
ZimX

11. Transparency and Reserves

This section describes the reserve backing framework, custody arrangements, and transparency mechanisms designed for the ZimX ecosystem.

Operational Status

No reserves have been established and no ZiGX tokens have been issued at the time of writing. All descriptions represent design intent, subject to custody onboarding, regulatory permission, and operational readiness.

11.1 Reserve Backing Framework

Full Collateralisation Design

ZiGX is designed as a reserve-backed digital settlement instrument with the following characteristics:

Reserve Standard: - Every circulating ZiGX designed to be backed by ≥100% USD equivalent - No fractional reserve or under-collateralisation - Over-collateralisation target: 102-105% to provide stability buffer - Regular rebalancing to maintain optimal composition

Reserve Composition (Intended): - USD deposits in regulated custody accounts - Institutional-grade stablecoins (e.g., USDC) - Cash equivalents (short-term Treasury securities) - Diversified across multiple custody arrangements

Minting Controls

ZiGX minting is designed to occur only against verified reserve deposits:

1. USD or stablecoin value deposited into institutional custody
2. Deposit verification and compliance documentation completed
3. ZiGX minted at exact 1:1 ratio to verified deposit
4. Dashboard updated reflecting new supply and reserves
5. Independent verification of backing available

Minting Authority: - Only ZimX treasury can authorise ZiGX minting - Verified reserve deposit required before minting - Multi-signature approval for minting operations - Complete audit trail for all minting events

Supply Management

Maximum Supply Cap: 1,000,000,000 ZiGX

- Supply cannot exceed reserve backing at any time
- No hidden mint functions
- No administrative supply manipulation
- Transparent on-chain supply tracking

11.2 Custody Arrangements

Third-Party Institutional Custody

ZimX Finance does not custody customer assets or reserve funds. Reserve assets are designed to be held with third-party institutional custodians.

Custody Structure (Intended): - Core reserves with regulated institutional custodian - Multi-signature governance controls - Cold storage for majority of holdings (80-90%) - Hot wallets for operational liquidity only (10-20%)

Custodian Selection Criteria: - Regulated status in applicable jurisdictions - Institutional-grade security infrastructure - Insurance coverage for custody risks - Track record of operational reliability

Custody Status

No custody arrangements are finalised at the time of writing. Custody onboarding is subject to: - Successful due diligence by

potential custodians - Acceptable commercial terms - Regulatory approval for custody arrangements - Technical integration readiness

Failure to secure appropriate custody arrangements would prevent ZiGX issuance.

11.3 Time-Locked Reserve Structure

2030 Reserve Lock Design

Initial reserves from community round proceeds are designed to be secured with institutional custody through 2030.

Structure: - Intended initial allocation: $2,500,000 from community round - Held with third-party institutional custodian - Multi-signature governance with time-locks - Not accessible unilaterally before 2030

Rationale: - Aligns with Zimbabwe Vision 2030 timeframe - Demonstrates long-term commitment beyond typical token cycles - Provides stability foundation for institutional trust - Creates predictable reserve base for multi-year operation

Post-2030 Process: - Community governance designed to decide next steps - Options may include: extension, gradual unlock, restructuring - Decision based on ecosystem maturity and stakeholder input - Transparent process with regulatory consultation

11.4 Treasury Security

Multi-Signature Controls

All reserve operations are designed to require multi-signature approval:

- Minimum 3-of-5 signature requirement for major operations
- No single party can move reserves unilaterally
- Geographic and organisational distribution of authorised signers
- Transparent log of all signing events and approvals

Authorised Signer Categories (Intended): - Core team leadership - Board member representatives - Third-party custodian representative - Independent security advisor - Emergency backup signers with enhanced protocols

Time-Locked Operations

Large treasury movements designed to be subject to delays:

- Major movements (>$100,000) subject to 48-72 hour time-lock
- Provides window for community and regulatory review
- Transparent countdown timers visible on dashboards
- Emergency override requires enhanced authorisation (4-of-5 or 5-of-5)

Operational Safeguards

- Hardware wallet signing devices for maximum security
- Geographically distributed signers prevent single point of failure
- Regular security audits of signing procedures
- Incident response protocols for compromised keys

