

Shariah Compliance Certificate for Goldsand Ethereum Staking Protocol

This is to certify that the **Goldsand Ethereum Staking Protocol** has been reviewed in accordance with the principles of Islamic jurisprudence (*Shariah*) and is deemed **Shariah-Compliant** based on the facts and processes detailed herein.

Introduction

The **Goldsand Protocol** has been designed with the primary objective of providing a Shariah-compliant solution for Ethereum staking, ensuring that income generated through staking is free from impermissible elements. The protocol achieves this by systematically identifying and filtering out transactions originating from haram (prohibited) or doubtful applications, in accordance with established Shariah guidelines.

Goldsand Shariah Compliance Framework

To maintain Shariah compliance, the Goldsand Protocol implements a rigorous screening and filtering process, developed under the guidance of our Shariah Advisor. The following steps outline this process:

1. Screening of Ethereum L1 Applications:

- All Ethereum Layer-1 (L1) applications with a Total Value Locked (**TVL**) exceeding **\$50 million** have undergone a comprehensive review by our Shariah Advisor.
- **Impermissible Applications:** Applications determined to involve impermissible activities (e.g., interest-based lending, derivatives protocols, or other haram practices) are blacklisted. Transactions originating from these applications are excluded from any blocks proposed by Goldsand validators.
- **Permissible Applications:** Applications deemed compliant are whitelisted and contribute to the staking rewards.

2. Continuous Review of Smaller Applications:

- Ethereum L1 applications with TVL below **\$50 million** are being reviewed on an ongoing basis.
- Transactions related to unreviewed or impermissible applications are temporarily included in the staking rewards but are subjected to **income purification**.
- The percentage of staking income to be purified is calculated using the ratio of the combined TVL of unreviewed applications to the total TVL of Ethereum L1 applications. This ensures that impermissible income is purified appropriately.

3. Purification of Impermissible Income:

- Any portion of staking income identified as originating from impermissible sources is purified by donating it to recognized charities.
- Goldsand ensures full transparency by publishing details about the percentage of purified income and the recipient charities for its users.

4. Review of NFT Collections:

- NFT collections are evaluated following the strict guidelines provided by our Shariah Advisor. Collections that meet these criteria are whitelisted, while all other NFT collections are blacklisted by default.
- The review process is manual and adheres to stringent Shariah standards to ensure compliance.

5. Data Sources and Transparency:

- Information about Ethereum applications, their activities, and respective TVL data is primarily sourced from **DeFiLlama**.
- A comprehensive blacklist, along with the percentage of staking income being purified, will be published periodically to ensure transparency. This includes details on the methodology of calculation and the charities receiving the purified income.

6. Semi-Annual Review:

- This certification is valid for six months and will undergo a **semi-annual review** to ensure continued compliance with Shariah principles. The renewed certification will reflect any updates to the protocol, its criteria, or its processes.

Conclusion

The **Goldsand Ethereum Staking Protocol** reflects a strong commitment to providing a staking solution that aligns with the principles of Shariah. Through its robust screening process, income purification mechanism, and ongoing transparency efforts, the protocol upholds the highest standards of Shariah compliance.

This certification may be shared publicly, including on the product's website and related documentation pages, to inform users about the Shariah-compliant nature of the Goldsand Protocol.

For and on behalf of the Shariah Advisor,



Name: Dr Farrukh Habib

Position: Shariah Advisor

Date: 11 November 2024