



№ 01-26/03/2019 от 26.03.2019

**Analysis and legal resolution regarding the legal nature of the token of the company AgroExchange OÜ**

On the basis of the received information regarding the planned activities of the company AgroExchange OÜ (registration number 14647739) and functionality of the token, we provide the following resolution regarding the legal nature of the token.

1. Functionality of the token is limited, it may only be used as the means of payment for sale and purchase of goods in agro-sector.

The token has a limited emission volume and fixed softcap, that is required for the system to work. Emission of tokens is carried out by the company itself, which acts as issuer of tokens.

2. From the provided data it can be concluded, that the fact of ownership of tokens does not provide the holder of tokens any additional rights, privileges and bonuses. The ownership of the token provides only with an opportunity to carry out sale-purchase transactions on the platform.

The token does not provide voting rights in the company, does not provide a right to receive part of company income, does not guarantee income or profits. Token is not positioned as investment or as a source of income from investments.

As such the token has no traits attributed to securities in the understanding of the Estonian Securities market law.

3. The platform itself is created primarily for sale and purchase of goods of agro-sector. The tokens are utilized due to the advantages of blockchain technologies regarding the ease, safety and speed of transactions. As such the reasons for using cryptography based technologies are purely technology and functionality based.

4. The activities of the platform are not connected to activities in the field of financial or loan based services. The token is not an object of the loan, nor is used as mortgage, does not provide payment guarantees nor is otherwise a part of loan operations.

**Resolution:**

AgroExchange Token and platform description allows to rule out the definition of this token as a security (security token), that frees the company from the specifics of regulations that are applicable to the securities market and companies active in such a field.

Information regarding the company activities does not allow to consider the company as a financial institution, which is regulated by the Credit Institution act and other sub-acts, including the Loan Intermediary act.

The described token is a means of payment (payment method). The token allows to purchase goods and is accepted as a payment method at least within the AgroExchange platform.

This allows to consider said token as a utility token.

NB! In order to use said token the company will require the following licenses:

- the license for provision of services regarding the exchange of virtual value to fiat currency;
- the license for provision of virtual value wallet service.

  
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