



## **Due Diligence - IN Covid CryptoRelief Fund**

The IN Covid CryptoRelief fund was established to serve as a platform for gathering contributions and aiding selected designated charitable organizations dedicated to assisting the general population of India in mitigating the medical, social, and economic consequences of the Covid-19 pandemic, particularly during its widespread outbreak in India. For this purpose and to expedite the setup of the fund, the collection of donations and the provision of support, the IN Covid Support FZE LLC (“**IN Covid**”) was established in the free zone of Ajman, United Arab Emirates.

IN Covid instructed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (“**PwC**”) to perform an assessment on the setup, structure, governance, processes, controls and holdings of IN Covid through a multidisciplinary review team.

### **PwC engagement and scope of assessment**

PwC’s evaluation covered a comprehensive thematic spectrum, encompassing a targeted assessment of IN Covid’s corporate governance, legal and regulatory setup as well as compliance processes. Furthermore, the review team conducted a financial and technical due diligence pertaining to crypto-assets and associated processes as applied by IN Covid. The review entailed a close assessment of the documents and materials provided by IN Covid to PwC for review. PwC also engaged in sessions with the IN Covid management team and took part in expert calls to ensure the effectiveness of the due diligence process. The assessments were executed with a focus on transparency, compliance, and financial integrity.

#### **a) Corporate Governance, Legal & Regulatory Setup & Compliance**

The PwC assessment of IN Covid's legal setup encompassed the assessment of its constitutive documents, internal guidelines and corporate governance arrangements. In light of IN Covid’s ongoing charitable efforts, PwC also reviewed IN Covid’s material agreements with existing participating charitable organizations. PwC furthermore conducted a review of the processes applied to funding of respective selected charitable organizations involved.

The analysis of the funding process involved the review and assessment of the selection criteria used for the recipient charitable organizations, the agreements IN Covid had in place with each organization governing the use of the funds as well as the interim or final confirmations received from the participating charities confirming the disbursement and use of the funds as intended. This review was achieved through a combination of desk-based document reviews and selected interviews with key internal stakeholders of IN Covid.

In order to enhance the efficiency and transparency of the application process for charitable organizations and ensure appropriate governance, PwC suggested introducing compliance and donation policies. Additionally, as IN Covid was based in the Ajman Media City Free Zone in the United Arab Emirates at the time of the review, PwC advised considering relocating to a



different jurisdiction aligned with the entity's strategic goals. To achieve this, establishing a foundation in a suitable country was proposed.

**b) Financial due diligence of crypto-assets and processes**

In the PwC examination of financial transactions, PwC scrutinized the proper documentation of asset transfers between the CryptoRelief Fund and donors, as well as funds provided to recipient NGOs. PwC also verified the proof of receipt by NGOs and, where applicable, the proof of purchase of goods, along with assessing the completeness of documentation.

Furthermore, PwC reviewed all other expenditures and costs incurred by IN Covid and their respective documentation, ensuring transparency in financial and accounting matters. Lastly, PwC compiled and scrutinized the current on-chain balance of assets and yearly account balances from inception to the time of the assessment.

To increase financial control and transparency, particularly for complex transactions, PwC recommended IN Covid to introduce more formal accounting processes, transaction monitoring as well as an enhancement of their internal control processes.

**c) Technical due diligence of crypto-assets and processes**

In the technical evaluation, PwC examined the procedures and controls in place for the generation, distribution, and safekeeping of keys, including their backups, throughout the entire key life cycle. Furthermore, PwC assessed the access to the generated keys, encompassing aspects such as general access, access controls, segregation of duties, and implemented safeguards against unauthorized access or breaches of access controls. PwC also assessed the adequacy of the auditing of access and access authorizations, as well as the processes for joiners, movers, and leavers.

As part of this due diligence, PwC also examined the procedures and requirements for authorizing transactions that involve the sale or transfer of crypto-assets, ensuring the application of dual control principles.

To refine technical workflows within IN Covid, PwC recommended the implementation of enhanced policies for key management, transaction authorisation, general access control and identity management. PwC also recommended the introduction of an IT security framework according to international standards.

Based on the findings in respect of the scope described above, PwC has no material reservations in confirming the conclusions as laid out below.



## **Conclusion**

Based on the materials and information provided to PwC, it is our assessment that IN Covid, to date, operates in furtherance of charitable causes to combat the COVID-19 pandemic. It does not undertake activity that would, in its present organizational set-up, require a license to perform regulated financial services in respect of the activities it conducts in its respective jurisdictions.

In essence, the PwC review team's examination of the processes, transactions, and documentation reveals IN Covid's genuine commitment to providing humanitarian relief. Throughout PwC's assessment of IN Covid's setup, PwC did not uncover any significant issues or indications of wrongdoing.

In the course of the assessment, PwC has provided recommendations for further improvement in the areas examined, as described above in the respective sections. PwC is of the view that all findings are capable of remedy. The recommendations have been well received by IN Covid, and IN Covid has already set out to implement key recommendations. Through its review, PwC has confidence that IN Covid has consistently acted in good faith in all facets of its activities.

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PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft