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Crypto assets Q&A

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Which crypto assets can be traded and stored via Bank Frick?

Our service offering currently includes Bitcoin (BTC), Bitcoin Cash (BCH), Litecoin (LTC), Ethereum (ETH), NEM (XEM), Qtum (QTUM), Stellar (XLM) and the stablecoin USD Coin (USDC). The selection is expanded on an ongoing basis. We are currently evaluating whether to add ERC20 tokens to the selection, based on the number of requests. We do not publish a binding inclusion list.

Why does Bank Frick only offer services for a limited selection of crypto assets?

Both the trade and custody of crypto assets harbour a large number of risks which are not comparable with those of traditional asset classes. Bank Frick has set itself the task of facilitating simple and highly secure access to these markets for its clients, while at the same time minimising the risk for clients as much as possible.

When looking into expanding the existing offering, Bank Frick considers numerous criteria, among them ethical principles.

For instance, Bank Frick only trades crypto assets with carefully selected key partners (brokers or exchanges) that have a banking relationship with Bank Frick. This significantly reduces settlement risk for clients. We must also make sure that the clearing of corresponding crypto assets is duly guaranteed to be automated, reliable and in line with our requirements. Bank Frick does not hold any crypto assets in hot wallets and must therefore have a special agreement with every counterparty before a trading line can be established.

Bank Frick places great emphasis on personal contact with marketplace leaders before a business relationship is commenced.

What are the benefits of trading through Bank Frick?

Bank Frick carries out the payment in advance process. Our clients do not have to make any payments in advance when buying crypto assets. They receive a direct execution price – the traded crypto assets are either credited to or taken from their bank custody account and the equivalent is settled through the currency account.

When the assets are sold, they are not transferred to a crypto exchange first as usual; instead, they are essentially sold directly from cold storage at Bank Frick. This ensures the security of your assets at all times.



The crypto assets are held in a cold storage wallet at all times. This means that Bank Frick controls access with private keys in a highly secure environment and ensures that the assets are segregated. If a broker or exchange goes bankrupt, Bank Frick clients do not have to worry about any losses or costs in relation to asserting their claims.

How are crypto assets booked?

Crypto assets are given internal identification numbers and then opened as securities in the core banking system. Booking takes place via the client's securities custody account and the corresponding settlement account. The transaction value in fiat currency (e.g. USD, CHF or EUR) is either credited or debited to the corresponding currency account, while the crypto assets are taken from or booked to the securities custody account.

How are crypto assets valued?

Crypto assets (internal securities) are revalued at least once a day. To do this, the execution prices from relevant trading exchanges are used to calculate a mean value at the reference time. The crypto assets are valued in the client's securities custody account at this mean value.

Can I trade crypto assets against each other?

Trading must be processed between crypto assets and fiat currencies for the time being. Bank Frick is examining the technical and organisational requirements for offering trades between crypto assets in future.

Are client holdings of crypto assets actually deposited?

Yes, all client holdings are covered completely at all times. Bank Frick does not run any proprietary positions for speculation purposes.

Against which fiat currencies can I trade crypto assets?

We normally trade with our third parties (exchanges/brokers) against USD. As a client of Bank Frick, you can usually have your trading activities in crypto assets settled against any freely deliverable currency – we can execute any foreign exchange trading for you.

How do I place my orders?

Our clients place orders via online banking or using a special order form (sent as a scan by e-mail to cryptotrading@bankfrick.li). Trading can take place every bank working day between 8 a.m. and 6 p.m. (CET).

What types of orders are possible?

For technical and organisational reasons, only market and limit orders can currently be placed.

Is intraday trading possible for crypto assets?

Bank Frick offers intraday trading for crypto assets. Trading can take place every bank working day between 8 a.m. and 6 p.m. (CET).

Does Bank Frick accept crypto assets?

Existing clients can deposit legally acquired crypto assets at Bank Frick. This is possible only after a thorough review in line with regulatory and internal requirements of Bank Frick has taken place. A minimum equivalent value applies for the initial deposit of crypto assets.



How does storage work?

All crypto assets that Bank Frick holds for clients are stored on a hardware secure module (HSM). The HSM allows the private key to be held in the cold storage wallet. The benefit of using cold storage is that the private key can be stored offline, thus protecting it against hacking attacks. If the HSM is used to access the assets, the private key never leaves the HSM. The system is based on the principles of a defence-in-depth security system that guarantees protection against human error and abuse through insider access. This type of cold storage is currently one of the most secure storage methods for crypto assets.

