

Agreement
TERMS AND CONDITIONS
Participation and Contribution

BitGem Asset Management Ltd.
Decentralized Digital Currency Trading Platform

Summary of Business

BitGem Asset Management Ltd. is an Ethereum based cryptocurrency with a fixed number of 100,000,000 tokens in existence. Bam has created a Pool of fixed assets of colored Diamonds kept in trust by BAM and sells PinkCoins against it. A catalog of colored Diamonds in the portfolio backing PinkCoin is always available on the bitgems.io web site for viewing and evaluation.

The Terms and Conditions contained herein are the basis of the Agreement between you the User (in this Agreement hereinafter referred to as either "you," "your" "client" " contributor" or "user"), and BitGem Asset Management Ltd., a British Virgin Island Company, (in this agreement hereinafter referred to as either "BitGem Asset Management Ltd.," "BAM", BitGem,"we", "us" "BAM", the website, or "our") and applies to your use of the BitGem Asset Management Ltd. website at www.BitGems.io (the "Website") and the Services and "BitGem". Users of BitGem include but are not limited to registered members, as well as any visitor who uses the website in any way, shape or form.

Initially, all tokens will be pre-mined and kept in trust by BitGem Asset Management Ltd. (BAM) in a pool known as the Token Reserve (TR). During a "first round" BAM release 5,000,000 tokens for sale from the TR at \$1 for a consideration in a \$5,000,000 USD pink diamond pool. All stones in that pool are made redeemable in exchange for their equivalent in BitGems based on their appraised value. New issuance: If BAM wants to release more tokens for sale in a subsequent round, it may opt to do so by offering "N" BitGems token for sale from the TR where "N" = (USD value of second round diamonds) / (Average USD price of the BitGems token on free trading crypto exchanges). Those token may be offered in private sales or sold in the open market outright. The tokens are to be taken from the token pool in A. The purpose of that clause is to be non-dilutive to existing BitGems holders. BAM will cover all associated costs storage/insurance/management. BitGems sent to BAM for diamond or cash redemption will be returned back to the TR. The TR balance will be verifiable at all time on BitGems.io and the ethereum blockchain to ensure that the amount of free trading tokens matches thediamond assets currently held by BAM. When you buy an original offering of BitGem from BAM it will be sent to the Ethereum Wallet provided by the Buyer at the time of purchase. If the Buyer does not have an Ethereum Wallet already then BAM can create one for the Buyer and then apply the BitGem purchased directly into that Wallet. Alternatively, BitGem can be held in trust by BAM until the Buyer obtains a valid Ethereum address.

By opening an account or accessing the BitGem Website, you agree to the following terms:

1. You accept both the Terms of Service and the Privacy Policy.
2. These policies may be changed at any time, with or without notice. It is your responsibility to regularly review the policies of BitGem.
3. You are at least 18 years of age, or the age of majority in your country.
4. You must not be a resident or citizen of the United States of America or any territories of the United States of America.

5. You accept that the purchase and sale of cryptocurrency (Bitcoin, BitGem, PinkCoin, etc.) involves risk. Due to the constant price fluctuations, you may increase or lose value in your assets at any time.
6. You acknowledge that purchasing BitGem (or any other digital currency offered by BitGem) involves risk and you will not hold BitGem accountable for any gains or losses that you incur as a result.
7. In no circumstance shall BitGem be responsible for any loss that you incur.
8. BitGem operates as on the Ethereum Platform - allowing transfer of currency IOUs to the Ethereum Network. Payments of this kind may be made to BitGem user Ethereum wallets only. BitGem does not allow users to perform payments to any third party accounts.
9. BitGem may cancel potentially high-risk top ups or withdrawals from Ethereum wallets, including top-ups made using reversible payment methods.
10. BitGem does not have access to customers' Ethereum wallets. Names, password and secrets that allow access to customers' Ethereum wallets are never asked for, recorded or stored by BitGem.
11. Ethereum wallets are created and supported by open source Ethereum Protocol. BitGem does not guarantee stability, availability or any functions of the Ethereum network. You may lose access to your Ethereum wallet and to all your funds if the network ceases to operate for any reason. Ethereum wallet credentials are non-recoverable if lost or forgotten. Transactions performed by you or generated automatically by Ethereum network may change your balance or nullify it. You are responsible for safeguarding credentials of your Ethereum wallet, any unauthorized access is your responsibility. You use Ethereum technology at your own risk.
12. BitGem reserves the right to change top up and withdrawal limits on your account as we deem necessary.
13. BitGem does not provide, offer or exchange securities, investment contracts or any other form of financial instrument that may be considered by law to be a "security".
14. BitGem is an Ethereum based cryptocurrency with a fixed number of 100,000,000 tokens in existence. Bam has created a Pool of fixed assets of colored Diamonds kept in trust by BAM and sells PinkCoins against it. A catalog of colored Diamonds in the portfolio backing PinkCoin is always available on the bitgems.io web site for viewing and evaluation.
15. Market information on BitGem is not delayed. However, in the event of a network outage or similar situation, users acknowledge that BitGem bears no responsibility for any delays.
16. As a user of BitGem, you acknowledge that BitGem has no responsibility for any losses that you incur as a direct or indirect result of the website or any of our services.
17. BitGem is not a bank, and therefore fundings, whether they be in a national currency or digital cryptocurrency are not protected by any government insurance policy.
18. BitGem does not store customer's funds. You may have to manually initiate the withdrawal of the proceeds to your own account outside of BitGem. BitGem accounts are established for storing your transactions information only.
19. BitGem is NOT a financial institution, bank, credit union, trust, or deposit business. We DO NOT take Deposits. We exist solely for the purposes of selling BitGems and PinkCoin.
20. It is the user's responsibility to secure his or her BitGem account. Any loss that occurs as a result of negligent security practices, whether it be on the part of the user, or BitGem, will not be the responsibility of BitGem, its directors, associates or employees.

21. It is your responsibility to guard your password. Sharing your password with a third party constitutes a breach of this contract.
22. The BitGem website and any related service is provided "as is". We make no warranties, expressed or implied.
23. The content and services provided by BitGem are for informational purposes only and are not intended to provide legal, financial, tax, accounting or investment advice. We assume no liability for any information provided by our employees, directors, or affiliates, regardless of its accuracy. Any action taken by a user is their decision, and users absolve BitGem of any liability for any outcome that may occur.
24. BitGem is based in Tortola, British Virgin Islands. We comply with all local laws. It is the responsibility of the user to ensure that they are in compliance with their local laws.
25. Any user that breaks any law in their jurisdiction of residence or nationality by using any service provided by BitGem shall be liable for any damages incurred by BitGem as a result.
26. Any user that breaks any law in their jurisdiction of residence or nationality by using any service provided by BitGem agrees to forfeit any assets within their BitGem account, at the discretion of BitGem or its employees.
27. If buying and selling Cryptocurrency is not legal in your country, do not use BitGem. Failure to comply with local laws may result in the loss of your account and any assets contained within.
28. In the event that BitGem or its directors face legal action as a result of your actions, you agree cover any damages, including legal fees, that BitGem incurs as a result.
29. To the full extent permitted by applicable law, You hereby agree to indemnify BitGem, and its partners against any action, liability, cost, claim, loss, damage, proceeding or expense suffered or incurred if direct or not directly arising from your use of BitGem or its services, or from your violation of these Terms of Use.
30. You agree not to copy any information from the BitGem website, without our permission, with the exception of the publicly available figures as found in our order book.
31. In no event shall BitGem or its associates, affiliates, or subsidiaries be liable for any damages, including damage for loss of data or profit, arising out of the use of the services of materials provided by BitGem, even if BitGem is negligent in any way.
32. You attest that you are not a criminal, are not associated with any criminal activity, and that all funds that are sent to BitGem are free from any criminal association, are not the proceeds of crime, and are not derived from any criminal activity.

YOU FURTHER AGREE THAT ANY DISPUTES BETWEEN YOU AND BITGEM ASSET MANAGEMENT LTD. WILL BE RESOLVED BY BINDING, INDIVIDUAL ARBITRATION AND YOU WAIVE YOUR RIGHT TO PARTICIPATE IN A CLASS ACTION LAWSUIT OR CLASS-WIDE ARBITRATION. IF YOU DO NOT AGREE TO ABIDE BY ALL OF THE ABOVE, PLEASE DO NOT USE THIS SITE.

1. GENERAL USE

1.1 Definitions

- "Customer" refers to any user who opens an account with BitGem Asset Management Ltd.

- “BAM Voucher” refers to BAM asset vouchers created by users on the Ethereum Blockchain.
- “BAM Voucher Transaction” refers to sending and receiving BAM asset vouchers on the Ethereum Blockchain.
- “BAM Voucher Wallet” refers to the storing of BAM vouchers by users at BitGem Asset Management Ltd.
- Cryptocurrency is a term that may be used to describe any form of digital currency, including but not limited to Bitcoin, Litecoin, BitGem, PinkCoin, etc.
- “Online Currency Wallet” refers to a prepaid single purpose stored value facility issued or assigned to the user online by BitGem Asset Management Ltd. during user account opening at BitGem Asset Management Ltd. for the purchase of BitGem Asset Management Ltd. Products and Services.
- “Out-shipment” has the meaning ascribed to it in [section 6.3](#).
- “Products” refers to the products (including suites of packaged Services) offered for sale to Registered Users on the Website by BitGem Asset Management Ltd.
- “Purchase” refers to a purchase at BitGem Asset Management Ltd., which occurs only when a user confirms at checkout the amount and quantity of items, and receives a confirmation order from BitGem Asset Management Ltd.
- “Registered User” refers to any individual or corporation who creates an account with BitGem Asset Management Ltd., completes the registration process set out below in Part 2 of this agreement and becomes an approved user of the Services.
- “Services” refers to all the services described herein, including the services available to Registered Users on the Website by BitGem Asset Management Ltd.
- “Terms and Conditions” refers to this agreement and the terms and conditions contained in herein.
- A “user” refers to you or any person who assesses the Website, and includes a person representing a corporation.
- A “contributor” refers to you or any person who assesses the Website, and includes a person representing a corporation
- A “client” refers to you or any person who assesses the Website, and includes a person representing a corporation
- “Business Day” refers to the official working day of the week in British Virgin Islands, 9am to 5pm Eastern Standard Time.

1.2 Representations and Warranties

In addition to any other representations and warranties contained within these Terms and Conditions, you further represent and warrant that:

- you have read and agree to these Terms and Conditions;
- in the case of a Registered User who is a corporation, you are accessing and using this Website as an approved representative on behalf of the organization, and you are authorized to bind the Registered User you represent to this Agreement, and the Registered User agrees to be bound by your actions and transactions, and this Agreement (including these Terms and Conditions, the AML Policy and the Privacy Policy); and
- all information supplied by you is true and accurate.

1.3 Undertakings by User

You undertake:

- to ensure that any information you post, or permit or cause to be posted, on the Website, shall be non-confidential or non-proprietary, and not offensive, illegal under any applicable law, and that you shall be responsible for the contents therein;
- to promptly provide to us, upon request, any additional information which we may consider necessary in providing services to you on the Website;
- not to use the Website for any illegal purpose or in any other manner inconsistent with these Terms and Conditions;
- not to access information or data which you are not authorized to access;
- not to violate or attempt to violate the security of the Website; and not to hack into, interfere with, disrupt, disable, over-burden or otherwise impair the proper working of the Website.

1.4 Confidentiality and Security

You are responsible for maintaining the confidentiality and security of your login ID and password, and accept responsibility for all activities that occur under your account or password. You must notify us immediately in the event that the security of your login or password has been breached or compromised.

1.5 Exclusion of Liability

BitGem Asset Management Ltd. shall in no event be liable whether in an action in negligence, contract or tort based on a warranty or otherwise for any damage, loss, expense or costs of any kind (including loss of profits, revenue, or loss or inaccuracy of data), whether direct or indirect, incidental, punitive, special, consequential or economic, even if BitGem Asset Management Ltd. or its representatives are advised of the possibility of such damages, howsoever caused as a result, directly or indirectly, of or arising from or in connection with:

- any access, the use or inability to access or use of the Website or any of the Services;
- your reliance on or use or inability to use the content and information of the Website or any linked website;
- any failure of performance, error, omission, interruption, defect, delay in operation or transmission, computer virus or line or system failure of the Website or any linked website;
- the cost of procurement of substitute goods and services resulting from any goods, data, information or services purchased or obtained or messages received or transactions entered into through or from the Website;
- unauthorized access to or alteration of your transmissions or data;
- statements or conduct of any third party on the Website; or
- any other matter relating to the Website.

1.6 Disclaimers

- The contents of the Website are provided on an "as is" and "as available" basis without warranties of any kind and are made available for your general information only. No warranty of any kind, express, implied or statutory, is given in conjunction with the contents of the Website, the tools contained in the Website or the Website in general. BAM will to the best of its ability ensure that all information is accurate and up to date daily.
- While every effort is made to ensure that all information contained in the website is correct, BitGem Asset Management Ltd. does not warrant the accuracy, adequacy, correctness, completeness, reliability, timeliness, non-infringement, title, merchantability

or fitness for any purpose of the information on the Website or any website linked to the Website, or that the information available on the Website, or associated therewith, will be uninterrupted or error-free or that defects will be corrected or that this Website will be free from viruses, virus attacks or other harmful elements, and expressly disclaims liability for the same and any errors or omissions.

- BitGem Asset Management Ltd. does not guarantee the confidentiality or privacy of any communication or information transmitted on the Website or any site linked to the Website. We will not be liable for the privacy or security of information, e-mail addresses, registration and identification information, disk space, communications, confidential or proprietary information, or any other content transmitted over networks accessed by the site, or otherwise connected with your use of the Website.

1.7 Intellectual Property

- Unless otherwise stated, the content and information on this Website are the property of BitGem Asset Management Ltd. You may not download, reproduce, or retransmit any information, other than for non-commercial individual use. This Website is to be used by Registered Users only. Registered Users are granted a limited, non-transferable, revocable license to view and copy the information solely for internal use only, subject to the restrictions below.
- All intellectual property rights comprised in the information, text, graphics, logos, images, audio clips, data compilations, scripts, software, technology, sound or any other materials or works found in the Website shall vest in and remain with BitGem Asset Management Ltd. You are permitted to download and print such materials from the website for personal and non-commercial use provided that you do not breach these Terms and Conditions.
- You are not permitted to copy, transfer, distribute, reverse compile, adapt, modify, reproduce, republish, display, broadcast, hyperlink or transmit in any manner or by any means or store in any information retrieval system, any part of the Website without the prior written permission of BitGem Asset Management Ltd.

1.8 Links to Other Websites

- The Website may contain hyperlinks to websites which are not maintained nor controlled by BitGem Asset Management Ltd. All hyperlinks to such websites are provided as a convenience to you. Use of the hyperlinks and access to such websites are entirely at your own risk. BitGem Asset Management Ltd. disclaims all responsibility and liability for any third party content contained in websites linked to this Website and shall not be liable for any damages or losses arising from your access to or use of such websites.
- The inclusion of any hyperlink does not imply endorsement by BitGem Asset Management Ltd. of such websites. Under no circumstances shall BitGem Asset Management Ltd. be considered to be associated or affiliated in whatever manner with any trade or service marks, logos, insignia or other devices used or appearing on websites to which the Website is linked.

1.9 Linking to the Website

- You may not cache, frame or create hyperlinks to this Website or any part of the BitGem Asset Management Ltd. Services without written permission of BitGem Asset Management Ltd.
- We reserve the right to disable any links which in our opinion, contain information, images, representations or other material of an inappropriate, defamatory, obscene,

indecent or unlawful nature, or that violate any law or any public, privacy, intellectual property or other proprietary right; or have not been authorized by us.

2.0 PARTICIPATION AND CONTRIBUTION

1. PARTICIPATION

(i) Participation in the Funding is voluntary. Each Contributor will be deemed as having perused and comprehended these Terms and Conditions in full (inter alia, the risk factors set forth below) and having voluntarily accepted all the warranties made and the risks disclosed thereunder.

(ii) Other than the provisions set out below no Contributor is required to be pre-qualified or registered for participating in the Funding prior to the Funding Window becomes open, provided that each Contributor shall represent and warrant that:

(a) He/she is of sufficient age (minimum 18 years of age) to participate in the Funding and has full capacity of civil conduct under the laws of the jurisdiction where he/she is domiciled;

(b) He/she is legally permitted to participate in the Funding and is legally permitted to receive and hold crypto-currency;

(c) His/her participation in the Funding is voluntary and based on his/her own independent judgment without being coerced, solicited or misled by anyone else;

(d) He/she has sufficient knowledge on crypto-currencies, cryptographic tokens, cryptographic protocol and blockchain technology; and

(e) He/she does not contemplate to use BAM for any speculative, illegal or non-ethical purpose.

