

# Boerse Stuttgart Digital Custody: One-stop crypto custody solution for institutional clients

Boerse Stuttgart  
Digital

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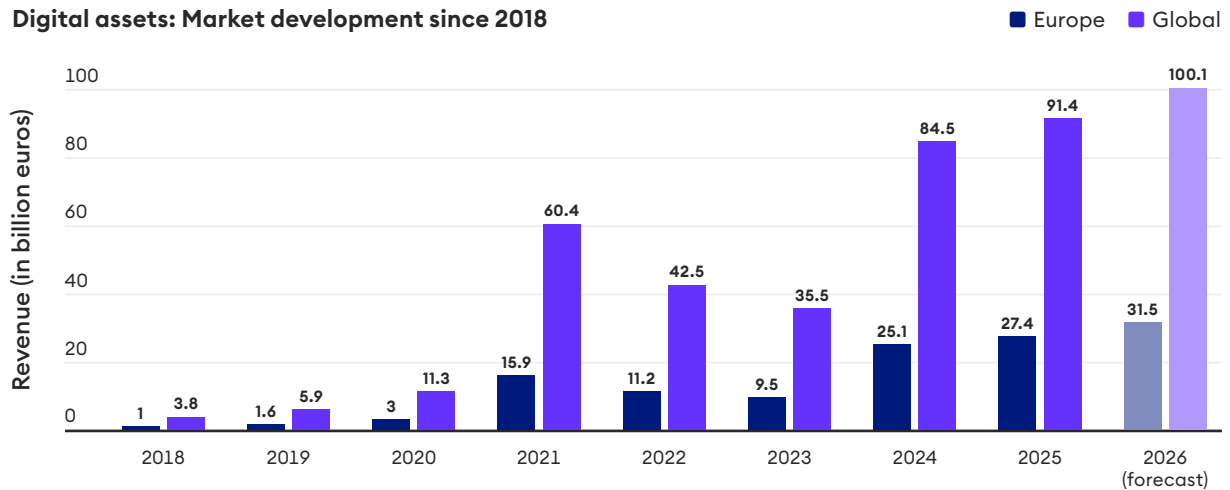
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## Introduction

The digital assets market in Europe has reached €27.4 billion<sup>1</sup> and is still growing, with an increase of 15% projected for 2026. A worldwide market of over €100 billion is projected by the end of the year.<sup>2</sup>

Digital assets: Market development since 2018



For banks, brokers, and all other institutional players, market entry is no longer just an option, but rather a strategic necessity to remain future-proof and competitive. End customer demand for cryptocurrencies is also increasing: 25 percent of all Germans are open to Bitcoin and co.,<sup>3</sup> among 30 to 49-year-olds it is every third person. More than 50 million people in Europe now own cryptocurrencies.<sup>4</sup>

Banks, brokers, and asset managers are driven by this customer demand and the huge potential of new technologies, but they face huge hurdles. Complicated regulations, technical prerequisites, substantial security risks, and extensive operational effort are key challenges that hamper market entry.

Institutional clients often find it too complex and uneconomical to enter the market and take custody of digital assets using their own solutions. As an infrastructure provider, Boerse Stuttgart Digital eliminates that complexity, allowing you to access the digital asset and cryptocurrency market quickly and easily.

<sup>1</sup> <https://de.statista.com/outlook/fmo/digital-assets/europa>

<sup>2</sup> <https://de.statista.com/outlook/fmo/digital-assets/weltweit>

<sup>3</sup> <https://www.bitkom.org/Presse/Presseinformation/Ein-Viertel-offen-fuer-Kryptowaehrungen>

<sup>4</sup> <https://www.finanzen.net/nachricht/devisen/krypto-beliebtheit-in-diesen-fuenf-laendern-leben-die-meisten-krypto-nutzer-12259536>

Using cutting-edge technology and professional risk mitigation, our custody solution takes the complexity surrounding custody of digital assets completely off your hands. Drawing on Boerse Stuttgart Group's more than 160 years of experience in the capital market, we combine the stability of an established player on the financial market with the technological innovative power of a crypto pioneer.

