



Glossary of Terms

Accredited Investor

An individual or entity that meets specific financial thresholds (e.g. net worth, income) allowing participation in certain regulated investments under securities laws (e.g. US SEC Regulation D, UK FCA rules). EthixShield supports accreditation status as an optional attribute in credentials.

Active Passport

A valid, unexpired XLS-70 credential attached to an XRPL address, enabling access to gated flows (e.g. RLUSD deposits, RWA pools). AI Assistance EthixShield's premium module that provides explainable anomaly detection, attribute pre-fill suggestions, and risk flagging, always subject to mandatory human review and approval.

Credential (XLS-70)

A lightweight, cryptographically signed data packet attached to an XRPL address containing minimal compliance outcomes (e.g. KYC status, expiry, jurisdiction). Issued by the regulated entity and used for access control.

Credential Issuer

The regulated institution or platform that performs off-chain KYC/AML/accreditation and issues the XLS-70 credential. Full liability for verification accuracy remains with the issuer.

Deterministic Enforcement

Compliance rules applied automatically and consistently by the XRPL itself (via XLS-80 Permissioned Domains), with no reliance on external oracles, intermediaries, or manual intervention.

FATF Recommendation 16

The Financial Action Task Force standard requiring VASPs to collect and transmit originator and beneficiary information for virtual asset transfers above a threshold (commonly known as the Travel Rule).

Gated Activity

Any transaction (deposit, trade, transfer) subject to XLS-80 Permissioned Domain checks, resulting in instant allow or reject based on credential validity.

GDPR (General Data Protection Regulation)

EU regulation governing personal data processing. EthixShield complies by minimising data collection, only non-personal outcome attributes are carried on-chain.

High-Risk Flag

A premium alert triggered by counterparty risk scoring (e.g. sanctions match, jurisdiction mismatch, VASP status issue), escalating to manual review in the dashboard.

Immutable Audit Trail

Permanent, tamper-proof record of credential issuance, revocation, and gated transactions stored natively on the XRPL.

Issuer

See Credential Issuer.



ETHIXSHIELD

off-chain trust on-chain enforcement

Jurisdiction

The regulatory territory or country associated with a counterparty (e.g. GB, EU, US). Included as an optional attribute in XLS-70 credentials for eligibility enforcement.

KYC/AML

Know Your Customer / Anti-Money Laundering checks performed off-chain by the issuer to verify identity and screen for illicit activity before issuing a credential.

Ledger-Native

Functionality built directly into the XRP Ledger protocol (e.g. XLS-70/80) rather than added via external layers, smart contracts, or oracles.

MiCA (Markets in Crypto-Assets Regulation)

EU regulation governing crypto-asset service providers, including stablecoins (RLUSD) and transfer of funds rules (Travel Rule).

Non-Custodial

EthixShield does not hold assets, private keys, or raw personal data, all enforcement occurs natively on the XRPL.

Permissioned Domain (XLS-80)

An XRPL feature that restricts interactions (e.g. deposits, trades) to accounts meeting defined rules, such as holding a valid XLS-70 credential.

Pilot Programme

Free 3–6-month access to EthixShield for qualified early adopters (issuers, platforms) to test and validate real-world use before paid subscription.

Privacy-Preserving

Design principle ensuring only minimal, non-personal attributes are carried on-chain, full PII remains off-ledger with the issuer.

Real-World Asset (RWA)

Tokenised representation of traditional assets (e.g. bonds, real estate, private credit) on blockchain. EthixShield enables compliant, gated access to RWA pools.

Regulated DeFi

Decentralised finance protocols with built-in compliance controls (e.g. KYC-gated pools, accredited-only lending) to allow institutional participation.

RLUSD

Ripple's USD-pegged stablecoin issued natively on XRPL. EthixShield supports compliant, gated flows for RLUSD deposits and transfers.

Risk Scoring

Premium real-time assessment of counterparties (Low/Medium/High) based on jurisdiction, VASP status, sanctions list, and other factors.



Sanctions Screening

Off-chain verification against global sanctions lists (OFAC, UN, EU) performed by the issuer before credential issuance.

SOC 2 Type 2

Service Organisation Control 2 report verifying controls over security, availability, processing integrity, confidentiality, and privacy. EthixShield is pursuing this certification.

Travel Rule

Regulatory requirement (FATF Rec. 16, MiCA TFR) mandating VASPs collect and transmit originator/beneficiary data for virtual asset transfers above thresholds.

VASP (Virtual Asset Service Provider)

Entity subject to AML/KYC obligations for virtual asset transfers, exchanges, or custody. EthixShield is not a VASP, we provide software infrastructure only.

XLS-70 Credential

See Credential (XLS-70).XLS-80

Permissioned Domain

See Permissioned Domain (XLS-80).