

TWIN STABLECOINS

Whitepaper

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The architecture of value.

This document is informational in nature and does not constitute financial, legal, or investment advice. Twin Finance S.A.S. reserves the right to update its contents as regulatory, operational, and market conditions evolve.

Abstract

Twin Stablecoins are a unified family of fully backed digital representations of Latin America's local currencies. Each token corresponds to one unit of the local currency it represents and is designed as a digital payment instrument and unit of account, not as an investment instrument.

Each currency is supported by segregated reserves held under a standardized reserve and compliance framework, enabling exchanges, fintech platforms, and institutional partners to offer stable local digital money across the region with minimal operational friction.

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1. Introduction

Twin issues a multi-currency ecosystem of fully backed digital assets designed to bring stability, efficiency, and financial inclusion to emerging markets. While global stablecoins have largely focused on digital representations of the US dollar, Twin introduces an integrated framework for digital local currency across Latin America. This architecture is designed to replicate the usability and programmability of stablecoins while maintaining a direct connection with sovereign financial markets and the real world assets that back them.

By combining regulated custody, short-term sovereign securities, and seamless onchain settlement, Twin enables digital money that is transparent, redeemable, and interoperable with both traditional institutions and blockchain ecosystems. All currencies in the Twin suite operate under the same structural principles, allowing partners to expand across multiple markets with minimal incremental effort. The aim is to provide a unified monetary layer for the region that supports payments, institutional settlement, and DeFi integrations.

This document describes the economic model, reserve structure, operational processes, governance, smart contract architecture, risk framework, and reporting standards to operate Twin Stablecoins.

2. Product Overview

Twin Stablecoins are ERC-20 digital representations of local currencies across Latin America. Each token corresponds to one unit of the currency it represents and is fully backed by reserves held in segregated accounts. These reserves consist of cash balances, short-term sovereign securities, and regulated low-risk liquid assets denominated in the same currency as the token. Where suitable local currency assets are temporarily unavailable, a portion of the reserves may be held in high-quality USD-denominated stablecoins or equivalent highly liquid assets, as a measure to preserve full backing.

The Twin ecosystem covers multiple Latin American currencies under a unified framework, including ARGt (Argentine peso), BRAt (Brazilian real), COLt (Colombian peso), PERT (Peruvian sol), MEXt (Mexican peso), and others. Each currency adheres to the same governance, reserve model, and reporting standards, enabling a scalable multi-currency system that partners can expand across markets using the same operational model.

Twin Stablecoins are used for payments, domestic and cross-border transfers, institutional operations, liquidity management, and onchain financial applications.

3. Economic and Backing Model

Twin Stablecoins are fully backed by reserves managed and custodied by Twin Finance S.A.S. Assets are held in segregated accounts and are never rehypothecated. Reserve assets consist of a mix of cash, short-term sovereign securities, and regulated low-risk liquid assets — primarily denominated in the same currency as the token — selected to ensure liquidity, low volatility, and reliable settlement. Where regulatory, operational, or market conditions temporarily limit the availability of suitable local currency instruments, a portion of reserves may be held in high-quality stablecoins, whether USD-denominated or denominated in the relevant local currency, as well as other fiat and crypto assets. This approach preserves liquidity and solvency while maintaining full backing of the token at all times.

The reserve policy applies uniformly across all currencies. Eligible instruments must exhibit high credit quality, short maturity, reliable settlements, and regulatory clarity. Instruments with significant term risk or valuation uncertainty might be excluded or appropriately weighted. Although specific market instruments vary by jurisdiction, the guiding risk philosophy is similar across all Twin currencies.

Twin reviews reserve assets periodically to ensure compliance with the reserve policy. Periodic third-party qualified certifications verify that reserves meet or exceed circulating supply and that all assets exist, are valued accurately, and adhere to custody requirements.

4. Mint and Redemption Process

Twin manages minting and redemption through a standardized lifecycle enhancing reliable liquidity and accurate reconciliation. Direct access to the mint and redemption process is available exclusively to authorized partners under B2B agreements.

Each business day, Twin processes — if needed, at least — one net mint or net redeem per currency, per partner. This ensures predictable reserve management, consistent settlement windows, and simplified reconciliation for integrators.

