

## 5.2 Carbon Credits

### 1. Preliminary Actions

- ❑ A. Selection of Carbon Credit Projects: Identify eligible carbon reduction projects for tokenization.
- ❑ B. Verification and Validation: Ensure the carbon credits are verified and validated by recognized environmental standards.
- ❑ C. Compliance with Environmental Laws: Adhere to international and local environmental laws and regulations.
- ❑ D. Understanding Carbon Markets: Familiarize with the regulatory framework of carbon markets and emissions trading schemes.

*Responsibility: Carbon Credit Owner*

### 2. Creation of Tokenization Whitepaper

Develop a detailed whitepaper outlining the carbon credit tokenization project, including project details, token structure, rights of token holders, environmental impact, and legal considerations.

*Responsibility: Team HYFI*

### **3. Establishment of Legal Structure**

- ❑ A. Legal Entity Setup: Form a legal entity to hold the carbon credit assets.
- ❑ B. Legal Relationship Definition: Clearly define the relationship between the entity and the token holders.

*Responsibility: Carbon Credit Owner*

### **4. AMA (Ask Me Anything) Session with Core Team**

Host a session for potential investors to engage with the project team and ask questions.

*Responsibility: Team HYFI and Carbon Credit Owner*

### **5. Tokenization Process**

- ❑ A. Token Development: Create tokens representing shares in the carbon credit project on suitable blockchains like HYFI, Ethereum, Binance, or Polygon.
- ❑ B. Token Quantity and Valuation: Decide on the total number of tokens and their individual value.

- ❑ C. Smart Contract Creation: Implement smart contracts for ownership, transfer, and revenue distribution.
- ❑ D. Token Distribution Strategy: Plan for private sales, public offerings, and investor categories.
- ❑ E. Listing on Marketplaces: Make tokens available on the HYFI Asset Marketplace and digital asset exchanges.

*Responsibility: Team HYFI (Costs covered by Carbon Credit Owner)*

## **6. Marketing and Promotion**

Develop and execute a marketing strategy to attract investors through various channels.

*Responsibility: Team HYFI (Costs covered by Carbon Credit Owner)*

## **7. Token Sale Launch**

Conduct the token sale, ensuring a transparent and compliant process.

*Responsibility: Team HYFI*

## **8. Post-Sale Management and Reporting**

Manage the tokens post-sale and provide regular reports to token holders on the project's environmental impact and other updates.

*Responsibility: Team HYFI (Training for Carbon Credit Owner's team)*

## **9. Secondary Market Facilitation**

Assist in trading tokens on secondary markets to enhance liquidity.

*Responsibility: Team HYFI (Training for Carbon Credit Owner's team)*

## **10. Ongoing Compliance and Management**

- A. Continuous Legal and Regulatory Compliance: Ensure adherence to evolving environmental laws and carbon market regulations.
- B. Project Management: Oversee the carbon credit project and distribute returns to token holders, if applicable.

*Responsibility: Carbon Credit Owner*