(f) He/she does not intend to break or misuse the concept, company for money laundering or any illegal activities

(iii) Unless and until otherwise required by any applicable law or regulation that may come into force from time to time in any jurisdiction, each Contributor will provide identification as requested by the company at any time to ensure our Know Your Customer (KYC) guidelines are being met in accordance with company policy in order to participate in the Funding. The Company shall be under no obligation if false information is given by the client and the client takes sole accountability for any misrepresentation.

(iv) The Company does not recommend or suggest any Permanent Residents or Citizens, of the United States, Territories or entities participate in the Funding and by agreeing to the Terms and Conditions of this offering the company is hereby not responsible for any negligence or potential breach of laws by Permanent Residents or Citizens of the United States, Territories or entities in connection with this offering or participating in this offering.

CURRENCY AND AMOUNT OF CONTRIBUTION

The Company will accept and hold all the contributions made during the Funding Window up to Five million (5,000,000) PinkCoins (the “ Funding Cap”). Any further contribution beyond the Funding Cap will be rejected and/or refunded unless additional colored diamonds can be added to the underlying portfolio. Funding can only be made with the use of BitCoin or another Ethereum Currency.

2. REDEMPTION

Client will be able to redeem PinkCoins into Bitcoin or Ethereum cryptocurrencies whenever they wish. If the client wants to redeem the total value or a portion of the value of his/her assets for a physical diamond they will have to contact BAM directly to either ship the product to the client at the client's cost and or physically meet at a set location directed by BAM to receive the Diamond in person In exchange of PinkCoin tokens to the first person filing a redemption claim through instructions provided on the <http://BitGems.io> portal as further outlined in this agreement. The Diamonds in the portfolio will constantly be evaluated in accordance with our compliance standards.

2.1 TAXES

Each Contributor shall declare, bear and pay all such taxes, duties, imposts, levies, tariffs and surcharges that might be imposed by the laws and regulations of any jurisdiction as a result of or in connection with the receipt, holding, use, purchase, appreciation, trading or divestment of BAM (no matter whether rewarded for participating in the Funding or otherwise acquired). Each Contributor shall be solely liable for all such penalties, claims, fines, punishments, liabilities or otherwise arising from his/her underpayment, undue payment or belated payment of any applicable tax. BAM provides no advice and makes no representation as to the tax implication of any jurisdiction.

(Notice for information only)

TAX CONSIDERATION FOR US ENTITIES

USA IR-2014-36, March. 25, 2014

SECTION 1. PURPOSE

This notice describes how existing US general tax principles apply to transactions using virtual currency. The notice provides this guidance in the form of answers to frequently asked questions.

SECTION 2. BACKGROUND

The Internal Revenue Service (IRS) is aware that “virtual currency” may be used to pay for goods or services, or held for investment. Virtual currency is a digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value. In some environments, it operates like “real” currency -- i.e., the coin and paper money of the United States or of any other country that is designated as legal tender, circulates, and is customarily used and accepted as a medium of exchange in the country of issuance -- but it does not have legal tender status in any jurisdiction. Virtual currency that has an equivalent value in real currency, or that acts as a substitute for real currency, is referred to as “convertible” virtual currency. Bitcoin is one example of a convertible virtual currency. Bitcoin can be digitally traded between users and can be purchased for, or exchanged into, U.S. dollars, Euros, and other real or virtual currencies. For a more comprehensive description of convertible virtual currencies to date, see Financial Crimes Enforcement Network (FinCEN) Guidance on the Application of FinCEN's Regulations to Persons Administering, Exchanging, or Using Virtual Currencies (FIN-2013-G001, March 18, 2013).

SECTION 3. SCOPE

In general, the sale or exchange of convertible virtual currency, or the use of convertible virtual currency to pay for goods or services in a real-world economy transaction, has tax consequences that may result in a tax liability. This notice addresses only the U.S. federal tax consequences of transactions in, or transactions that use, convertible virtual currency, and the term “virtual currency” as used in Section 4 refers only to convertible virtual currency. No inference should be drawn with respect to virtual currencies not described in this notice. The Treasury Department

and the IRS recognize that there may be other questions regarding the tax consequences of virtual currency not addressed in this notice that warrant consideration. Therefore, the Treasury Department and the IRS request comments from the public regarding other types or aspects of virtual currency transactions that should be addressed in future guidance. Comments should be addressed to:

Internal Revenue Service Attn: CC:PA:LPD:PR (Notice 2014-21)
Room 5203
P.O. Box 7604
Ben Franklin Station, Washington, D.C. 20044
or hand delivered Monday through Friday between the hours of 8 A.M. and 4 P.M. to:

Courier's Desk
Internal Revenue Service
Attn: CC:PA:LPD:PR (Notice 2014-21)
1111 Constitution Avenue, N.W., Washington, D.C. 20224

Alternatively, taxpayers may submit comments electronically via e-mail to the following address: Notice.Comments@irs.counsel.treas.gov. Taxpayers should include "Notice 2014-21" in the subject line. All comments submitted by the public will be available for public inspection and copying in their entirety. For purposes of the FAQs in this notice, the taxpayer's functional currency is assumed to be the U.S. dollar, the taxpayer is assumed to use the cash receipts and disbursements method of accounting and the taxpayer is assumed not to be under common control with any other party to a transaction.

SECTION 4. FREQUENTLY ASKED QUESTIONS

Q-1: How is virtual currency treated for federal tax purposes?

A-1: For federal tax purposes, virtual currency is treated as property. General tax principles applicable to property transactions apply to transactions using virtual currency.

Q-2: Is virtual currency treated as currency for purposes of determining whether a transaction results in foreign currency gain or loss under U.S. federal tax laws?

A-2: No. Under currently applicable law, virtual currency is not treated as currency that could generate foreign currency gain or loss for U.S. federal tax purposes.

Q-3: Must a taxpayer who receives virtual currency as payment for goods or services include in computing gross income the fair market value of the virtual currency?

A-3: Yes. A taxpayer who receives virtual currency as payment for goods or services must, in computing gross income, include the fair market value of the virtual currency, measured in U.S. dollars, as of the date that the virtual currency was received. See Publication 525, *Taxable and Nontaxable Income*, for more information on miscellaneous income from exchanges involving property or services.

Q-4: What is the basis of virtual currency received as payment for goods or services in Q&A-3?

A-4: The basis of virtual currency that a taxpayer receives as payment for goods or services in Q&A-3 is the fair market value of the virtual currency in U.S. dollars as of the date of receipt. See Publication 551, *Basis of Assets*, for more information on the computation of basis when property is received for goods or services.

Q-5: How is the fair market value of virtual currency determined?

A-5: For U.S. tax purposes, transactions using virtual currency must be reported in U.S. dollars. Therefore, taxpayers will be required to determine the fair market value of virtual currency in U.S. dollars as of the date of payment or receipt. If a virtual currency is listed on an exchange and the exchange rate is established by market supply and demand, the fair market value of the virtual currency is determined by converting the virtual currency into U.S. dollars (or into another real currency which in turn can be converted into U.S. dollars) at the exchange rate, in a reasonable manner that is consistently applied.

Q-6: Does a taxpayer have gain or loss upon an exchange of virtual currency for other property?

A-6: Yes. If the fair market value of property received in exchange for virtual currency exceeds the taxpayer's adjusted basis of the virtual currency, the taxpayer has taxable gain. The taxpayer has a loss if the fair market value of the property received is less than the adjusted basis of the virtual currency. See Publication 544, *Sales and Other Dispositions of Assets*, for information about the tax treatment of sales and exchanges, such as whether a loss is deductible.

Q-7: What type of gain or loss does a taxpayer realize on the sale or exchange of virtual currency?

A-7: The character of the gain or loss generally depends on whether the virtual currency is a capital asset in the hands of the taxpayer. A taxpayer generally realizes capital gain or loss on the sale or exchange of virtual currency that is a capital asset in the hands of the taxpayer. For example, stocks, bonds, and other investment property are generally capital assets. A taxpayer generally realizes ordinary gain or loss on the sale or exchange of virtual currency that is not a capital asset in the hands of the taxpayer. Inventory and other property held mainly for sale to customers in a trade or business are examples of property that is not a capital asset. See Publication 544 for more information about capital assets and the character of gain or loss.

Q-8: Does a taxpayer who “mines” virtual currency (for example, uses computer resources to validate Bitcoin transactions and maintain the public Bitcoin transaction ledger) realize gross income upon receipt of the virtual currency resulting from those activities?

A-8: Yes, when a taxpayer successfully “mines” virtual currency, the fair market value of the virtual currency as of the date of receipt is includible in gross income. See Publication 525, *Taxable and Nontaxable Income*, for more information on taxable income.

Q-9: Is an individual who “mines” virtual currency as a trade or business subject to self-employment tax on the income derived from those activities?

A-9: If a taxpayer's “mining” of virtual currency constitutes a trade or business, and the “mining” activity is not undertaken by the taxpayer as an employee, the net earnings from self-employment (generally, gross income derived from carrying on a trade or business less allowable deductions) resulting from those activities constitute self-employment income and are subject to the self-employment tax. See Chapter 10 of Publication 334, *Tax Guide for Small Business*, for more information on self-employment tax and Publication 535, *Business Expenses*, for more information on determining whether expenses are from a business activity carried on to make a profit.

Q-10: Does virtual currency received by an independent contractor for performing services constitute self-employment income?

A-10: Yes. Generally, self-employment income includes all gross income derived by an individual from any trade or business carried on by the individual as other than an employee. Consequently, the fair market value of virtual currency received for services performed as an

independent contractor, measured in U.S. dollars as of the date of receipt, constitutes self-employment income and is subject to the self-employment tax. See FS-2007-18, April 2007, *Business or Hobby? Answer Has Implications for Deductions*, for information on determining whether an activity is a business or a hobby.

Q-11: Does virtual currency paid by an employer as remuneration for services constitute wages for employment tax purposes?

A-11: Yes. Generally, the medium in which remuneration for services is paid is immaterial to the determination of whether the remuneration constitutes wages for employment tax purposes. Consequently, the fair market value of virtual currency paid as wages is subject to federal income tax withholding, Federal Insurance Contributions Act (FICA) tax, and Federal Unemployment Tax Act (FUTA) tax and must be reported on Form W-2, *Wage and Tax Statement*. See Publication 15 (Circular E), *Employer's Tax Guide*, for information on the withholding, depositing, reporting, and paying of employment taxes.

Q-12: Is a payment made using virtual currency subject to information reporting?

A-12: A payment made using virtual currency is subject to information reporting to the same extent as any other payment made in property. For example, a person who in the course of a trade or business makes a payment of fixed and determinable income using virtual currency with a value of \$600 or more to a U.S. non-exempt recipient in a taxable year is required to report the payment to the IRS and to the payee. Examples of payments of fixed and determinable income include rent, salaries, wages, premiums, annuities, and compensation.

Q-13: Is a person who in the course of a trade or business makes a payment using virtual currency worth \$600 or more to an independent contractor for performing services required to file an information return with the IRS?

A-13: Generally, a person who in the course of a trade or business makes a payment of \$600 or more in a taxable year to an independent contractor for the performance of services is required to report that payment to the IRS and to the payee on Form 1099-MISC, *Miscellaneous Income*. Payments of virtual currency required to be reported on Form 1099-MISC should be reported using the fair market value of the virtual currency in U.S. dollars as of the date of payment. The payment recipient may have income even if the recipient does not receive a Form 1099-MISC. See the Instructions to Form 1099-MISC and the General Instructions for Certain Information Returns for more information. For payments to non-U.S. persons, see Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Q-14: Are payments made using virtual currency subject to backup withholding?

A-14: Payments made using virtual currency are subject to backup withholding to the same extent as other payments made in property. Therefore, payors making reportable payments using virtual currency must solicit a taxpayer identification number (TIN) from the payee. The payor must backup withhold from the payment if a TIN is not obtained prior to payment or if the payor receives notification from the IRS that backup withholding is required. See Publication 1281, *Backup Withholding for Missing and Incorrect Name/TINs*, for more information.

Q-15: Are there IRS information reporting requirements for a person who settles payments made in virtual currency on behalf of merchants that accept virtual currency from their customers?

A-15: Yes, if certain requirements are met. In general, a third party that contracts with a substantial number of unrelated merchants to settle payments between the merchants and their customers is a third party settlement organization (TPSO). A TPSO is required to report payments made to a merchant on a Form 1099-K, *Payment Card and Third Party Network*

Transactions, if, for the calendar year, both (1) the number of transactions settled for the merchant exceeds 200, and (2) the gross amount of payments made to the merchant exceeds \$20,000. When completing Boxes 1, 3, and 5a-1 on the Form 1099-K, transactions where the TPSO settles payments made with virtual currency are aggregated with transactions where the TPSO settles payments made with real currency to determine the total amounts to be reported in those boxes. When determining whether the transactions are reportable, the value of the virtual currency is the fair market value of the virtual currency in U.S. dollars on the date of payment. See The Third Party Information Reporting Center, <http://www.irs.gov/Tax-Professionals/Third-Party-Reporting-Information-Center>, for more information on reporting transactions on Form 1099-K.

Q-16: Will taxpayers be subject to penalties for having treated a virtual currency transaction in a manner that is inconsistent with this notice prior to March 25, 2014?

A-16: Taxpayers may be subject to penalties for failure to comply with tax laws. For example, underpayments attributable to virtual currency transactions may be subject to penalties, such as accuracy-related penalties under section 6662. In addition, failure to timely or correctly report virtual currency transactions when required to do so may be subject to information reporting penalties under section 6721 and 6722. However, penalty relief may be available to taxpayers and persons required to file an information return who are able to establish that the underpayment or failure to properly file information returns is due to reasonable cause.

3. CREATING A BITGEM ASSET MANAGEMENT LTD. ACCOUNT

3.1 Registration of a BitGem Asset Management Ltd. Account

In order to use any of the Services, you must first register by providing: 1. your first and last name; 2. physical address (Country of Residency); 3. an e-mail address; 4. Telephone number; 5. Country of Citizenship; 6. Date of Birth; 7. copy of Passport or other acceptable proof of Identity from the Country of Residency; 8. Ethereum address to deliver PinkCoins. (If the Buyer does not have an Ethereum Wallet then BAM can hold the Buyer's PinkCoins in trust until such a time that they acquire a BitCoin or Ethereum address from which the Buyer will be sending funds), 9. password; and 10. affirming your acceptance the Terms and Conditions of this agreement. Upon successful completion of the registration process, BitGem Asset Management Ltd. will establish your BitGem Asset Management Ltd. Account.

BitGem Asset Management Ltd. may, in our sole discretion, reject any application to establish a BitGem Asset Management Ltd. Account, or limit the number of BitGem Asset Management Ltd. Accounts that a user may establish and maintain at any time.

3.2 Identity Verification

In order to use certain features of the Services, and to purchase any Products, including certain transfers of vouchers and/or currency, you will be required as a minimum to provide BitGem Asset Management Ltd. the certain personal information as detailed in 3.1 above. BitGem Asset Management Ltd. may also require you to answer certain questions or take certain actions in order for BitGem Asset Management Ltd. to verify your identity, provide the Services to you, or comply with applicable law. In submitting this or any other personal information as may be required, you verify that the information is accurate and authentic, and you agree to update us if any information changes. You hereby authorize BitGem Asset Management Ltd. to, directly or through third parties, make any inquiries we consider necessary to verify your identity and/or protect against fraud, including to query identity information contained in public reports (e.g., your name, address, past addresses, or date of birth), to query account information associated with your linked BitCoin or Ethereum Wallet (e.g., name or account balance), and to take action we reasonably deem necessary based on the results of such inquiries and reports.

3.3 BitGem Asset Management Ltd.'s Online Currency Wallet

When you buy an original offering of BitGem from BAM it will be sent to a BitCoin or the Ethereum Wallet provided by the Buyer at the time of purchase. If the Buyer does not have an

Ethereum Wallet already set up at the time of purchase BAM can hold the Buyer's PinkCoins in trust until such a time that the Buyer acquires an Ethereum wallet. In addition, on a case by case basis, and at BAM's discretion, PinkCoin can be held in trust by BAM until the Buyer obtains a valid Ethereum address.