Minting

To mint new Twin Stablecoins, partners may transfer value to Twin through any of the following paths: sovereign securities or equivalent instruments within the same brokerage environment; fiat currency via bank transfer to Twin's designated accounts; or digital assets — such as USDT, USDC, or others. Once Twin receives and verifies the assets, they are allocated to the reserve assets and the corresponding stablecoins are minted and transferred to the partner's wallet.

Redemption

To redeem, partners send Twin Stablecoins to Twin's treasury wallet. Twin returns value through the same channels available at minting — sovereign securities, fiat via bank transfer, or digital assets — depending on the integration path and operational feasibility. Settlements typically occur the next business day, and same-day settlement is possible when operationally feasible.

This structure accommodates institutional-grade settlement flows while maintaining liquidity and operational efficiency.

5. Smart Contract Architecture

Twin Stablecoins follow an ERC-20 architecture with restricted mint and burn permissions, clearly defined administrative roles, and a modular design. The core contract remains intentionally simple, ensuring compatibility with custodians, exchanges, wallets, and DeFi protocols while minimizing the risk surface.

Twin Stablecoins are deployed across multiple EVM-compatible environments. As deployments evolve and new networks are added, Twin maintains an authoritative and continuously updated registry of contract addresses in its official documentation portal. This registry includes token contracts, administrative addresses, and verification artifacts.

The contract architecture is based on audited patterns designed to minimize security risks. Upgradeability is limited solely to security and compliance improvements and follows a transparent governance process with prior public notification.

No e-money or deposits: As pure ERC-20 stablecoins, Twin Stablecoins do not represent user deposits and are not e-money in any jurisdiction. Tokens represent a payment right, not an ownership interest in reserve assets. Direct redemption is available exclusively to authorized partners under B2B agreements. Where available, token holders may transfer or sell their tokens on the open market.

6. Governance, Legal and Compliance

Twin Finance S.A.S. in Uruguay serves as the issuing entity for all Twin Stablecoins. It manages custody of reserves, performs mint and burn operations, and ensures reconciliation across chains and custodial systems.

Regulatory Positioning

Twin Stablecoins are payment instruments and units of account. They are not investment instruments, do not confer ownership interests in the issuer, do not grant governance rights, and do not promise any return to their holders. Purchasers acquire tokens as a local currency substitute for payments, transfers and units of account. This structure is consistent with the definition of a payment stablecoin under emerging regulatory frameworks globally.

Twin actively monitors the evolution of international stablecoin regulation to proactively adapt its compliance structure as frameworks develop.

KYC, AML and Compliance Controls

Twin is committed to provide safe, compliant and reputable services, and to identify, detect, prevent and report money laundering, terrorist financing, and other improper activities. Twin has voluntarily adopted the recommendations issued by the Financial Action Task Force (FATF) applicable to financial activities involving virtual assets. In line with international standards and industry best practices, Twin applies these recommendations as guiding principles for its anti-money laundering and counter-terrorist financing (AML/CFT) program.

Twin requires consistent due diligence process and ongoing monitoring for all institutional partners, transaction monitoring and sanctions screening against applicable lists, suspicious activity reporting procedures, and periodic partner risk profile reviews.

Twin provides direct or through a third-party audits that supervises partners activities and transactions regarding Twin Stablecoins, in order to ensure compliance with Twin's operational guidelines.

Partners integrating Twin Stablecoins must follow Twin's onboarding and operational guidelines and applicable compliance standards in their jurisdictions.

7. Real World Utility and Integrations

Twin Stablecoins serve as programmable digital representations of local currency, enabling a broad range of financial activities across both traditional and onchain ecosystems.

- Payments and transfers: Send and receive Twin Stablecoins instantly, 24/7, with minimal fees — including cross-border transfers and merchant settlements in local currency.
- Institutional and corporate: Fiat on/off-ramp, operational liquidity, payroll, supplier payments, and institutional settlement across exchanges, fintechs, and asset managers.
- DeFi and dApp integration: Twin Stablecoins are technically compatible with DeFi protocols on compatible networks.

Because Twin Stablecoins share a unified structure, integrators expand across new countries using the same operational model.

8. Native Bridge and Interoperability Framework

Twin is developing a native cross-chain interoperability framework designed to function similarly to canonical messaging-based stablecoin bridges (such as CCTP and others). The objective is to allow Twin Stablecoins to move across chains while preserving supply integrity, ensuring that tokens burned on one chain correspond exactly to tokens minted on another, and maintaining a verifiable link to underlying reserves.