11.5 Transparency Infrastructure

ZimX Vault — Public Dashboards (Intended)

Reserve Dashboard: - Real-time total reserve balance (USD equivalent) - Circulating ZiGX supply - Backing ratio (designed to always be ≥100%) - Reserve

composition breakdown - Historical reserve levels and trends

Supply Dashboard: - Total ZIMX supply (fixed at 1 billion) - Circulating vs locked supply breakdown - ZiGX minted supply vs maximum cap - Token distribution across categories - Vesting schedules and unlock timelines

Treasury Dashboard: - Platform treasury holdings - Multi-signature approval logs - Time-locked transaction queues - Treasury allocation to ecosystem initiatives - Governance proposal and voting results

On-Chain Verification (Intended)

Proof-of-Reserves Design: - Smart contract-based reserve verification - Custody wallet addresses published and trackable - Merkle tree proofs for reserve backing - Real-time on-chain validation capability - Third-party verification tool integration

11.6 Audit Programme

Independent Audit Framework

Smart Contract Audits: - ZIMX contracts: Dual independent audit process - ZiGX contracts: Triple audit process (higher sensitivity) - All findings addressed before deployment - Public disclosure of audit reports

Audit Partners (Engaged/Planned): - Hacken: Smart contract security and reserve audits - PeckShield: Technical architecture assessment - CertiK: Comprehensive security evaluation

Reserve Audits (Intended Post-Operation): - Quarterly independent reserve audits - Reserve composition verification - Backing ratio attestation - Public disclosure of all audit results

Audit Status

At the time of writing: - Smart contract audits commissioned and in progress - No reserve audits completed (reserves not established) - Deployment gated on audit completion and remediation

11.7 Regulatory Reporting

Oversight Design (Intended)

The platform is designed to support regulatory oversight:

Regulatory Reporting Capabilities: - Data feeds supporting supervisory review - Transaction monitoring interfaces - Reserve verification access - Compliance reporting generation

Transparency for Regulators: - On-demand access to reserve and transaction data - Alert mechanisms for material events - Incident reporting procedures - Regular compliance attestations

Regulatory Status

No regulatory oversight portals are operational at the time of writing. Regulatory reporting capabilities are subject to: - Regulatory sandbox admission - Supervisory requirements definition - Technical integration with regulatory systems - Ongoing regulatory dialogue

11.8 Non-Yielding Design

Settlement Instrument, Not Investment

ZiGX is designed as a settlement instrument, not a yield-generating investment:

- Does not generate interest or yield
- Does not appreciate beyond peg maintenance

- Reserves are not invested for profit generation
- No interest income retained by ZimX Finance

Reserve Treatment: - Reserves are fully segregated and safeguarded - Not treated as revenue-generating balance sheet component - Not lent, invested, or rehypothecated - No reserve income assumed or relied upon in business model

This approach reflects regulatory expectations for fiat-backed settlement instruments used in payments.

11.9 Risk Factors

Reserve and Custody Risks

- Custody provider failure could affect reserve accessibility
- Insurance coverage may not cover all loss scenarios
- Reserve composition changes may introduce new risks
- Currency or instrument devaluation could affect backing

Peg Maintenance Risks

- Market conditions may stress peg stability
- Liquidity constraints may affect redemption processing
- Extreme market events may require operational intervention
- Over-collateralisation buffer may be insufficient in stress scenarios

Operational Risks

- Smart contract vulnerabilities may affect reserve mechanisms
- System failures may affect transparency dashboard accuracy
- Key person dependencies exist in treasury operations
- Audit delays may affect transparency schedules

11.10 Disclaimers

Reserve Design, Not Guarantee:

- All reserve descriptions represent design intent
- Reserve establishment depends on custody onboarding
- Peg maintenance depends on reserve adequacy and market conditions
- No guarantee of redemption at any specific value

Transparency Design, Not Current State:

- Dashboards and verification tools are not yet operational
- Audit results not available until audits completed
- Regulatory reporting depends on supervisory requirements
- All transparency features subject to technical implementation

The reserve framework is designed for full collateralisation, third-party custody, and public transparency. ZimX Finance does not custody customer assets. All functionality is conditional on custody onboarding, audit completion, and regulatory permission.