In this white paper, we explain why an external custody solution makes sense, and how Boerse Stuttgart Digital Custody works.

## Access to the crypto market: Challenges for institutions

Digital assets have become mainstream within the financial system. Alongside specialized crypto apps such as BISON, Germany's Sparkasse banks will be offering their customers access to cryptocurrency trading from 2026,<sup>5</sup> while selected VR banks are already providing it.<sup>6</sup>

Driven by new sources of revenue and increasing demand from end customers, the integration of crypto assets has become inevitable for traditional financial institutions.

But the road to get there – especially when it comes to secure and compliant custody of digital assets – is paved with key challenges that can barely be overcome without a specialized partner:



- **Regulatory complexity:**

The Europe-wide MiCAR (Markets in Crypto-Assets Regulation) and the ToFR (Transfer of Funds Regulation, or “Travel Rule”) have created a clear yet complex framework. Implementing it requires knowledge, and adhering to strict KYC (know your customer, identity checking) and AML (anti-money-laundering) guidelines in the crypto environment is a considerable burden on compliance resources.

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<sup>5</sup> <https://www.handelsblatt.com/finanzen/banken-versicherungen/sparkassen-kuenftig-koennen-kunden-mit-kryptowaehrungen-handeln/100137102.html>

<sup>6</sup> <https://www.faz.net/aktuell/finanzen/finanzmarkt/bitcoin-ether-co-das-krypto-angebot-der-vr-banken-110506070.html>

- **Stringent security requirements:**

In the world of digital assets, threats from external cyber attacks, hacks, or internal errors are a constant danger. You need a secure infrastructure and processes, but also reliable insurance solutions that cover all eventualities, for extreme and unforeseen emergencies.

- **Technical hurdles:**

Creating and operating your own secure and scalable crypto custody infrastructure requires a great deal of capital, resources, and time. This makes it almost impossible to enter the market at speed.

- **Extensive operational effort:**

Integrating blockchain processes with traditional financial systems is an operative challenge.

These hurdles demand a solution that goes further than simply storing private keys – the codes that grant access to wallets and the cryptocurrencies they contain. They require a secure foundation, a platform for operative efficiency, and a partner with strategic foresight.

## **Boerse Stuttgart Digital Custody: A custody solution on a solid foundation**

In the financial sector, the most important currency is trust. That's why Boerse Stuttgart Digital's custody solution is embedded in an ecosystem based on a foundation of security, risk management, experience, and regulatory compliance that is unique in Europe.

Boerse Stuttgart Digital Custody GmbH was the first German provider of crypto asset services to receive an EU-wide license for crypto custody business under the Markets in Crypto-Assets Regulation (MiCAR) from Germany's Federal Financial Supervisory Authority (BaFin).

This license guarantees that we meet the highest standards of investor protection, IT security, and corporate management. For you, it means maximum legal security for your business activities, plus custody of your crypto assets and those of your customers throughout Europe. In addition, our information security system is certified to ISO 27001.

Our security concept for the custody of your assets and those of your customers is far-reaching and multi-faceted. We combine various wallet types to create an ideal balance between liquidity and protection:

- **Fireblocks hot wallets:**

For daily operations we use hot wallets, based on market-leading MPC-CMP (multi-party computation) technology. This enables fast, automated transactions, while our liquidity management ensures that the small proportion of assets in these wallets are always kept below the specified risk thresholds.

- **Our own warm wallets:**

These wallets are for assets that need to be available quickly but not immediately – they therefore ensure liquidity. Transactions from here require a complex, manual process that is strictly documented and subject to the highest level of security precautions.

- **Our own cold wallets:**

The majority of stored assets benefit from an additional layer of security. They are held in cold, air-gapped wallets that are fully disconnected from the internet. The increased quorum involved in these processes is kept strictly separate from the one at warm wallet level.

