



Blockchain and Digital Assets

Capabilities Overview

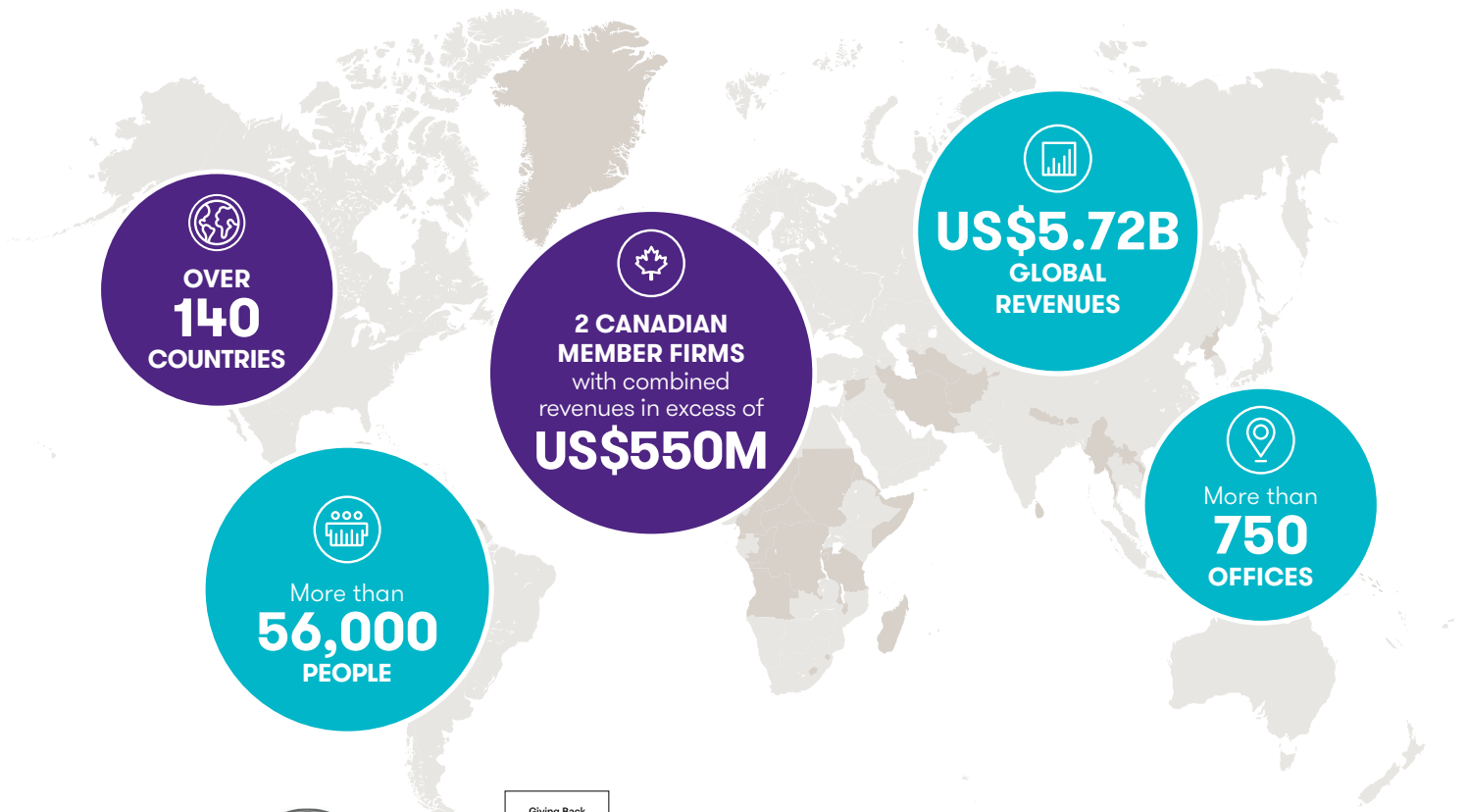
2020



Discover Grant Thornton

We are a network of independent assurance, tax and advisory firms made up of 56,000 people in over 140 countries, and we are here to help dynamic organizations unlock their potential for growth.

For more than 100 years, we have helped dynamic organizations achieve their strategic ambitions. Whether you are looking to finance growth, manage risk and regulation, optimize your operations or realize stakeholder value, we can help you. We have scale, combined with local market understanding. That means we are everywhere you are as well as where you want to be.



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About Raymond Chabot Grant Thornton

Raymond Chabot Grant Thornton is a member firm of Grant Thornton International Ltd (GTIL), a leading global organization of member firms providing audit, tax and advisory services.

About Catallaxy

Catallaxy is a subsidiary of Raymond Chabot Grant Thornton that develops data authentication solutions. We have a group of experts in technology, such as cryptographic data analysis, blockchain, tokenization and artificial intelligence to develop targeted products and services that can help build trust in a digital economy.



