

Floki Addresses Concerns Raised by Hong Kong

Monday 29 January, 2024

Floki Addresses Concerns Raised by Hong Kong's Securities and Futures Commission

January 29, 2024: Floki has noted the Securities and Futures Commission (SFC) of Hong Kong's January 26, 2024 inclusion of the Floki and TokenFi staking programs in a list marked as "suspicious" due to the programs' high APY. This is due to a misunderstanding of how the Floki and TokenFi staking rewards are generated. Floki strives to uphold all legal compliances and deeply values the relationship with regulatory bodies.

Despite being a digital operation often transcending physical borders, Floki has diligently worked with legal counselors since December 2023 to ensure their services align with regulatory standards, particularly concerning their staking programs.

Floki has taken steps to mitigate concerns in jurisdictions where the regulatory framework does not specifically cover or cater for the staking programs.

In direct response to the SFC's apprehensions, Floki has taken decisive steps pertaining to Hong Kong:

Hong Kong Exclusion: Clear disclaimers were implemented on Floki and TokenFi staking sites to notify Hong Kong citizens of their ineligibility for participation.

Access Restrictions: Precautions have been taken to actively block Hong Kong residents from participating in these staking programs.

Continued Prevention: Floki vows to maintain these preventative actions until all regulatory matters are satisfactorily addressed.

Marketing Halt: An offline marketing drive in Hong Kong was suspended before its expected commencement in December 2023.

Floki believes it is imperative to clarify the source of high Annual Percentage Yield (APY) and its sustainability within their staking program. The program defies norms by not minting new tokens, thus circumventing inflation and incentivizing with \$TOKEN, the native token of Floki's affiliate, TokenFi.

TokenFi, a tokenization platform, estimates the tokenization market to expand to \$16 trillion by 2030.

This high APY primarily emanates from two factors:

Fair Distribution over Capital Raise: Choosing not to initiate funds through venture capitalists or presales allowed a more extensive allocation of TokenFi supply to be dedicated directly to Floki stakers—54% to be precise—honoring Floki's commitment to its community.

Market-Driven Volatility: The fluctuation of APY is inherently tied to the market value of \$TOKEN, which can rise or fall based on market conditions, affecting the APY accordingly.

Floki insists that their users are thoroughly informed on the functionality of the staking rewards and emphasizes its decentralized framework. This ensures user autonomy over their assets, with the system continuing independently of the team's involvement.

We have huge respect for any and all regulators and will continue to engage with them to address any regulatory concerns they may have. If, as it appears, a decision to single out the staking programs was made solely because of the high APY of our staking programs stated in social media posts and as moved by market forces, as explained above, then we will have to respectfully disagree.

About TokenFi

TokenFi is Floki's sister token and an all-in-one tokenization platform, enabling users to launch tokens or tokenize Real World Assets (RWA) effortlessly. TokenFi is committed to revolutionizing the trillion-dollar tokenization industry by offering a user-friendly interface that requires no coding expertise.

Website: <https://tokenfi.com>

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