4. PURCHASE AGREEMENT

4.1 Ordering Policy

From time to time BitGems.io will conduct Crowdfunding of multiple rounds of PinkCoins directly offered from the Reserve Tokens (RT) already pre-mined by BAM. One Hundred Million (100,000,000) pre-mined BitGems are already held by BAM. Crowdfunding of PinkCoins will start on January 18, 2016 at 9 am and consist of a presale of PinkCoin tokens which to be held in trust by BAM until February 1st, 2016, 9:00am EST, before being transferred to the Ethereum address provided by the Buyer, or kept in trust, until Buyer provides an Ethereum address. After February 1st, 2016, PinkCoins purchased by Buyer will be delivered to Buyer within two business days.

Once a Buyer opens an account and that account verification is accepted they can participate in any Crowdfunding of PinkCoins. However BAM reserves the right to cancel or refuse any transactions or orders due to:

- Pricing errors on our website due to technical difficulties and human errors.
- Suspicious or high risk transactions that posing a risk to BitGem Asset Management Ltd.

This list is by no means exhaustive. If you do not receive an order confirmation number, the order is not confirmed.

BitGem Asset Management Ltd. sells colored diamond products, unless otherwise noted. BitGems are produced for investment purposes and are subject to volatility like any other commodity. BitGem Asset Management Ltd. does not replace items if lost, stolen or in connection with identity theft.

4.2 Cancellation Policy

An item may be cancelled up until payment confirmation at check out.

4.3 Purchase Policy

"Purchase" refers to a purchase at BitGem Asset Management Ltd. which occurs only when a user confirms at checkout the amount and quantity of BitGems, and receives a confirmation order from BitGem Asset Management Ltd.

4.4 Refund Policy

You agree that all sales are final and no refund is possible for our PinkCoins other than outlined in the "Redemption" section of this agreement. Sell orders for our items are binding when a user checks "I agree to the Terms and Conditions" and confirms the order by clicking "Confirm" at checkout.

4.5 Personal Withdrawal

Users who hold PinkCoins with us can choose to withdraw their proportional Diamond from our custodial vaults. However, since the Diamonds that make up the portfolio which backs PinkCoins maybe set in Jewelry pieces, it would not be practical to break up the jewelry pieces. You will have the following options:

1. Buy additional PinkCoins to make up the difference between the dollar value of the number of PinkCoins you own and the retail appraised value of the Diamond or Jewelry piece.
2. Allow BAM to offer the Diamond or Jewelry piece for sale at auction at which time BAM will deliver you the dollar value of your BitGems.
3. Alternatively, accept Bitcoin or an Ethereum currency which will be deposited in your Wallet in exchange for your PinkCoins.

You must agree to our Privacy Policy. A BitGem Asset Management Ltd. representative will accompany you for redemption. Please bring along your passport ID for identification purposes. A fee of \$50 CAD will be charged for administrative fees. This can be paid with a credit card or through your Online Currency Wallet. Customers must bear any expense in regard to travel to our vaults or alternative shipping arrangements can be made for client at their expense.

4.6 Shipping and Insurance

BitGem Asset Management Ltd. will oversee the delivery of your assets when requested. BitGem Asset Management Ltd. will use its best efforts to arrange Out-Shipments from either its facilities or its custodian within two business days of receiving the request. Regarding any Out-Shipment where delivery within a two business day period is not practical or reasonable, BitGem Asset Management Ltd. will use its best efforts to arrange for Out-Shipments within four business days. ALL IMPORT DUTIES AND ADDITIONAL CHARGES WILL BE PAID FOR BY THE RECEIVER or CLIENT. Notwithstanding the provisions of this paragraph, you hereby recognize that unusual depository activity may delay Out-Shipments of the assets beyond four business days, and you further agree that BitGem Asset Management Ltd. shall not be liable for any damages arising from such delays. BitGem Asset Management Ltd. will promptly notify you of any delays. The cost of shipping insurance will be borne by the Customer if this delivery method is to be chosen.

4.7 Private Viewing Requests

Users who purchase PinkCoins can view the Diamonds that make up our Portfolio at our custodial vaults by requesting a private viewing of the escrowed assets whenever needed. We will meet you at our custodial vaults, and secure a private room in the high security facility to view your items. Arrangements for shipping and withdrawal can also be made concurrently. We process all requests within 1 business day. An administration fee of \$35 USD will be charged. This can be paid with a credit card or through your Online Currency Wallet.

5. Insurance

The value of Diamonds deposited by BitGem Asset Management Ltd. and held in escrow is insured by Lloyds of London and the Diamonds are held in a vault at 1102-21 Dundas Square, Toronto, ON, Canada.

6. DIGITAL VOUCHER ISSUANCE

The BAM Network represents a Pool of Diamonds assets of which have been GIA certified and valued and BAM has enabled a BitGems valued at USD\$1 to initially represent a USD\$1 value purchased a fraction of the set valuation of the Pool of Diamonds. Thus giving the client a new investment tool in order to use in their investment strategy.

6.1 Valuation Method of Diamonds held in escrow underlying PinkCoins

The escrowed coloured diamonds that make up the initial portfolio of US\$5 Million which backs the first 5 Million PinkCoins have been appraised by Saxon Kruss of Toronto, Canada

(<http://www.saxonkruss.com>). Saxon Kruss has offered gemological services to many of the most reputable members of the Canadian jewelry trade. Using state of the art equipment, Saxon Kruss is able to efficiently evaluate diamonds, gemstones, pearls and finished Jewelry pieces. Saxon Kruss appraises for most of the colored diamond investment brokers in Canada. Saxon Kruss appraises more colored diamonds in one year than all of the other Toronto appraisers combined.

7. ADDITIONAL PROVISIONS

7.1 Computer Viruses and Trojans

We shall not bear any liability, whatsoever, for any damage or interruptions caused by any computer viruses, spyware, scareware, Trojan horses, worms or other malware that may affect your computer or other equipment, or any phishing, spoofing or other attack. We advise the regular use of a reputable and readily available virus screening and prevention software. You should also be aware that SMS and email services are vulnerable to spoofing and phishing attacks and should use care in reviewing messages purporting to originate from BitGem Asset Management Ltd.. Always log into your BitGem Asset Management Ltd. Account through the Website to review any transactions or required actions, if you have any uncertainty regarding the authenticity of any communication or notice.

8 RISK FACTORS

Each Contributor should peruse, comprehend and carefully consider or seek legal advise as to the risks described below in addition to the other information stated herein before deciding to participate in a Crowdfunding. Making a contribution under the Crowdfunding will be deemed as the relevant Contributor having accepted all the risks outlined in this document.

1. Termination of the Crowdfunding.

The Crowdfunding may be terminated pursuant to “Termination”, in case of which a Contributor may only be refunded with part of his/her bitcoin/Ethereum contribution as a result of the bitcoin/Ethereum price’s volatility and/or the expenses incurred for BAM.

2. Regulatory Measures.

Crypto-currencies are being, or may be, scrutinized by the regulatory authorities of various jurisdictions. BAM may receive queries, notices, warnings, requests or rulings from one or more regulatory authorities from time to time, or may even be ordered to suspend or discontinue any action in connection with BAM. The development, marketing, promotion or otherwise of BAM may be seriously affected, hindered or terminated as a result. Since regulatory policies could change from time to time, existing regulatory permission or tolerance on BAM in any jurisdiction could be temporary only.

3. Cryptography

Advances in cryptography, such as code cracking or technical advances such as the development of quantum computers, could present risks to all crypto-currencies including BAM. This could result in the theft, loss, disappearance, destruction or devaluation of BAM. To a reasonable extent, BAM will be prepared to take proactive or remedial steps to update the protocol underlying BAM in response to any advances in cryptography and to incorporate additional reasonable security measures where appropriate. It is impossible to predict the future of cryptography or the future of security innovations to an extent that would permit the BAM accurately guide the development of BAM to take into account such unforeseeable changes in the domains of cryptography or security.

4. Development Failure or Abortion.

BAM is still in the process of development rather than a finished product ready to launch. Due to the technological complexity and difficulty that may be uncertain, unforeseeable and/or insurmountable, the development could fail or abort at any time for any reason.