A One-Stop Shop and Access to Integrated Services

Raymond Chabot Grant Thornton has been providing a one-stop shop and access to the most extensive range of integrated services in Canada for many years. Applying the most recent technological innovations, we propose leading-edge, accessible and innovative solutions, including cloud computing accounting and blockchain services.

What Sets Us Apart...

We Understand Crypto

Our deep understanding of the cryptocurrency ecosystem allows us to prepare and support our clients for their blockchain transformation.

Given the complexities and speed of change of the evolving crypto-economy, we understand how challenging it can be for a company to operate in the digital asset industry or to hold cryptocurrencies for transactional or investment purposes.

By assessing the risks associated with each digital asset held by the entity, Catallaxy develops detailed IT-driven procedures to assist traditional auditors in obtaining audit evidence.

Our Technology Experts

Under the leadership of Mr. Louis Roy, CPA, CA, Catallaxy consists of industry experts in blockchain, cryptography, artificial intelligence and enterprise solutions. With more than 15 Montréal-based experts and various strategic partners worldwide, our service offering combines the technical expertise of the

best core blockchain talent and worldwide audit and strategic consulting power of Grant Thornton. Working closely with local regulators and large financial institutions, we have positioned ourselves as leaders in the blockchain industry.

Our Recent Achievements

Raymond Chabot Grant Thornton and Catallaxy continue to make strategic partnerships in technologies that we believe have the power to disrupt industries, and blockchain is emblematic of that strategy.

Each of these achievements highlights our expertise and we are committed to meeting your needs by counting you among our future clients.

For example, the partnership agreement signed with Grant Thornton's member firm in Switzerland and Liechtenstein allowed Catallaxy to serve as expert in their projects involving cryptocurrency auditing, including numerous cryptocurrency entities and foundations.

The technological subsidiary also participated in a major assignment to support a foundation in the launch of their token.

In recent years, we have invested time and money to develop leading-edge expertise and innovative tools to audit cryptocurrency funds. Raymond Chabot Grant Thornton and Catallaxy have supported 3iQ in launching The Bitcoin Fund (QBTC) which is poised to be the first regulated major exchange listed Bitcoin fund on the Ontario Stock Exchange: a global first.

Industrial Research Chair in Blockchain Technology

Furthermore, Raymond Chabot Grant Thornton, Catallaxy and Concordia University, with the financial support of the National Sciences and Engineering Research Council of Canada, recently launched the Industrial Research Chair in Blockchain Technologies.

With a budget of more than \$1.38M, this chair in Quebec, a province of Canada, will, among other things, document the positive impacts of blockchain technology on financial infrastructure, evaluate its potential applications and consider how to manage its use, particularly with cryptocurrencies, in a constantly evolving technological world.

Our partnership with Concordia University allows Raymond Chabot Grant Thornton and Catallaxy to enrich our client interventions by working with a talented team of brilliant university researchers. This rich academic expertise allows our firm to be at the technological forefront.

The Best of Both Worlds

We are committed to quality. This includes going through a rigorous pre-audit process that is different from what you would typically see for a more traditional organization. This process has been developed by our experienced team to get you “audit-ready” as soon as possible.

We also understand that there are many challenges to auditing digital assets. Choosing an auditor that has the capabilities to overcome these challenges is crucial to your success.

Recognizing that blockchain is a transformative technology, Raymond Chabot Grant Thornton has innovated and developed a detailed audit methodology that considers the underlying challenges of cryptocurrencies and the requirements of auditing standards. Additionally, direct and indirect tax professionals are staying up to date with emerging tax laws and their interpretations to support clients with their compliance. In other words, you benefit from Catallaxy’s technology with Raymond Chabot Grant Thornton’s experts – the best of both worlds.



Fresh Thinking, Agile Solutions

As digitization of money and, by extension, all sorts of data emerges as the new reality, it is more and more obvious that organizations that embrace technologies, from robotic process automation to blockchain, will head on prosper, while those that do not will become irrelevant. When it comes to blockchain and digital assets, the financial services sector is evidently facing the highest level of disruption. Organizations that are sitting back and waiting for the big bang to happen will most likely be swallowed up by rivals or simply fail to remain competitive.

The world is changing and so are your needs. To better serve innovative businesses like yours, we have developed tailored solutions to meet the specific needs of those operating in the blockchain and digital asset industries. From the audit of cryptocurrencies to the technical due diligence of tokenization projects, we will be with you every step of the way and help you navigate the waves of uncertainty.

