



## SUMMARY OF THE CUSTODY POLICY

This is a summary of Coinmotion's Custody Policy, which ensures the appropriate custody and proper administration of crypto-assets and funds in accordance with the EU Regulation on Markets in Crypto-Assets (MiCA). The purpose of this summary is to provide customers with easily understandable information on the custody and administration of crypto-assets and funds by Coinmotion.

As Coinmotion is also licensed as a payment institution, it is also subject to the provisions of [maksulaitoslaki](#) (297/2010) and [maksupalvelulaki](#) (290/2010). This summary of the custody policy will also inform customers about the nature of the payment services Coinmotion provides in connection with its crypto-asset services.

## 1. CUSTODY AND ADMINISTRATION OF CRYPTO-ASSETS IN OUR SERVICES

Custody and administration means a service, where Coinmotion is safekeeping and controlling customer's crypto-assets or the means of access to them on behalf of the customer. Coinmotion provides three main services that involve custody and administration of crypto-assets:

1. Standard Crypto-Asset Services

These are Coinmotion's core services, allowing customers to store, exchange, and transfer crypto-assets. Coinmotion independently handles the custody and administration of these crypto-assets without outsourcing.

2. Expansion Service

This service offers access to a wider range of crypto-assets. For this service, Coinmotion uses Bitpanda GmbH as an outsourcing partner to handle custody and administration, but remain responsible for its customers.

3. OTC Service

This service is designed for high-net-worth customers for large crypto-asset transactions. Coinmotion typically manages custody of crypto-assets independently. However, Coinmotion may use external partners if necessary, and is then safekeeping and controlling the access to crypto-assets on behalf of the customer.

## 2. SAFEKEEPING AND RECORD-KEEPING OF CUSTOMER'S CRYPTO-ASSETS

The safekeeping of customer's crypto-assets is a primary obligation of Coinmotion when providing custody and administration of crypto-assets. Thus, Coinmotion has thoroughly

documented all the actions taken in a separate policy, ensuring assets are securely stored, and provided this also to the supervisory authority.

The safekeeping of customer's crypto-assets can generally be divided into two key areas:

1. Protection of funds from fraudulent attempts.
2. Safeguarding assets against Coinmotion's potential insolvency and to prevent the use of customer's crypto-assets for Coinmotion's own account

To protect customer's crypto-assets from fraudulent attempts, we have taken following actions:

- The key measure Coinmotion uses for safeguarding is the use of crypto-asset wallets that contain only customer's crypto-assets, keeping them separate from Coinmotion own crypto-assets. Access to these crypto-asset wallets is restricted to a limited number of employees, all of whom are trained for this responsibility.
- When utilizing these crypto-asset wallets, Coinmotion strives to keep at least 95–98% of all crypto-assets stored in the Custody Service in cold wallets (offline) at all times, retaining only the amount necessary for executing transfers and trades in hot wallets (online). The sole exception to this rule is USDC, which is held fully in hot wallets.
- Coinmotion secures the crypto-assets held in both cold and hot wallets through continuous monitoring, various security measures, and internal processes, such as access restrictions and the so-called four-eyes principle.

To protect customer's crypto-assets against the potential insolvency of Coinmotion and to prevent the use of customer's crypto-assets for their Coinmotion's own account, we have taken following actions:

- In Coinmotion's terms of service, we have agreed with the customer that we are only permitted to custody their crypto-assets (i.e., they are not transferred to us as our own assets). Hence, Coinmotion does not include customers' crypto-assets in its own accounts.
- Coinmotion maintains a detailed register of positions for each customer, accurately tracking all crypto-asset holdings and transactions to reflect each customer's rights in the crypto-asset wallet containing their assets.
- This internal book-keeping is updated in real time, allowing us to determine each customer's crypto-asset holdings with accuracy and transparency.
- Therefore, if Coinmotion would face insolvency, customers' crypto-assets would not be part of the Coinmotions bankruptcy estate.
- As described above, only selected employees have access to customers' crypto-assets, and they are all trained to use them solely when the customer wishes to sell them.