5. Flaws in Source Code

Nobody can guarantee the Ethereum source code used by BAM to be flaw-free. It may contain certain flaws, errors, defects and bugs, which may disable some functionality for users, expose users' information or otherwise. Such flaw would compromise the usability and/or security of BitGems and consequently bring adverse impact on the value of BitGems. Open source codes rely on transparency to promote community-sourced identification and solution of problems within the code

7. Update of Source Code.

The Ethereum source code could be updated, amended, altered or modified from time to time by the developers and/or the community of Ethereum. Nobody is able to foresee or guarantee the precise result of such update, amendment, alteration or modification. As a result, any update, amendment, alteration or modification could lead to an unexpected or unintended outcome that adversely affects PinkCoin's operation or market value.

8. Security Weakness.

The blockchain of BitGems rests on open-source software. Regardless of BAM's effort to keep the blockchain secure, anyone may intentionally or unintentionally introduce weaknesses or bugs into the core infrastructural elements of BitGems which the security measures adopted by the Company are unable to prevent or remedy. This could consequently result in the loss of BitGems held by a Contributor.

10. Private Key

The loss or destruction of a private key required to access BitGems may be irreversible. BitGems are controllable only by the possessor of both the unique public and private keys relating to the local or online BitGems wallet. Each Contributor is required to safeguard the private keys relating to his/her own BitGems wallets. To the extent such private key is lost, destroyed or otherwise compromised, neither BAM nor anyone else will be able to access the related BitGems.

11. Forking

Ethereum is an open source project and supported by the community. The developers of BAM do not lead the development, marketing, operation or otherwise of Ethereum. Anybody may develop a patch or upgrade of the source code of Ethereum's source without prior authorization of anyone else. The acceptance of Ethereum patches or upgrades by a significant, but not overwhelming, percentage of the users could result in a "fork" in the blockchain of Ethereum, and consequently the operation of two separate networks and will remain separate until the forked blockchains are merged. The temporary or permanent existence of forked blockchains could adversely impact the operation and the market value of PinkCoins and in the worst case scenario, could ruin the sustainability of PinkCoins. While such a fork in the blockchain of Ethereum would possibly be resolved by community-led efforts to merge the forked blockchains, the success is not guaranteed and could take long period of time to achieve.

13. LIQUIDITY

PinkCoin is not a currency issued by any individual, entity, central bank or national, supra-national or quasi-national organization, but is backed by hard assets. The circulation and trading of PinkCoins on the market depends on the consensus on its value between the relevant market

participants. Nobody is obliged to redeem or purchase any PinkCoins from any Contributor or PinkCoin holder. Nor does anyone guarantee the liquidity or market price of PinkCoins to any extent. To divest his/her PinkCoin portfolio, a PinkCoin holder would be able to sell their PinkCoins on a cryptocurrency exchange that trades PinkCoins or trade their PinkCoins for hard diamonds or equal value at a location provided by BAM. BAM has no control over market price or liquidity of PinkCoins once PinkCoins start to trade in the open market.

9 MISCELLANEOUS

9.1 JURISDICTION

Crowdfunding will be initiated on January 22nd, 2016 and takes place worldwide and is not linked to any specific jurisdiction. The Buyer may be from any jurisdiction in the world that legally allows the purchase of Cryptocurrencies. However, residents of North Korea, Iran, Syria and the State of New York are specifically excluded from buying PinkCoins.

9.2 INDEMNITY

The Client (Contributor or Buyer) covenants and agrees to indemnify and save harmless BitGem Asset Management Ltd. and its directors, officers, employees, agents, and representatives from and against all losses, claims, damages, payments, liabilities, costs, fines, taxes, penalties and expenses (including the amount paid in settlement of any claim, action, suit or proceeding and the fees and expenses of counsel incurred obtaining advice in respect of, or in defending or settling, any such claim, action, suit or proceeding) of whatsoever nature or kind to which they may become subject or otherwise involved by reason of or in any way arising out of the course of business.

9.3 GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the Laws of the British Virgin Islands regarding BitGem Asset Management Ltd. and the State of Nevada regarding Precious Investments, Inc.

9.4 ILLEGALITIES

In the event that any provision contained in this agreement shall be determined to be invalid, illegal, or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and the remaining provisions of this agreement shall not, at the election of BitGem Asset Management Ltd., be in any way impaired.

9.5 ENTIRE AGREEMENT

This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof. The execution of this Agreement has not been induced by nor do the parties rely upon or regard as material, any covenants, representations or warranties whatsoever not incorporated herein and made a part hereof.

9.6 PROHIBITED ACTIVITIES

The Client is prohibited from violating any law, statute, ordinance or regulation in our registered jurisdiction as well as their Country or Origin or Residency

9.7 NEGATIVE INFORMATION

The Contributor agrees to refrain from making, any negative, detracting or unfavorable statements concerning BAM, any Subsidiaries, Affiliates or Branches their respective business or business endeavors, products or product history, or their respective former or present officers, directors, agents, distributors or consultants, which may have the effect of diminishing the reputations of BAM or any Subsidiaries, Affiliates or Branches or respective former or present

officers, directors, agents, distributors or consultants of BAM or any Subsidiaries, Affiliates or Branches or of its business or business endeavors.

9.8 BENEFIT OF BURDEN

This Agreement shall be binding upon, and inure to the benefit of the parties hereto and, as applicable, their respective heirs, executors, administrators, representatives, successors and assigns.

9.9 ILLEGAL USE OF FUNDS

Contributor warrants and represents that the funds being used by the Contributor to participate in activities of BitGem Asset Management Ltd. hereunder will not represent proceeds of crime for the purposes of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (the "PCMLFTA") and the Contributor acknowledges that BAM may in the future be required by law to disclose the Contributor's name on a confidential basis, pursuant to the PCMLFTA. To the best of BAM's knowledge, none of the funds to be provided by the contributor or the beneficial purchaser are being tendered on behalf of a person or entity who has not been identified to the Purchaser, and the Purchaser shall promptly notify BAM if the Purchaser or the Beneficial Purchaser discovers that any of such representations cease to be true, and shall promptly provide BAM with all necessary information in connection therewith.

9.10 INVESTMENT SUITABILITY

The Purchaser and each Beneficial Purchaser, if any, for whom the Purchaser is acting as trustee or agent, has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks purchasing cryptocurrencies and specifically BitGems and is able to bear the economic risk of total loss of such investment.

9.11 COMPLAINTS


Please contact our online support if you have any complaints or concerns regarding our service.

9.12 CHANGE TO TERMS AND CONDITIONS

These Terms and Conditions are subject to change without prior notice.







10. LEGAL TREATMENT OF CRYPTOCURRENCY AND BITCOIN REGION BY REGION (provided by Wikipedia) :










List by country









Country	Status
Argentina	Under the National Constitution of Argentina, bitcoins may be considered money but not legal ^{[1]:Argentina}
 Australia	In December 2013, the governor of the Reserve Bank of Australia indicated in an interview about bitcoin that "There would be nothing to stop people in this country deciding to transact in some other currency in a shop if they wanted to. There's no law against that, so we do have competing currencies." ^[2]






 Bangladesh	<p>In September 2014, Bangladesh Bank said that "anybody caught using the virtual currency could be jailed under the country's strict anti-money laundering laws".^[3]</p>
 Belgium	<p>The Minister of Finance indicated that government intervention with regard to the bitcoin system does not appear necessary at the [1]:Belgium</p>
 Bolivia	<p>Banco Central de Bolivia issued a resolution banning bitcoin in 2014.^{[4][5]}</p>
 Brazil	<p>Bitcoin is regulated under a 2013 law that discusses both mobile payment systems and electronic currencies.^{[1]:Brazil}</p>
 Bulgaria	<p>Bitcoin is regulated by law that discusses payment systems and payment services.^[6]</p>
 Canada	<p>Bitcoin is regulated under anti-money laundering and counter-terrorist financing laws in Canada.^{[1]:Canada[7]}</p>
 Chile	<p>There is no regulation on the use of bitcoins.^{[1]:Chile}</p>
 China (PRC)	<p>While private parties can hold and trade bitcoins in China, regulation prohibits financial firms like banks from doing the same.^{[8]:China}</p>
 Colombia	<p>The circular from 26 March 2014 by Superintendencia Financiera de Colombia states that the use of bitcoin is not regulated in Colombia.^[9]</p>
 Croatia	<p>On 6 December 2013, the Croatian National Bank reportedly conducted a discussion on the circulation of digital currencies and concluded that the bitcoin is not illegal in Croatia.^{[1]:Croatia}</p>









