Know Your Asset (KYA)

BiPS

A Fixed-Supply Digital Asset, for the storage and transfer of value across blockchain networks.

Background

This paper has been prepared by Moneybrain to help explain the regulatory status of BiPS and the legal framework underpinning its operation.

It has been prepared by the Moneybrain team, in conjunction with its team of advisors.

This document is provided for informational purposes only. It does not constitute legal, tax or regulatory advice. The classification and treatment of BiPS may change as legislation, regulation and case law develop, and readers should obtain jurisdiction-specific advice before relying on this paper.

This paper reflects the authors' current understanding of the UK and selected international legal and regulatory position as at July 2026, and should be read in light of ongoing legislative and regulatory developments, including the UK cryptoasset regime due to take effect in stages up to 25 October 2027.

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1. What is BiPS?

1.1. BiPS is a fixed-supply digital asset operating on decentralised blockchain infrastructure. It is designed for the storage and transfer of value across blockchain networks. Its market value is determined by supply and demand in the relevant market.

1.2. It is a fixed-supply digital asset because:

1.2.1. It is a cryptographically secured digital representation of value that uses distributed ledger technology and can be transferred, stored or traded; and

1.2.2. It is not issued, redeemed or guaranteed by any central authority. The BiPS Foundation may hold treasury assets for ecosystem development and liquidity support; however, token holders have no claim, entitlement or expectation of benefit from those assets.

1.3. 500,000,000 BiPS Tokens were mined on the Ethereum Network, October 2018. No further tokens will ever be mined as per the 'Smart Contract'.

2. What BiPS is not.

2.1. Based on the features described in this paper, BiPS is not intended to constitute a security token, stablecoin or electronic money under current UK law. This conclusion is based on the present design and functionality of BiPS and may need to be revisited if those features or the applicable law change. This is because BiPS:

2.1.1. BiPS does not appear to meet the definition of a specified investment within the meaning of the RAO. It does not give holders rights equivalent to shares, including voting rights, dividend rights, profit participation or rights to capital on a liquidation event. Holders have no ownership, beneficial interest or claim over assets held by or for the BiPS Foundation, and no rights to income, profits, distributions or liquidation proceeds.

2.1.2. BiPS does not give the holder any similar rights to shares, like rights to vote, access profits, dividends or the distribution of capital on a liquidation event. The holder of BiPS has no ownership, beneficial interest, or claim over any assets acquired by or held on behalf of the BiPS Foundation, and no rights to income, profits, distributions, or liquidation proceeds. which is explained in paragraphs 5 and 6 below.

2.2. BiPS may be used within the Moneybrain ecosystem for functions including transfer, collateralisation and liquidity participation. However, such functionality does not of itself confer any contractual rights, entitlement to services or expectation of reward or profit.

2.3. BiPS is not intended to be a stablecoin because it is not pegged to, or backed by, fiat currency or other assets for the purpose of stabilising its value.

BiPS is not intended to be electronic money because it is not centrally issued on receipt of funds and does not represent a claim against an issuer.

2.4. It is not Electronic Money. This is because BiPS, amongst other things, is not centrally issued on the receipt of funds, nor does it represent any claim against any issuer.

3. Evolution of the BiPS Ecosystem

BiPS originated as part of the MoneybrainBiPS.ETH initiative, which established the initial community, governance framework and token distribution. That phase of the project provided the foundation for the development of the BiPS ecosystem.

The BiPS Foundation has subsequently assumed responsibility for stewardship of the BiPS protocol and ecosystem. While recognising its historical origins, BiPS should now be understood as an independent digital cryptoasset supported by the Foundation's governance framework and operating independently of the original MoneybrainBiPS.ETH initiative.

References to MoneybrainBiPS.ETH within this document are provided solely for historical context and should not be interpreted as implying that BiPS represents a legal interest in, claim upon, or continuing governance relationship with that historic organisation.

4. Regulatory Classification (2026 Update).

Based on the facts set out in this paper, BiPS is not intended to fall within the UK category of security token. However, the regulatory treatment of cryptoassets and related activities continues to evolve, and activities involving BiPS may become subject to additional FCA requirements as the UK regime is implemented. BiPS is also intended to operate independently of any central issuer obligation, and its value is determined by market supply and demand.

BiPS does not confer ownership rights, income rights, redemption rights, or governance rights.

BiPS operates independently of any central issuer obligation, and its value is determined solely by market supply and demand.