Additionally, our bookkeeping practices are designed to detect any unpermitted use of customers' crypto-assets.

For further details, see also the information behind this [link](#).

### 3. OUR PAYMENT SERVICES

In addition to crypto-asset services provided to customers by Coinmotion, Coinmotion is also licensed as a payment institution. Thus, in relation to its crypto-asset services, Coinmotion provides the following payment services to customers:

1. Payment account
  - Payment account means the funds account in Coinmotion's service where customers can hold euros. These funds can be used, for example, to purchase crypto-assets from Coinmotion.
2. Execution of payment transaction
  - Coinmotion provides execution of payment transactions if the customer submits an order for a payment transaction within the service using euros from their payment account. For example, payment transactions can be executed if a customer wishes to pay utility bills using euros held in Coinmotion's service.

**These services are provided directly by Coinmotion.**

Since Coinmotion provides payment accounts as a payment institution, it cannot lend customer funds to third parties (unlike banks, which can). **Instead, Coinmotion is required to deposit customer funds in a credit institution, a bank or central bank by the end of the business day following the day the funds are received.**

To comply with this rule, Coinmotion holds customer funds in dedicated accounts at banks within the EEA. These accounts are separate from Coinmotion own funds, ensuring that customer money is protected and never mixed with Coinmotion's operational funds. Coinmotion also maintains a register of positions of each customer's euro funds to reflect each customer's rights to their assets.

### 4. OTHER INFORMATION PROVIDED TO CUSTOMERS

Coinmotion is committed to transparency and in addition to this summary of the custody policy, we provide our customers with the following information related to custody and administration of crypto-assets:

- Contractual terms for crypto-asset services and payment service

- Customers can access the terms of each service electronically before they start using them.
- The terms are also always available on our [website](#).
- Statements of position
  - In Standard Crypto-Assets Service and Expansion Service, customers can download a statement of position about their crypto-assets, detailing balances, values, and transfers, whenever they want from Coinmotion platform's "Reporting"-section
  - In OTC Service, Coinmotion will provide, in electronic form, a statement of position every three months and always when requested by the customer.
- Marketing transparency
  - Coinmotion clearly indicates who handles custody and administration for each service, ensuring customers understand how their assets are managed.

## **5. LIMITATION OF LIABILITY**

Coinmotion is liable for the loss of any customer crypto-assets or access to them if the loss is attributable to Coinmotion's actions. However, this liability is capped at the market value of the asset at the time of the loss. Coinmotion is not liable for incidents beyond its control, such as e.g. inherent issues with the blockchain or distributed ledger technology.

This liability provision is taken into consideration contractually in between Coinmotion and its clients. The terms will outline the extent of Coinmotion's liability and the circumstances under which Coinmotion is not liable, ensuring that customers are fully informed of the liability framework and their rights in the event of a loss of crypto-assets.

Since Coinmotion keeps a detailed internal book-keeping about the crypto-asset holding for each of its customers, Coinmotion is always able to determine the total amount of liability towards its customers, in the case where the loss is attributable to Coinmotion's actions.

## **6. OUTSOURCING AND THIRD-PARTY SERVICES**

When Coinmotion outsources custody services or works with third parties, it ensures these providers comply with MiCA. Outsourced activities are, for the time being, limited to Expansion Service, where custody and administration services are outsourced to Bitpanda GmbH in Austria.

Coinmotion ensures that any third-party service providers involved in crypto-asset custody meet regulatory standards to protect customer assets.

For clarity, when providing custody and administration service, Coinmotion remains responsible to customers for any outsourcing arrangements and third-party service providers.

## **7. CUSTOMER AUTHENTICATION**

Customer authentication requires strong customer authentication (SCA) with TUPAS or mobiilivarmenne (mobile authentication) in the following situations:

- Registering into the service
- Logging into the service
- Communication with Coinmotion
- Use of crypto-asset services
- Use of rights related to crypto-assets

## **8. QUESTIONS?**

Do you have questions about custody and administration of your crypto-assets? Please be in touch via email to [info@coinmotion.com](mailto:info@coinmotion.com) or by contacting customer support.