

Echo PCC Whitepaper

I. Executive Summary

Echo Segregated Holdings PCC Limited (the “Echo PCC”) is an Isle of Man protected-cell company purpose-built to give digital-asset investors *corporate-grade asset protection* without the operational drag of a traditional offshore structure.

- Each client receives a legally ring-fenced Cell Fund inside the PCC. Assets and liabilities of one cell are walled-off from every other cell and from the PCC’s non-cellular assets.
- Echo treats each cell as a distinct user within the Echo Exchange ecosystem; making the PCC an integral layer of the platform, so cell owners can trade, stake, borrow and custody assets through the same dashboard.
- Cell owners may be individuals or corporate entities. Echo requests the required KYC/AML information for the ultimate beneficial owners (UBOs) behind each cell during onboarding; JurisTrust, operating under its TCSP Class 5 licence, reviews and formally confirms (“rubber-stamps”) that data before the cell goes live.
- A simple subscription model replaces heavyweight traditional trust-company pricing and time-sink: a modest upfront fee, flat monthly administration and a fee upon asset deposit.
- Optional digitised foundation wrappers or life wrappers for some jurisdictions and forthcoming real-world-asset (RWA) modules give users future-proof estate-planning and portfolio-diversification paths.

Echo PCC is therefore the structural bedrock for Echo’s broader tokenised-investment roadmap; delivering regulated custody, scalable segregation and a frictionless user journey under one roof.

Key Benefits at a Glance

- **Statutory asset protection** – each cell is ring-fenced by law so other creditors cannot reach its assets.
 - **Operational ease** – single Echo dashboard with Fireblocks custody.
 - **Treasury efficiency** – because each cell is effectively an Isle of Man company, taxation on investment gains is deferred while profits remain inside the cell, allowing capital to compound pre-tax until funds are distributed, subject to the investor's domestic anti-deferral rules (e.g., CFC/PFIC).
 - **Tax & estate-planning flexibility** – optional foundation or trust wrappers plus jurisdiction-specific briefs.
 - **Regulatory continuity** – PCC fits alongside Echo's existing VASP perimeter for seamless oversight.
 - **Diversified investment access** – DeFi, private equity, managed funds and upcoming RWA tokens.
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II. Introduction & Market Context

2.1 From self-custody headaches to institutional-grade peace-of-mind

Self-custody offers sovereignty but exposes investors to key-loss, estate-planning complexity and blurred tax treatment. Centralised exchanges solve convenience but concentrate custodial risk. Protected-cell companies (PCCs) provide a middle path: an on-chain-ready corporate wrapper with statutory asset segregation and professional administration.

Better than the Alternatives – Why Choose a PCC? Self-custody places full key-management and estate-planning burden on the investor, while traditional centralised exchanges pool client assets, exposing users to counter-party failure and legal uncertainty. Echo PCC combines the best of both worlds: users keep exchange-grade convenience but in a legal wrapper that segregates assets, enforces fiduciary oversight and unlocks multi-jurisdictional tax planning.

2.2 Why the Isle of Man?

An AA-rated Crown Dependency with a 0 % corporate-tax and 0% capital gains regime, the Isle of Man pairs common-law familiarity with a progressive stance on virtual-asset businesses. Echo already operates its VASP registration here and partners with locally regulated trust-and-company-service providers (TCSPs) to extend that compliance footprint to the PCC.

III. What is Echo PCC?

3.1 Legal form & governance

Echo Segregated Holdings PCC Limited is incorporated under the Isle of Man Companies Act 2006 as a *protected-cell company*. By board resolution, the PCC may create an unlimited number of cells, each issued one or more *Cell Shares* to its subscriber. Directors owe statutory fiduciary duties to both cellular and non-cellular stakeholders.

3.2 Segregation mechanics

Assets attributable to a cell are recorded in its Cell Fund; liabilities of that cell attach *only* to that fund. Creditors of one cell have no recourse to the assets of any other cell nor, absent cell-fund exhaustion, to the PCC's non-cellular assets.

3.3 Optional trust overlay

Subscribers may elect for their Cell Shares to be held by a digitised foundation. The foundation grants flexible succession planning while allowing the settlor to retain day-to-day investment direction over the cell's assets. The foundation in this instance works in a similar way to a discretionary trust.

IV. Technology & Operations

4.1 Platform integration

Each cell is mapped 1:1 to a sub-account within the Echo Exchange stack. Trading, staking and collateralised lending APIs recognise the cell identifier, ensuring on-chain and off-chain records stay synchronised with the statutory share ledger.

4.2 Onboarding workflow

1. KYC/AML screening and collection of next-of-kin details performed by Echo and confirmed by JurisTrust.
2. Execution of the Subscription Agreement and issuance of Cell Shares.
3. Transfer or on-ramp of digital assets into the cell's designated wallets.
4. Activation of Echo ecosystem modules.