Furthermore, Bank Frick has suitable preventive measures and countermeasures in place in the event of defective HSM hardware.

Are the crypto assets insured?

Due to risks involved in trading or holding crypto assets, Bank Frick is utilizing a HSM solution covered with a dedicated crime insurance policy and opted to additionally provide a crime as well as errors and omissions insurance coverage next to firmly established internal control systems to protect the clients' funds.

Can I have crypto assets bought through Bank Frick delivered to my own wallet?

Generally speaking, the client has the right to request the delivery of crypto assets to a wallet that is not controlled by the Bank. This is possible only after a thorough review in line with regulatory requirements and the internal requirements of Bank Frick has taken place.

I would like to trade crypto assets for which Bank Frick does not currently offer any trading.

Can I do that?

Bank Frick offers a variety of crypto assets. If you wish to trade in crypto assets that are not included within Bank Frick's offering, please contact your personal advisor.

Can crypto assets be securitised through Bank Frick?

Yes. We have an extensive offering regarding the development of certificates and fund solutions. We would be happy to help you structure an individual product.

Who are Bank Frick's target clients? Are there any restrictions?

The range of services is primarily geared towards intermediaries and professional investors. These are, for example, asset managers, fund management companies, banks, family offices, trust companies, insurance companies, law firms, high-net-worth individuals (HNWIs) and other professional investors.

Service providers and market participants in the areas of initial coin offerings (ICOs), the issuing business, blockchain technology and/or trading in crypto assets (such as crypto exchanges) are also included here.

The geographic focus is mainly geared towards clients or business models from the European Economic Area (EEA) and Switzerland. The range of services for ICOs is limited to companies based in Switzerland and Liechtenstein.

We are extremely cautious about accepting new client business from outside the defined core markets. Due to internal guidelines, we cannot open client relationships with a US connection (this applies to US persons who are beneficiaries or authorised signatories).



In which currencies and geographic zones can Bank Frick carry out payment transactions? Are there any restrictions?

Payments in all deliverable currencies can normally be executed, provided that the payment transaction takes place with a financial institution in the EEA or in a third country with equivalent regulation (such as Switzerland or Singapore).

However, as payments with a crypto connection often involve time-consuming checks from the correspondent bank network, different fee rates are sometimes used per currency (see schedule of fees for crypto assets).

Does Bank Frick offer services for non-European funds?

Yes, but under the strict condition that the legal representative (normally fund administrator) is domiciled in a third country with equivalent regulation.

Who are Bank Frick's business partners in the area of funds and crypto assets?

We use the services of an ever-growing selection of brokers, exchanges and OTC Desks. On the other hand, we offer the same market participants relevant banking services for their business operations.

Are there special safe custody regulations for crypto asset storage?

Yes. The document is given to our clients as part of the account-opening process.

In the case of an insolvency, what will happen with the crypto assets stored with Bank Frick?

Under the terms of Liechtenstein's current legal framework, any client crypto assets would not be counted among the insolvency assets if the Bank were to become insolvent. As a result, in respect of crypto assets there would generally be a claim for separation and recovery of assets in the case of the Bank's insolvency.

Does Bank Frick offer trading in crypto futures?

You can trade in crypto futures and options with Bank Frick. Crypto derivatives are only traded on regulated markets.

The charges for client relationships with a crypto connection are higher compared to traditional banking services. Why is that?

Careful custody in the cold storage system, secure settlement of trading transactions and the development of processes as well as hardware and software solutions are very time-consuming and expensive.

The security of client assets is our main concern at all times, and we are constantly working to keep security at the highest possible level for our clients.



How is Bank Frick affected by the Blockchain Act in Liechtenstein?

Bank Frick welcomed Liechtenstein's decision to set out a framework by implementing its own act as of 1 January 2020, the Liechtenstein Law on Tokens and TT Service Providers (Token and TT Service Provider Act, hereinafter referred to as the "Blockchain Act"). Bank Frick was the first company in Liechtenstein to receive four licences as a result of the Blockchain Act. Bank Frick is registered with the Financial Market Authority (FMA) Liechtenstein as an official token producer (technical production of tokens), TT token custodian (token custodian), token issuer and TT identity service provider. More information on the Blockchain Act can be found on the Bank Frick [Blockchain Act landing page](#).