of the Applicant, and the period of days within which an investor contacting the Applicant will receive an answer	helpdesk@ethereum.org
7.	Where applicable, the name of the parent company	Not applicable
8.	Identity, business addresses and functions of persons belonging to the management body of the Applicant	Vitalik Buterin, business address is [*not available*], Chief Mastermind.
9.	Business or professional activity of the Applicant and, where applicable, of its parent company	EthSuisse is the legal entity that oversees the development of Ethereum blokchain and associated technologies.
10.	The financial condition of the Applicant	[*not available*]

Part B. Information about The Issuer, if Different from The Applicant

Not applicable

Part C. Information about The Operator of The Trading Platform in Cases where It Draws Up The Crypto-Asset White Paper

Not applicable

Part D. Information about The Crypto-Asset Project

11.	Name of the project and of the crypto-assets, if different than the name of the Applicant, and abbreviation or ticker handler	The name of the project is Ethereum and the name of the crypto-asset is Ether. The abbreviation or ticker handler for Ether is "**ETH**". Ether and ETH are used interchangeably in this white paper.
12.	A brief description of the project	Ethereum is a decentralized platform that enables the creation of smart contracts and decentralized applications (DApps). It is a blockchain-based platform that allows developers to build and deploy decentralized applications without any downtime, fraud, or interference from third parties. Distributed applications on the

		Ethereum Platform require payments of a token to fuel every computational step and storage operation on the system. Without requiring payment for operations, the system would be vulnerable to attack, would not be viable, and would grind to a halt. The payments, in the form of block rewards and transaction/computation fees, are made to owners of computational resources (miners) in exchange for securing the Ethereum Platform's network, for transmitting transactions and for processing computations required by distributed software applications.
13.	Details of all natural or legal persons (including business addresses and/or domicile of the company) involved in project implementation	Vitalik Buterin (founder), Mihai Alisie (co-founder), and Gavin Wood (co-founder). The team also includes a group of developers and advisors from around the world. The business address of the Ethereum team is located in Zug, Switzerland, and the company domicile is registered in the canton of Zug.
14.	Where the project concerns utility tokens, key features of the goods or services developed or to be developed	Not applicable
15.	Information about the project, especially past and future milestones of the project and, where applicable, resources already allocated to the project	Past milestones: • Releasing Yellow Paper; • Developing the Ethereum programming languages and compilers, to the point where we have moderately stable versions of Serpent, LLL and Mutan; • Developing the Ethereum protocol; • Developing an increasingly large repertoire of testing facilities in order to help ensure cross-client compatibility; • Setting up our legal organizational structure in Switzerland; • Legal due-diligence processes in the United States. Future milestones: In terms of future milestones, the Ethereum team is focused on the development and release of the Ethereum Homestead network, which will include several important improvements and enhancements to the Ethereum platform, including improvements to the Ethereum Virtual Machine (EVM) and the introduction of a new gas pricing model.
16.	Where applicable, planned use of any funds or other crypto-assets collected	Compliance – Legal contingency fund ($1mln) Distribution of Usable Revenue: • Development of Ethereum Platform & Tools – 76.5% • Community Outreach – 13.5% • Cryptocurrency Research Group (CCRG) – 10.0%