4.3 Security architecture

- Custody is provided by Fireblocks Gold Tier MPC (multi-sig) with geo-distributed key shards.
 - Real-time proof-of-reserves attestation published via Echo Oracle.
 - SOC 2 Type II and ISO 27001 certification roadmap (Q1 2026).
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V. Commercial & Fee Model

Initial Subscription Charge	US\$6 000	One-off, due at cell creation.
Ongoing Subscription Charge	US\$6 000 p.a.	Billed monthly in arrears.
ECHO Token Minimum	US\$5000	Purchased as part of subscription agreement.
Asset Deposit Fee	0.5 %	Applied when assets are deposited into the cell.
Withdrawal Fee	0 %	Applied when assets are withdrawn; network gas charged at cost.

Ancillary disbursements (notary, filing, translation) are passed through at cost.

VI. Regulatory Framework

- Companies Act 2006 - provides for PCC formation and statutory cell segregation.
- Designated Business (CVC) Registration - Echo Exchange registered with the Isle of Man FSA for convertible virtual-currency services.
- TCSP Class 5 Licence - JurisTrust oversees company administration and AML/CFT compliance confirmation.
- AML-CFT-PF Manual - Echo follows the Juris Trust v12 (2024) framework for customer due-diligence, transaction monitoring and sanctions screening.

Echo's existing VASP / Designated Business (CVC) registration governs exchange, staking and custody operations; the PCC structure therefore sits within the same supervisory perimeter, providing regulatory continuity for AML/CFT controls and reporting lines with the Isle of Man FSA.

Jurisdiction-specific guidance – Echo will publish supplementary briefs that summarise local tax and regulatory considerations for major client jurisdictions (e.g., EU, UAE, India, Singapore). These briefs will sit alongside this whitepaper and be updated periodically, allowing prospective cell owners to assess treatment relevant to their resident jurisdiction before onboarding. These briefs will also outline how the tax-deferral benefit of retaining profits inside an Isle of Man cell interacts with each jurisdiction's anti-deferral regimes (e.g., CFC or PFIC rules), so clients can model their after-tax outcomes accurately.

Upcoming regulatory milestones include Class 3 CIS permissions for blended-token funds and Class 2 Investment Dealer permissions for RWA brokerage.

VII. Use-Cases & Future Modules

- **Collateralised borrowing** - borrow stablecoins at competitive LTV ratios while assets remain inside the cell.
- **DeFi & Launchpad access** - tap curated DeFi strategies and new-issue token allocations via Echo Pro without moving assets off-platform.
- **Tokenised real-world assets** - hold equity, bonds and commodities as *RWA tokens* once Phase 3 rolls out (target Q4 2026).
- **Private equity & fund investments** - participate in curated private equity deals and managed fund offerings via tokenised vehicles held inside the cell.

VIII. Roadmap

PCC UI Operational	Q4 2025	In progress
Proof-of-Reserves Oracle live	Q1 2026	Pending dev resources
SOC 2 Type II audit start	Q1 2026	Scheduled
RWA token module beta	Q4 2026	Concept phase

IX. Risk Factors

- Counterparty & operational risk - failure of Echo or Juris Trust to perform obligations.
 - Legal enforceability - novel application of PCCs to digital assets untested in certain jurisdictions.
 - Regulatory change - shifts in virtual-asset or company-law regimes could impact cost or viability.
 - Tax treatment - investors must seek local advice; no guarantee of favourable outcomes.
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X. Conclusion

Echo PCC fuses the statutory safeguards of a protected-cell company with the immediacy of a next-gen exchange platform. Investors seeking to professionalise crypto holdings, unlock capital efficiency and future-proof estate plans are invited to join the inaugural cohort.

XI. Appendices

Glossary

Protected-Cell Company (PCC)	An Isle of Man corporate structure that allows a single legal entity to create multiple ring-fenced cells, each with separate assets and liabilities.
Cell	A segregated division of a PCC that issues its own shares and maintains its own balance sheet inside the overarching company.
Cell Fund	The pool of assets and liabilities recorded for a specific Cell; creditors of one Cell can claim only against that Cell Fund.
Non-Cellular Fund	The general assets and liabilities of the PCC that are not attributable to any Cell.
Echo Exchange	The trading platform operated by Echo, comprising Echo X (core spot interface) and Echo Pro (advanced staking, margin, DeFi and launchpad access).
ECHO Token	The utility token granting fee rebates, premium tiers and governance rights across the Echo ecosystem.
JurisTrust	Isle of Man trust and company service provider (TCSP) holding a Class 5 licence and acting as administrator and compliance confirmer for Echo PCC.
TCSP	Trust and Company Service Provider - a regulated firm that forms and administers companies, trusts and similar structures.
UBO (Ultimate Beneficial Owner)	The natural person or persons who ultimately own or control a client entity such as a Cell.
KYC / AML / CFT	Know Your Customer, Anti-Money Laundering and Counter-Financing of Terrorism compliance processes required for onboarding and ongoing monitoring.
MPC Custody	Multi-Party Computation key-management technique used to secure private keys without a single point of compromise.
Proof-of-Reserves	A cryptographic attestation demonstrating that Echo holds client assets in a 1:1 ratio on-chain or in custody.
RWA Token	An on-chain representation of a real-world asset such as equity, debt, real estate or commodities.

LTV (Loan-to-Value)	The size of a loan expressed as a percentage of the market value of the collateral securing it.
Foundation Wrapper	A civil-law foundation or similar vehicle used in some jurisdictions as an alternative to a discretionary trust for holding Cell Shares.