5. What is the legal status of the BiPS Foundation?

5.1. The BiPS Foundation is a company limited by guarantee.

5.2. It may hold and deploy treasury assets for ecosystem development, infrastructure, liquidity and the advancement of its objectives. The existence or deployment of those assets does not create any ownership, redemption or other proprietary rights in favour of BiPS holders, and does not constitute a guaranteed price, peg or redemption mechanism.

5.3. Its objectives include the education of the public, and in particular users of the BiPS digital asset, in relation to distributed ledger technologies and decentralised digital assets; and the accessibility, speed and security of distributed ledger technologies and decentralised digital assets. The BiPS Foundation operates independently of token holders and does not act on their behalf. Its activities do not create rights, claims or expectations for token holders, and it does not owe fiduciary or contractual obligations to them unless expressly stated otherwise.

6. A distinct third category of personal property.

6.1. The authors note the Law Commission's recognition that digital assets may fall within a distinct third category of personal property and consider that BiPS is capable of being analysed consistently with that developing legal framework in England and Wales. Download the consultation paper here.

6.2. Regulatory Perimeter Assessment.

BiPS has been assessed against the principal categories of cryptoassets recognised within major regulatory frameworks, including those established under UK legislation and the European Union's Markets in Crypto-Assets (MiCA) Regulation. Based on its design and governance characteristics, BiPS does not exhibit the defining features of:

- electronic money or electronic money tokens;
- asset-referenced tokens or stablecoins;
- securities or financial instruments;
- collective investment schemes; or
- deposits or other regulated banking products.

BiPS is a fixed-supply digital cryptoasset that exists independently on a public blockchain. It is not designed to maintain stable value, is not backed by or redeemable for any fiat currency or basket of assets, and does not confer ownership, creditor rights, profit participation or governance rights over the Foundation or any other legal entity.

Accordingly, BiPS should be understood as a standalone digital cryptoasset whose regulatory treatment depends upon the applicable jurisdiction and the activities undertaken by market participants, rather than falling automatically within any single regulated token classification

6.3. MoneybrainBiPS.ETH fully supports the global adoption and work towards global regulation of crypto-assets that are not currently regulated by existing financial services legislation.

7. No Expectation of Profit.

7.1. Holders of BiPS should not expect profits to arise from the managerial or entrepreneurial efforts of any central entity, including the BiPS Foundation. BiPS does not represent shares, debt, a contractual entitlement to income, or a legal or beneficial interest in the assets of the BiPS Foundation.

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8. Classification.

Regulatory terminology and legal classification differ between jurisdictions. BiPS may therefore be treated differently for legal and regulatory purposes in different countries without changing its underlying technical characteristics. Users and counterparties should obtain jurisdiction-specific advice before relying on this document.

Reference documents

United Kingdom Regulatory Framework

- Financial Conduct Authority (2026, updated ongoing)
  Guidance on Cryptoassets, Consultation Paper (FG19/3)
  https://www.fca.org.uk/publications/policy-statements/cryptoasset-regime

- Financial Conduct Authority (2023-2025)
  Cryptoasset Financial Promotions and Consumer Guidance
  https://www.fca.org.uk/consumers/cryptoassets

- HM Treasury (2023-2025)
  Future Financial Services Regulatory Regime for Cryptoassets https://www.gov.uk/government/publications/future-financial-services-regulatory-regime-for-cryptoassets

- Financial Services and Markets Act 2000 (Regulated Activities) Order 2001
  https://www.legislation.gov.uk/uksi/2001/544

Legal Classification of Digital Assets

- Law Commission of England and Wales (2023) Digital Assets: Final Report
  https://lawcom.gov.uk/project/digital-assets-and-electronic-trade-documents-in-private-international-law/

International Regulatory Frameworks

- U.S. Securities and Exchange Commission (2019, ongoing application)
  Framework for "Investment Contract" Analysis of Digital Assets
  https://www.sec.gov/corpfin/framework-investment-contract-analysis-digital-assets

- European Union (2023)
  Markets in Crypto-Assets Regulation (MiCA)
  https://eur-lex.europa.eu/eli/reg/2023/1114/oj

- Bank for International Settlements (ongoing)
  Cryptoasset Policy and Risk Frameworks
  https://www.bis.org

Taxation

- HM Revenue & Customs (live guidance)
  Cryptoassets Manual
  https://www.gov.uk/government/collections/cryptoassets-manual

Background and Financial Reports

- UK Cryptoassets Taskforce (2018)
  Final Report https://assets.publishing.service.gov.uk

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