Part E. Information about the Offer to the Public of Crypto-Assets or Their

Admission to Trading

17.	Indication as to whether the crypto-asset white paper concerns an offer to the public of crypto-assets or their admission to trading	Genesis Sale is intended to be an offer to the public of crypto-assets. It is not aimed at or concerned with their admission to trading. Genesis Sale is considered as a means of raising funds for the development of a new blockchain platform. Ether is a product, not a security or investment offering. Ether is simply a token useful for paying transaction fees or building or purchasing decentralized application services on the Ethereum platform.
18.	The reasons for the offer or for seeking admission to trading	The goal is to raise funds for the development of the Ethereum platform and the implementation of its vision. The sale is not conducted for the purpose of seeking admission to trading on any exchange.
19.	Where applicable, the amount that the offer to the public intends to raise in funds or in any other crypto-asset, including, where applicable, any minimum and maximum target subscription goals set for the offer to the public of crypto-assets, and whether oversubscriptions are accepted and how they are allocated	There were 3 scenarios of revenue. 1. Revenue min: 0 Revenue max: 9,000,000 2. Revenue min: 9,000,000 Revenue max: 22,500,000 3. Revenue min: 22,500,000 Revenue max: > 22,500,000 All amounts expressed as US Dollar equivalents.
20.	The issue price of the crypto-asset being offered (in an official currency or any other crypto-assets)	The price of Ether is initially set to a discounted price of 2,000 ETH per BTC and will stay this way for 14 days before linearly declining to a final rate of 1,337 ETH per BTC.
21.	Where applicable, the total number of crypto-assets to be offered to the public or admitted to trading;	EthSuisse will not place a cap on the number of ETH offered to the public.
22.	Indication of the prospective holders targeted by the offer to the public of crypto-assets or admission of such crypto-assets to trading, including any restriction as regards the type of holders for such crypto-assets	In the interest of fairness and inclusiveness, EthSuisse will apply certain limitations on the sale of ETH. In order to give as many interested parties as possible the opportunity to purchase ETH in the Genesis Sale, EthSuisse will restrict any single entity, person, corporation, or group from controlling more than 12.5% of the total ETH sold by the end of the Genesis Sale. EthSuisse warrants that it will not purchase ETH in its own sale. Furthermore EthSuisse warrants that it will not purchase ETH from any third party, or acquire ETH in any manner, or acquire future control of ETH, during the period of the Genesis Sale and until the creation of the Genesis Block
23.	Specific notice that purchasers participating in the offer to the public of crypto-assets will be	Purchases of ETH are non-refundable and there is no reimbusment.

	able to be reimbursed	*Note: this part explicitly contradicts the requirements of MiCA.*
24.	Information about the various phases of the offer of crypto-assets	The price of ETH is initially set to a discounted price of 2,000 ETH per BTC and will stay this way for 14 days before linearly declining to a final rate of 1,337 ETH per BTC.
		The baseline retail price of ETH will be set by EthSuisse at 0.0007479 BTC ("**Retail Price**"). A discount will be offered in the first 36 days of the Genesis Sale. At the time of the start of the sale, the Retail Price of one ETH is approximately 0.42 CHF (Swiss Francs). In the first 14-day period of the sale, ETH will be offered at a discount from the Retail Price. As a result of the discount, during this initial period, ETH will be priced at 0.0005 BTC. During this period, 1 BTC can purchase 2,000 ETH. At the end of the first 14-day period, the price for ETH in BTC terms will increase daily. The quantity of ETH that will be purchasable for 1 BTC will decline by 30 ETH per day for 22 days, starting at 1,970 ETH (i.e., 1 ETH = 0.000508 BTC approximately) on day 15 and ending at 1,340 ETH (i.e. 1 ETH = 0.000746 BTC approximately) on day 36. The Retail Price will be offered for the remaining 6 days of the sale.
25.	For time-limited offers, the subscription period during which the offer to the public is open	The Genesis Sale will begin at 22:00 GMT on Tuesday July 22, 2014. The sale will last 42 days, concluding at 23:59 Zug time September 2, 2014.
26.	The arrangements to safeguard funds or other crypto-assets as referred to in Article 10 during the time-limited offer to the public or during the withdrawal period	The sale is conducted through a smart contract on the Ethereum blockchain. The smart contract itself acts as the safeguard for the funds and ensures that they were distributed according to the terms of the sale.
		EthSuisse has developed an ETH purchase mechanism that enables purchases to be tracked on the Bitcoin blockchain. Each Purchaser has the option to calculate the total number of ETH sold to enable the Purchaser to develop an understanding of the size of the existing ETH pool at the time of their ETH purchase. EthSuisse will make all purchases publicly visible on the Bitcoin blockchain at the following multisignature genesis address: 36PrZ1KHYMpqSyAQXSG8VwbUiq2EogxLo2.
27.	Methods of payment to purchase the crypto-assets offered and methods of transfer of the value to the purchasers when they are entitled to be reimbursed	Purchasers of ETH in the Genesis Sale will be awarded cryptographic receipts in the form of a downloaded "wallet" that will enable them to claim their purchase once the product has been developed and is ready for delivery. All ETH pre-sold in this manner will be delivered to Purchasers in the Ethereum Platform's Genesis Block – the initial block of the the Ethereum Platform's blockchain which constitutes the inception of operation of the system – which is expected to be created during the winter of 2014-2015, although there are no guarantees that this will occur according to such a time-frame or at all. Purchasers may claim their ETH at any point after such time by taking control of their assigned Ethereum account which holds the ETH.
28.	In the case of offers to the public, information on the right of withdrawal as referred to in Article 13	There is no right of withdrawal.
		Note: this part explicitly contradicts the requirements of MiCA.

| 29. | Information on the manner and time schedule of transferring the purchased crypto-assets to the holders | Purchasers of ETH in the Genesis Sale will be awarded cryptographic receipts in the form of a downloaded "wallet" that will enable them to claim their purchase once the product has been developed and is ready for delivery. All ETH pre-sold in this manner will be delivered to Purchasers in the Ethereum Platform's Genesis Block.