This mechanism will rely on validated messaging and controlled minting rights, preventing unauthorized token creation while enabling seamless mobility across chains. The native bridge will allow exchanges, wallets, and DeFi protocols to unify liquidity across networks and support multi-chain settlement without exposing users to the risks associated with third-party asset wrapping or synthetic representations.

The bridge will serve as a foundational component of Twin's technical roadmap, enabling a unified cross-chain monetary layer for all Twin Stablecoins.

9. Risk Framework

Twin applies a comprehensive risk management framework that addresses market, liquidity, counterparty, operational, smart contract, and regulatory risks.

Market Risk

Mitigated through exposure to reserve assets, which are selected to preserve liquidity, minimize maturity risk, and maintain full backing.

Liquidity Risk

Addressed through reserve composition weighted toward short-maturity and readily convertible assets, reliable settlement windows, and the ability to settle redemptions via sovereign securities, cash, bank transfers, or digital assets. The once-per-day net mint and redeem process further stabilizes liquidity management.

Counterparty Risk

Arises from institutions involved in custody, brokerage, and settlement. Twin mitigates this by using regulated intermediaries, maintaining segregated accounts, and implementing strict operational controls.

Operational Risk

Mitigated through standardized workflows, reconciliation procedures, multi-step authorization for mint and burn operations, internal monitoring, and periodic audits.

Smart Contract Risk

Minimized through the use of audited code patterns, restricted permissions, limited upgradeability, and continuous monitoring.

Regulatory Risk

Addressed by maintaining compliance with legal requirements in each jurisdiction, transparent documentation, and the flexibility to adapt to evolving regulatory frameworks across international regulation.

FX Risk

Partially mitigated by design, as reserves are primarily held in assets denominated in the same currency as the token. Where reserves include other foreign currency assets, residual FX exposure is actively monitored.

10. Reporting and Attestations

Twin maintains a reporting framework aligned with institutional transparency standards. This ensures that partners, regulators, and users can independently verify reserve integrity and operational accuracy.

Twin publishes periodic reserve attestations confirming the existence, valuation, and composition of backing assets for each stablecoin. These attestations follow standardized methodologies for reserve-backed digital asset reporting. Each report verifies that reserves meet or exceed circulating supply.

Independent licensed professionals perform external certifications that validate reserve segregation and the reconciliation between mint and burn flows and corresponding asset movements.

Twin maintains comprehensive internal reconciliation records documenting issuance, redemption, reserve adjustments, and settlement activities. As the ecosystem grows, reporting will expand to include detailed liquidity metrics, maturity overviews, and standardized risk summaries aligned with global best practices for reserve-backed digital assets.

Disclaimers

Twin Stablecoins are digital tokens backed by real-world financial assets. This document does not constitute financial, investment, or legal advice. Users and integrators must comply with applicable laws in their jurisdictions. Twin will provide final legal terms, reserve documentation, and contract addresses prior to activating each currency.

Twin Stablecoins are not insured bank deposits, are not guaranteed by any government, and are not legal tender. The value of backing assets may be affected by market conditions. Token holders have no direct redemption rights against the issuer unless they are authorized partners under specific B2B agreements. This document is subject to change without notice as regulatory, operational, and market conditions evolve.

Appendix

Mint and Redemption Mechanics

Minting occurs when authorized partners transfer sovereign securities, fiat currency via bank transfer, or digital assets to Twin through authorized channels. Twin verifies the receipt of assets, allocates them to the reserve assets, and mints the corresponding amount of tokens. Redemption reverses this process. All mint and burn events undergo strict reconciliation procedures.

Reserve Policy Summary

The reserve policy specifies the eligible instruments for backing Twin Stablecoins, including cash, low-risk liquid assets, short-term sovereign securities, and high-quality stablecoins where applicable. It establishes requirements for liquidity, maturity, and diversification.

Smart Contract Notes

Twin Stablecoins follow the ERC-20 standard with restricted minting and burning rights. Upgradeability is limited to security and compliance needs and follows a governed and transparent process.

Definitions

Liquidity horizon: the ability to convert assets into cash without material loss.

Nominal value: the principal value of sovereign instruments.

Counterparty segregation: the isolation of client reserves from operational funds.

Authorized partner: an institutional entity that has signed a B2B agreement with Twin and has direct access to the mint and redemption process.

Additional Documentation

Technical integration guides, operational flow diagrams, legal summaries, and detailed economic methodologies are provided to partners during onboarding and updated as the ecosystem evolves.