Audit Services

The befitting competence, capabilities and resources are key considerations in the selection of an auditor. At Raymond Chabot Grant Thornton, our dedicated teams possess the necessary experience and expertise to navigate through the auditing complexities of digital assets. In collaboration with our blockchain experts from Catallaxy, we have developed an industry-specific methodology for auditing digital assets, resulting in an audit process that is both efficient and effective. Finally, we maintain our own synchronized copies of the most popular blockchains, which enables us to rely on an independent source of data and detect in a timely manner any potential discrepancies.

Crypto Mining Audit Services

With the involvement of Catallaxy's experts, we have developed specialized crypto mining audit tools along with a tailored audit methodology to obtain evidence that mining transactions are adequately reported. Our procedures include an understanding of the mining business model, the type of coins that are being mined, the miner's structure, equipment being used and other relevant factors such as energy consumption, hash rate efficiency,

specifications of machine inventory, average downtime, etc. By working with Raymond Chabot Grant Thornton, you have comfort that your crypto mining audit will be of high quality.

Financial Accounting Advisory Services

Local and international accounting standards have not evolved as fast as the digital economy. As such, organizations with operations involving digital assets must research, interpret and apply existing accounting standards to prepare relevant and appropriate financial information for their stakeholders, including regulatory bodies. *Should digital assets be considered as intangible assets or inventory? Should they be recorded at fair value or at historical cost?* At Raymond Chabot Grant Thornton, our team of professional standards specialists can guide organizations to determine the proper accounting treatments and disclosure requirements, thus reducing the risks of error and allowing accounting teams to spend more time on value-added activities.



Internal Controls and Audit Readiness

Blockchain technology is often referred to as being trustless. A trustless system allows you to rely on the system without needing to trust the parties involved in the transaction. This, however, does not mean that internal controls or financial statement audits have become obsolete, but rather that these processes must be adapted to the digital age. At Raymond Chabot Grant Thornton, we can assess an organization's internal control environment specific to blockchain technology and digital assets to identify areas of improvement and ensure its "audit-readiness" as soon as possible in its life cycle.

Technical Due Diligence

Don't trust, verify. This was the utopian motto of early blockchain development. Today, no individual can bear the responsibility of validating the principles and code of each consensus mechanism, smart contract, block explorer and cryptographic system. Unfortunately, hiring a pool of experts internally to address these technical areas is both prohibitively expensive and inefficient. With our proud financial audit history in mind, we, at Raymond Chabot Grant Thornton and Catallaxy, have built a team of IT auditors, computer scientists, mathematicians, cryptographers and game theorists to bring our earned trust to the blockchain sector. Working closely with your team, we will plan and perform a technical due diligence of your blockchain project to provide your organization and its stakeholders with the assurance they require. From code reviews to attack simulations and penetration testing, our solution can be adapted to your specific needs.

Valuation Services

The absence of regulations, high speculation, asset illiquidity and lack of market information create significant challenges with respect to the valuation of blockchain companies or projects and digital assets. At Raymond Chabot Grant Thornton, with the support of Catallaxy's blockchain experts, we offer a full range of tools and tailored services to help organizations gain insight and overcome these obstacles in the valuation of their physical and digital assets, and intellectual property.

Insolvency and Recovery

From locating and safeguarding to monetizing and distributing assets, insolvency practitioners facing digital asset cases need to adapt their traditional processes and procedures to the underlying complexities and characteristics of blockchain technology, doing so in a regulatory environment that has yet to evolve. At Raymond Chabot Grant Thornton, with the support of Catallaxy's blockchain experts, insolvency and recovery experts have developed industry-specific processes and procedures to address these challenges, gaining experience from taking part in the first Canadian multi-million-dollar digital asset seizure and monetization court case.

Direct and Indirect Tax Services

Similarly to accounting standards, in most jurisdictions, tax laws and regulations have not kept up with the emergence of digital assets. While some tax authorities, such as Canada, have suggested that digital assets qualify as property, others suggest that they rather compare to currencies, thus impacting how transactions are being taxed. At Raymond Chabot Grant Thornton, our team of direct and indirect tax professionals closely monitors the evolution of Canadian and international tax laws to ensure our clients in the digital asset industry meet their compliance requirements.

Forensic Services

Considering that cryptocurrency platforms can be utilized as a vehicle to perpetrate various illicit activities such as money laundering, investigation techniques need to be able to gather relevant information from such platforms. As an organization, you may wonder how you can obtain comfort that the crypto-related client you wish to onboard is not involved in criminal operations. As a government agency, you may need to collect and analyze evidence data about a criminal act committed using a cryptocurrency platform. At Raymond Chabot Grant Thornton, we have developed specialized crypto forensic tools to extract and crosscheck several data sources (public blockchains, dark web, social media, etc.) to provide insightful information for an investigation. We can help you detect and analyze unusual crypto transactions, transactions made with suspicious or malicious parties or activities and also help you build sufficient and well-documented evidence for legal proceedings.

Unlock the Potential of Blockchain and Digital Assets

Contact Us



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