Ether will NOT be usable or transferable until the launch of the genesis block. The expected launch time for the genesis block is winter 2014-2015. |
|---|---|---|
| 30. | Technical requirements that the purchaser is required to fulfil to hold the crypto-assets | Cold/hot wallet system |
| 31. | Where applicable, the name of the crypto-asset service provider in charge of the placing of crypto-assets and the form of such placement (with or without a firm commitment basis) | Not applicable |
| 32. | Where applicable, name of the trading platform for crypto-assets where admission to trading is sought, and information about how investors can access such trading platforms and the costs involved | Not applicable |
| 33. | Expenses related to the offer to the public of crypto-assets | Expenses incurred prior to and related to Genesis Sale amount to $1.8 ml |
| 34. | Potential conflicts of interest of the Applicants, arising in relation to the offer or admission to trading | A volunteer contributor team that is developing the Ethereum Platform will hold a pool size of 9.9% of Genesis Sale Quantity of ETH, which could influence the decisions regarding the offer or admission to trading of the crypto-assets. The Applicant has disclosed these potential conflicts of interest in the Ethereum Genesis sale terms and conditions and taken steps to mitigate any potential negative impact on investors. |
| 35. | Law applicable to the offer to the public of crypto-assets, as well as the competent court | Swiss law, competent courts of Zug, Switzerland. |

Part F. Information about The Crypto-Assets

36.	Type of crypto-asset that will be offered to the public or for which admission to trading is	Ether (ETH), which is the native cryptocurrency of the Ethereum blockchain.

	sought	
37.	Description of the characteristics and functionality of the crypto-assets being offered or admitted to trading	ETH is a decentralized, blockchain-based cryptocurrency. ETH is a product, not a security or investment offering. ETH is simply a token useful for paying transaction fees or building or purchasing decentralized application services on the Ethereum platform; it does not give a voting rights over anything, and we make no guarantees of its future value.
		The characteristics of ETH include a limited supply of tokens. ETH will be created through two processes: (1) a pre-mining process, at the instant the system becomes operational, that will create and place a sum of ETH in the Genesis Block of the blockchain used for the Ethereum Platform, and (2) the ongoing mining process which secures the Ethereum blockchain. The Genesis Sale is directly related only to the first process. ETH transactions are recorded on a public ledger, allowing for transparency and security

Part G. Information on the Rights and Obligations Attached to Crypto-Assets

38.	Description of the rights and obligations, if any, of the purchaser, and the procedure and conditions for the exercise of those rights	Rights:

Rights:

- The right to receive the purchased amount of Ethereum (ETH) tokens, subject to the terms and conditions of the sale.
- The right to transfer the purchased ETH tokens to any wallet or address of the purchaser's choosing, subject to the technical requirements and specifications of the Ethereum network.
- The right to participate in any future upgrades, forks, or other changes to the Ethereum network that may affect the value or functionality of the ETH tokens.

By purchasing ETH, the Purchaser:

- Represents and warrants that the Purchaser has an understanding of the usage and intricacies of cryptographic tokens, like BTC, and blockchain-based software systems.
- Represents and warrants that the Purchaser is legally permitted to purchase ETH in the Purchaser's jurisdiction and is legally permitted to receive products of Swiss origin;
- Represents and warrants that the Purchaser is of a sufficient age to legally purchase ETH or has received permission from a legal guardian who has reviewed and agreed to these Terms;
- Represents and warrants that the the Purchaser will take sole responsibility for any restrictions and risks associated with the purchase of ETH as set forth below;
- Represents and warrants that Purchaser is not exchanging BTC for ETH for the purpose of speculative investment; and
- Represents and warrants that the Purchaser is acquiring ETH for the use of decentralized application services or the purchase of tokens specific to forthcoming