 Czech Republic	Bitcoin trading does not require authorization by the Czech National Bank and the Czech National Bank cannot grant such an authorization. ^[10]
 Cyprus	The use of bitcoins is not regulated in Cyprus. ^{[11]:Cyprus}
 Denmark	Denmark's Financial Supervisory Authority issued a statement declaring that bitcoin is not a currency and stating that it will not regulate its use. ^{[11]:Denmark}
 Ecuador	Ecuadorian government issued a ban on bitcoin and other digital currencies. ^[11]
 Estonia	In Estonia, the use of bitcoins is not regulated or otherwise controlled by the government. ^{[11]:Estonia}
 European Union	The European Union has passed no specific legislation relative to the status of the bitcoin as a currency. ^{[11]:European Union}
 Finland	The Finnish Tax Administration has issued instructions for the taxation of virtual currencies, including the bitcoin. ^{[11]:Finland}
 France	There are no specific laws or regulations regarding the bitcoin system. ^{[11]:France}
G7	In 2013 the G7's Financial Action Task Force issued the following statement in guidelines which may be applicable to companies involved in transmitting bitcoin and other currencies, "Internet-based payment services that allow third party funding from anonymous sources may face an increased

	risk of [money laundering/terrorist financing]." ^[12]
 Germany	According to the communication on bitcoin issued by Federal Financial Supervisory Authority on 19 December 2013, bitcoins are legally binding financial instruments that fall into the category of units of account, in accordance with the first sentence of section 1(11) of the German Banking Act. ^[1] ^{Germany}
 Greece	No specific legislation on bitcoins exists in Greece. ^[1] ^{Greece}
 Hong Kong	On 8 January 2014, the Secretary for Financial Services and the Treasury addressed bitcoin in the Legislative Council stating that "Hong Kong at present has no legislation directly regulating bitcoins and other virtual currencies of [a] similar kind. However, our existing laws (such as the Organised and Serious Crimes Ordinance) provide sanctions against unlawful acts involving bitcoins, such as fraud or money laundering." ^[1] ^{Hong Kong}
 Iceland	According to a 2014 opinion from the Central Bank of Iceland "there is no authorization to purchase foreign currency from financial institutions in Iceland or to transfer foreign currency across borders on the basis of transactions with virtual currency. For this reason alone, transactions with virtual currency are subject to restrictions in Iceland." ^[13] This does not stop ^[14] businesses in Iceland from mining bitcoins. ^[15]
 India	On 28 December 2013, the Deputy Governor of the Reserve Bank of India , K. C. Chakrabarty, made a statement that the Reserve Bank of India had no plans to regulate bitcoin. ^[16]
 Indonesia	On 6 February 2014, the Bank Indonesia issued a press release related to bitcoin stating "In view of the Act No. 7 Year 2012 concerning Currency and Act No. 23 Year 1999 which has been amended several times, the latest with Act No. 6

	Year 2009, Bank Indonesia states that bitcoin and other virtual currency are not currency or legal payment instrument in Indonesia." ^[17]
 Ireland	The Central Bank of Ireland was quoted in the Assembly of Ireland as stating that it does not regulate bitcoins. ^[1] ^{Ireland}
 Israel	As of 23 December 2013, Israel had not adopted any specific legislation regulating bitcoins. ^[1] ^{Israel}
 Italy	Italy does not regulate bitcoin use by private individuals. ^[1] ^{Italy}
 Japan	There are at present no laws in Japan regulating the use of bitcoins. ^[1] ^{Japan}
 Jordan	The government of Jordan has issued a warning discouraging the use of bitcoin and other similar systems. ^[18]
 Kyrgyzstan	In a July, 2014, statement of the National Bank of the Kyrgyz Republic made clear that "the use of 'virtual currency', bitcoins, in particular, as a means of payment in the Kyrgyz Republic will be a violation of the law of our state." ^[19]
 Lebanon	The government of Lebanon has issued a warning discouraging the use of bitcoin and other similar systems. ^[18]
 Lithuania	Bank of Lithuania released a warning in 31 January 2014 that bitcoin is not recognized as legal tender in Lithuania and that bitcoin users should be aware of high risks that come with the usage of it. ^[20]
 Luxembourg	The Commission de Surveillance du Secteur Financier has issued a communication in February 2014 acknowledging the status of currency to the bitcoin and other cryptocurrencies. ^{[21][22]} The first

	BitLicence was issued in October 2015, ^[23] and the government is actively supporting this development. ^{[22][24]}
 Malaysia	No official statement regarding the Bank Negara Malaysia 's views of the bitcoin system was located. ^{[1]:Malaysia}
 Malta	Malta currently does not have any regulations specifically pertaining to bitcoins. ^{[1]:Malta}
 New Zealand	The Reserve Bank of New Zealand states: "Non-banks do not need our approval for schemes that involve the storage and/or transfer of value (such as 'bitcoin') – so long as they do not involve the issuance of physical circulating currency (notes and coins)." ^{[1]:New Zealand}
 Netherlands	Virtual currencies such as bitcoins currently do not fall within the scope of the Act on Financial Supervision of the Netherlands. ^{[1]:New Zealand}
 Nicaragua	News reports indicate that bitcoins are being used in the country. ^{[1]:Nicaragua}
 Norway	The Norwegian Tax Administration has issued a statement that bitcoins will be treated as capital property for tax-related purposes. ^{[1]:Norway}
 Philippines	On 6 March 2014, Bangko Sentral ng Pilipinas (BSP) issued a statement on risks associated with bitcoin trading and usage. Bitcoin exchanges are not regulated by BSP at the moment. ^[25]
 Poland	The use of the bitcoin in Poland is not regulated by a legal act at present. ^{[1]:Poland}

 Portugal	<p>The bitcoin has no specific legal framework in Portugal. ^[1]Portugal</p>
 Russia	<p>As of January 2015, a bill explicitly banning bitcoins does not exist in Russia, ^[26] although it appears a <i>de facto</i> ban is in place. CNBC reported that bitcoin was illegal in Russia in December, 2014, ^[27] and various Russian authorities and organizations have spoken out or taken actions against bitcoin. In early 2015, Russia's media regulator blocked several bitcoin-related websites, ^[26] in 2015 a Russian state-owned media outlet reported that "The [Russian] Central Bank... said that bitcoin usage was illegal under Russian federal law," ^[26] and in February 2014, the Russian Prosecutor General's Office was quoted as saying, "Cyber currencies... including the most well-known, bitcoin, are money substitutes and cannot be used by individuals or legal entities." ^[28]</p>
 Singapore	<p>In December 2013, the Monetary Authority of Singapore reportedly stated that "[w]hether or not businesses accept bitcoins in exchange for their goods and services is a commercial decision in which MAS does not intervene." ^[1]Singapore</p>
 Slovakia	<p>The National Bank of Slovakia (NBS), stated ^[29] that bitcoin does not have the legal attributes of a currency, and therefore does not fall under national control.</p>
 Slovenia	<p>On December 23, 2013, the Ministry of Finance of the Republic of Slovenia issued a formal opinion about the status of the bitcoin and other virtual currencies in response to a request from the Tax Administration of the Republic of Slovenia. The opinion states that the bitcoin is not a monetary means under Slovenian law and not a financial instrument. ^[1]Slovenia</p>
 South Korea	<p>While not illegal in the country, Korean authorities will prosecute illegal activity involving bitcoin ^[30] and have indicted at least one individual for purchasing drugs with bitcoin. ^[31]</p>

 Spain	<p>Transactions in bitcoins are subject to the same laws as barter transactions. ^[1]Spain</p>
 Sweden	<p>The Swedish Tax Agency has given a preliminary ruling on Value Added Tax (VAT) on bitcoins, stating that trade in bitcoins is not subject to Swedish VAT, but is instead subject to the Finansinspektionen (Financial Supervisory Authority) regulations and treated as a currency. The decision has been appealed by the Swedish Tax Authority. ^[1]Sweden</p>
Switzerland	<p>Bitcoin businesses in Switzerland are subject to anti-money laundering regulations and in some instances may need to obtain a banking license. ^[32]</p>
 Taiwan	<p>Bitcoin ATMs are banned here ^[8]Taiwan although through a convoluted process, ^[33] bitcoins can be purchased at some convenience stores kiosks that also sell train tickets and allow paying bills. ^[34]</p>
 Thailand	<p>Bank of Thailand declared bitcoin illegal in 2013, but some bitcoin companies have been able to obtain business licenses. ^[35] One startup denied a business license was reportedly told that "buying and selling bitcoins, using bitcoins to buy or sell goods and services, and transferring bitcoins in and out of Thailand were all currently illegal." ^[36]</p>
 Turkey	<p>No formal regulations on the bitcoin exist in Turkey. ^[1]Turkey</p>
 United Kingdom	<p>The government of the United Kingdom has stated that the bitcoin is currently unregulated. ^[1]United Kingdom</p>
 United States	<p>The U.S. Treasury classified bitcoin as a convertible decentralized virtual currency in 2013. ^[37]</p>
 Vietnam	<p>Bitcoin is not lawfully approved and protected according to State Bank of Vietnam in February, 2014. ^[38] Trading in bitcoin in Vietnam is still unrestricted and unregulated by law, and two</p>

largest bitcoin markets in Vietnam - VBTC and Bitcoin Vietnam are working without being restricted.

Know Your Customer (KYC) and AML Policy

At BAM we do not condone the use of our Products and Services for any form of illicit activities. Money laundering methods may appear in a variety of sophisticated forms. We will do our utmost to prevent and report any suspicious activities to the relevant legal authorities.

By using our Services, you agree that you do not use the Services to engage in any activity that is in connection with the following businesses, activities, practices, or items.

1. Operating as an unlicensed money transmitter, money service, payment service provider, e-money, or any other financial service business which requires licensure, including but not limited to exchanges of virtual currencies, sales of money orders or traveler's checks, and escrow services
2. Counterfeit products or any products or service that infringes upon the copyright, trademark, or trade secrets of any third party
3. Stolen goods
4. Narcotics, controlled substances, prescription and pharmaceutical services, drug paraphernalia, or any substances designed to mimic illegal drugs
5. Gambling, except in a permitted legal jurisdiction
6. Sports forecasting or odds making
7. Prostitution or illegal escort services
8. Violent acts toward self or others, or activities or item that encourage, promote, facilitate or instruct others regarding the same
9. Funding any of the items included on this Prohibited Businesses list
10. Extortion, blackmail, or efforts to induce unearned payments
11. Unlicensed sale of firearms and certain weapons
12. Engaging in deceptive marketing practices
13. Any business that violates any law, statute, ordinance or regulation.

You may not use your BAM Account to engage in the following categories of activity ("Prohibited Use"). By opening a BAM Account, you confirm that you will not use your Account to do any of the following:

1. Violate or assist any party in violating any law, statute, ordinance, regulation or any rule of any self-regulatory or similar organization of which you are or are required to be a member (for example, those laws, rules, or regulations governing financial services, controlled substances, or consumer protections);
2. Partake in a transaction which involves the proceeds of any unlawful activity;
3. Partake in any transaction involving online gambling except where permitted by BAM;
4. Defraud or attempt to defraud BAM or other BAM users;
5. Infringe upon BAM or any third party's copyright, patent, trademark, or intellectual property rights;
6. Provide false, inaccurate or misleading information;
7. Take any action that imposes an unreasonable or disproportionately large load on our infrastructure, or detrimentally interfere with, intercept, or expropriate any system, data, or information;

8. Interfere with another individual's or entity's access to or use of any of the Services;
9. Defame, abuse, harass, stalk, threaten or otherwise violate or infringe the legal rights (such as, but not limited to, rights of privacy, publicity and intellectual property) of others;
10. Publish, distribute or disseminate any unlawful material or information;
11. Transmit or upload any material to the website that contains viruses, Trojan horses, worms, or any other harmful deleterious programs;
12. Harvest or otherwise collect information from the Website about others, including without limitation email addresses, without proper consent;
13. Act as a payment intermediary or aggregator or otherwise resell any of the Services, unless expressly authorized by BAM in writing;
14. Transfer any rights granted to you under this Agreement;
15. Use the BAM Account information of another party to access or use the Website, except in the case of specific Merchants and/or applications which are specifically authorized by a user to access such user's BAM Account and information;
16. Otherwise attempt to gain unauthorized access to the Website, other BAM Accounts, computer systems or networks connected to the Website, through password mining or any other means;
17. Engage in transactions involving items that infringe or violate any copyright, trademark, right of publicity or privacy or any other proprietary right under the law.

PRIVACY POLICY

This Privacy Policy (the "Policy") is designed to assist you in understanding how we collect, use and safeguard personal information you provide to us when you use our services (the "BAM Services") offered on our website, www.bitgems.io ("our Website"). BAM values your personal privacy and adheres to the Personal Data Protection Act 2012 (PDPA). This privacy policy explains to you:

- What personally identifiable information is collected from you through our web site, how it is used and with whom it may be shared.
- What choices are available to you regarding the use of data and how you can correct any inaccuracies in the information.
- The security procedures in place to protect the misuse of your information.

Our Privacy Policy may change from time to time and all updates will be posted on this page. By using our Web site you consent to our collection and use of your Personal Information as described in this Privacy Policy Subject to your rights at law, you agree to be bound by the prevailing terms of this Privacy Policy as updated from time to time on our website.

In this Policy, "Personal Information" refers to any information, whether true or not, about an individual who can be identified from that information; or from that information and other information to which we have or are likely to have access, including information in our records as may be updated from time to time, and any other information relating to any individuals which you may have provided us from time to time in your interaction with us. Also, the terms "you," "your" or "user" shall refer to you, the user, and "BAM," "we", "us" or "our" shall refer to us, BitGem Asset Management Ltd, a BVI company.

1. COLLECTION OF PERSONAL INFORMATION

- When you visit our Web site you may provide us with two types of information: personal information you voluntarily choose to disclose that is collected on an individual basis, and information about you that is collected as you and others access our Website.

- Personal Information you voluntarily provide us: When you sign up on our site to use our online wallets, subscribe to our mailing list, place an order, or request for information, you may be asked to provide an email address, a mobile number, a credit card, a mailing address, a government ID, a photograph of yourself, a digital signature or any other relevant payment information such as your bank account details and routing numbers. In addition, if you choose to correspond further with us through email, we may retain the content of your email messages together with your email addresses and our responses.
- Information we gather about you from accessing our Website: When you access our Website for any reason whatsoever, we may collect information such as your IP address, your operating hardware, your software, browser information, and cookies that enable us to track and target your surfing habits on our site.

2. USAGE AND SHARING

- We use Personal Information for administering our business activities and to provide you with customer service, technical support, for audit purposes, and to notify you about improvements to our Website and new services we think you will find useful. More importantly, we collect Personal Information so as to mitigate the risk of fraud, identity theft or credit card theft. The Personal Information collected is used to identify any possible breach to your BAM Account, as well as to identify malicious software or activities that may harm BAM or its community of users.
- We take your privacy very seriously, and will only share your Personal Information if we are legally compelled to do so, particularly, in the following situations:
 - Suspicious transaction activities;
 - To meet any law, regulation, or governmental request from the BVI Courts only;
 - To comply with BVI anti-money laundering laws (AML). For further information on this, please see the BAM KYC & AML Policy page
 - Preventing and reporting fraud and illicit activity.

3. YOUR ACCESS TO AND CONTROL OVER PERSONAL INFORMATION

- You can do the following at any time by contacting us via the email address or phone number given on our website:
 - See what data we have about you, if any.
 - Change/correct any data we have about you.
 - Have us delete data we have about you provided you do not have a business relationship with BAM or BAM services
 - Express any concern you have about our use of your data.
 - You may opt out of any future contact from us at any time.

4. SECURITY

- We take precautions to protect your information. When you submit sensitive information via the Website, your Personal Information is protected both online and offline.
- Wherever we collect sensitive information (such as credit card data), that information is encrypted and transmitted to us in a secure way. This can be verified by the “closed lock” icon at the bottom of your web browser, or looking for “https” at the beginning of the address of the web page.
- While we use encryption to protect Personal Information transmitted online, we also protect your Personal Information offline. Only employees who need the Personal Information to perform a specific job (for example, billing or customer service) are

granted access to Personal Information. The computers/servers in which we store Personal Information are kept in a secure environment.

5. LINKS

- This website may contain links to other sites. Please be aware that we are not responsible for the content or privacy practices of such other sites. We encourage our users to be aware when they leave our site and to read the privacy statements of any other site that collects Personal Information.

6. GOVERNING LAW

- This Policy is governed by BVI law. If you have any questions or feedback relating to your Personal Information or our Privacy Policy, or would like to withdraw your consent to the use of your Personal Infor