		decentralized applications on the Ethereum Platform, or to facilitate development, testing, deployment and operation of decentralized applications on the Ethereum Platform, or to support the development of the Ethereum Platform.
		Procedure:
		1. Go to the ETH Genesis sale website and create an account. For advanced users and those who are uncomfortable with purchasing through a website, a Python library for making purchases is also available at https://github.com/ethereum/pyethsaletool.
		2. Choose the amount of ether you wish to purchase and follow the instructions to transfer the appropriate amount of funds in the accepted currency to the provided payment address.
		3. Wait for confirmation of your payment.
		4. Once your payment has been confirmed, you will receive an email notification with instructions on how to access your ether.
		5. Download the recommended wallet software and follow the instructions to set up your wallet.
		6. Enter the wallet address provided to you in the email to receive your ether.
		Ether will NOT be usable or transferable until the launch of the genesis block.
		7. Your ether will be transferred to your wallet once the transaction has been confirmed on the Ethereum network.
		8. You now have ownership of your purchased ether and can hold, transfer or trade it as desired.
39.	Description of the conditions under which the rights and obligations may be modified	The Terms and Conditions of the Ethereum Genesis Sale, and the Ether Product Purchase Agreement, are the only authoritative documents regarding the sale.
		EthSuisse reserves the right, at its sole discretion, to change, modify, add, or remove portions of the Terms and Ether Product Purchase Agreement, at any time during the sale by posting the amended Terms on the Ethereum website (https://www.ethereum.org). Any Purchaser will be deemed to have accepted such changes by purchasing ETH. The Terms may not be otherwise amended except in a signed writing executed by both the Purchaser and EthSuisse.
40.	Where applicable, information on the future offers of crypto-assets by the issuer and the number of crypto-assets retained by the issuer itself	The pre-mining process will create and place a third pool of ETH in the Genesis Block. This pool of ETH will be retained by the EthSuisse and then directly allocated to the Ethereum Stiftung (Foundation) for payment of future expenses to be determined in its sole discretion. The size of this pool will be 9.9% of Genesis Sale Quantity of ETH.
41.	Where the offer to the public of crypto-assets or their admission to trading concerns utility tokens, information about the quality and	Not applicable

	quantity of goods or services to which the utility tokens give access	
42.	Where the offers to the public of crypto-assets or their admission to trading concerns utility tokens, information on how utility tokens can be redeemed for goods or services to which they relate	Not applicable
43.	Where an admission to trading is not sought, information on how and where the crypto-assets can be purchased or sold after the offer to the public	Ether will be purchasable directly through our website at https://ethereum.org. For advanced users and those who are uncomfortable with purchasing through a website, a Python library for making purchases is also available at https://github.com/ethereum/pyethsaletool. The sale is conducted via a smart contract on the Ethereum blockchain. Once the sale is complete, the purchased ETH will be sent to the buyer's designated wallet address. After the sale, the ETH can be traded on various cryptocurrency exchanges or transferred between wallets
44.	Restrictions on the transferability of the crypto-assets that are being offered or admitted to trading	No restrictions
45.	Where the crypto-assets have protocols for the increase or decrease of their supply in response to changes in demand, a description of the functioning of such protocols	The Ethereum protocol was originally conceived as an upgraded version of a peer-to-peer payment system, providing advanced features such as on-blockchain escrow, withdrawal limits, financial contracts, gambling markets and the like via a highly generalized programming language. The Ethereum protocol moves far beyond just cryptocurrency. Its design was based on the idea of a decentralized, blockchain-based platform that could support the creation and execution of smart contracts, as well as the development of decentralized applications (dApps). Ethereum uses a PoW consensus algorithm, similar to Bitcoin, to validate transactions and create new blocks on the blockchain. However, we may choose later on to adopt alternative consensus strategies, such as hybrid proof of stake so that future patches may reduce the issuance rate lower. The expected launch time for the genesis block is winter 2014-2015.
46.	Where applicable, a description of protection schemes protecting the value of the crypto-asset and compensation schemes	Not applicable

47.	The law applicable to the crypto-assets, as well as the competent courts	Swiss law, competent courts of Zug, Switzerland.

Part H. Information on The Underlying Technology

48.	Information on the technology used, including distributed ledger technology, protocols and technical standards used	The technology used is blockchain-based distributed ledger technology. The Ethereum blockchain uses the Ethereum Virtual Machine (EVM) to execute smart contracts, which are self-executing contracts with the terms of the agreement between buyer and seller being directly written into lines of code. Ethereum uses its own consensus algorithm called Ethash, which is a Proof-of-Work algorithm. The protocol uses a modified version of the Bitcoin protocol, with some differences in terms of the block time, block reward, and the mining difficulty adjustment algorithm.
		In terms of technical standards, Ethereum uses the Solidity programming language for developing smart contracts, and the Web3.js library for interacting with the Ethereum blockchain via JavaScript. The protocol also uses the JSON-RPC API for communication between the Ethereum client and other software applications
49.	The consensus mechanism, where applicable	Ethereum uses a PoW consensus algorithm, similar to Bitcoin, to validate transactions and create new blocks on the blockchain. However, we may choose later on to adopt alternative consensus strategies, such as hybrid proof of stake so that future patches may reduce the issuance rate lower
50.	Incentive mechanisms to secure transactions and any fees applicable	PoW consensus mechanism. Under PoW, miners competed to solve complex mathematical problems to validate transactions and add new blocks to the blockchain. This required significant computational power, which was incentivized through the award of new ether tokens as a reward for successful mining. Regarding fees, Ethereum also had a transaction fee system in place, where users paid a small amount of ether to have their transactions included in a block. The fee was used to compensate the miners who validated the transaction and added it to the blockchain
51.	Where the crypto-assets are issued, transferred and stored on a distributed ledger that is operated by the issuer, the offeror or a third-party acting on their behalf, a detailed description of the functioning of such distributed ledger	Ether is issued, transferred, and stored on the Ethereum blockchain, which is a distributed ledger technology. The functioning of the Ethereum blockchain is based on a decentralized network of computers that validate and record transactions on the blockchain.
		The Ethereum blockchain is designed to allow the execution of smart contracts, which are self-executing contracts with the terms of the agreement between buyer and seller being directly written into lines of code. The smart contracts are executed by the Ethereum Virtual Machine (EVM), a decentralized runtime environment, which runs on the network of computers that validate transactions on the blockchain.
		The blockchain is secured by a PoW consensus mechanism, where network participants (miners) compete to validate transactions and add new blocks to the blockchain. The incentive mechanism to secure transactions and maintain the network is the issuance of new Ether tokens to miners who successfully validate new blocks. The fees for transactions on the Ethereum

		blockchain are paid in Ether and are used to prioritize transactions for inclusion in new blocks.
52.	Information on the audit outcome of the technology used, if such an audit was conducted	The audit was not conducted.

Part I. Information on the Risks

53.	Description of the risks associated with the offer to the public of crypto-assets or their admission to trading	• Risk of dissolution of the Ethereum Project due to a diminishment in the value of the BTC sale revenue • Risk of regulatory action in one or more jurisdictions • Risk of ETH mining attacks • Risk of rapid adoption and increased demand for ETH Read more in the Terms and Conditions of the Ethereum Genesis Sale.
54.	Description of risks associated with the issuer, if different from the Applicant	Not applicable
55.	Description of risks associated with the crypto-assets	• Risk of losing access to Ether due to loss of a wallet file or password • Risk of unauthorized access to a downloaded wallet Read more in the Terms and Conditions of the Ethereum Genesis Sale.
56.	Description of risks associated with project implementation	• Risk of dissolution of the Ethereum Project due to a diminishment in the value of the BTC sale revenue • Risk of regulatory action in one or more jurisdictions • Risk of insufficient interest in the Ethereum Platform or distributed applications • Risk associated with the development of other platforms • Risk that the Ethereum Platform, as developed, will not meet the expectations of purchaser Read more in the Terms and Conditions of the Ethereum Genesis Sale.
57.	Description of risks associated with the technology used as well as mitigating measures, if any	• Risk of alternative, unofficial Ethereum networks • Risk that the Ethereum platform may never be completed or released • Risk of theft hackers or other groups or organizations may attempt to steal the BTC revenue from the Genesis Sale, thus potentially impacting the ability of EthSuisse to develop the Ethereum Platform and operate EthSuisse • Risk of security weaknesses in the Ethereum Platform core infrastructure software • Risk of weaknesses or exploitable breakthroughs in the field

	of cryptography
	• Risk of rapid adoption and insufficiency of computational application processing power on the Ethereum Network
	Read more in the Terms and Conditions of the Ethereum Genesis Sale

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