In addition, a small percentage is kept in Fireblocks warm wallets, but the keys are held entirely by Boerse Stuttgart Digital. Furthermore, a small amount of assets are used for staking, with customer consent.

Our infrastructure is secured by the proprietary cold wallet solution, VAULT. Developed by us – and providing custody for the majority of the assets – it reduces dependence on third-party providers, eliminates single points of failure, and gives us full sovereignty over the entire security stack.

# The three pillars of our custody solution

Boerse Stuttgart Digital is more than just an infrastructure provider. It is also a pioneer for your digital asset activities – we enable business. Our custody platform is a modular ecosystem that enables you to access and store cryptocurrencies. Here, we take care of liquidity management and all crypto transfer services for you.

Our solution consists of three strategic pillars that are based on the foundation explained above and, together, make up an integrated custody solution:



## Pillar 1: Security, risk-minimization, and licensing

Your customers’ trust and the protection of your assets are non-negotiable. Our platform provides regulatory compliance including a multi-level security concept that addresses technical, process-related, and financial risks.

Our ISO 27001-certified infrastructure has proven to be extremely stable: There has been no successful hacker attack on our structures since our company was founded in 2019, and our custody services did not fail a single time in the whole of 2024 – even during market phases with an exceptionally high trading volume.

Crime insurance, underwritten by Munich Re with a consortium of London insurance companies headed by Zurich as the lead insurer, provides protection from unforeseen events. In addition, your custodied assets are legally protected in the event of insolvency and kept separate from Boerse Stuttgart Digital’s own assets. This insolvency protection has been verified by a recognized EU insolvency expert in a comprehensive assessment.

## Two-layer insurance protection for your assets:

### Basic insurance

**Insurer:**

Munich Re, Zurich, Lloyd's Syndicate

**Coverage amount:**

€130 million

**Risks covered:**

Fraudulent and malicious external attacks, hacks, cyber fraud, theft by employees

**Scope:**

All wallet types: hot, warm, and cold wallets

### Additional option 1

**Insurer:**

Lloyd's Syndicate

**Coverage amount:**

Up to €50 million

**Risks covered:**

Fraudulent and malicious external attacks, hacks, cyber fraud, theft by employees

*Separate insurance in your name*

### Additional option 2

**Insurer:**

Lloyd's Syndicate

**Coverage amount:**

€50 million to €750 million

**Risks covered:**

Selected individually

*Separate insurance in your name  
Direct legal claim against the insurer(s)*

## What does our crime insurance cover?

- Fraud and attacks by external third-parties (e.g. hacks)
- Theft by employees
- Physical loss
- Burglary
- **Special feature:** Full protection of hot wallet holdings

## Pillar 2: Operative excellence and flexibility

The foundation is secure custody. On top of that, Boerse Stuttgart Digital Custody uses smart processes to make your daily business as efficient as possible:

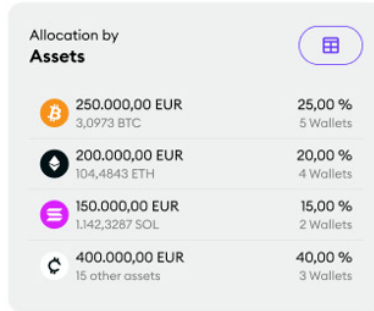
- **All-in-one:** Our solution is more than just a digital vault. We manage complex matters such as liquidity management, detailed book-keeping for you and your customers, transaction management, and crypto forensics in the context of AML checks. We take care of integration with the relevant top-in-class third-party providers, for example in AML.
- **Logical vs. physical accounting:** We enable cost-saving, off-chain settlement for internal transactions by maintaining a clear split between blockchain holdings and logical allocations in the system.
- **Automated liquidity management:** Smart and automated, our platform ensures an optimum balance between security and availability. It uses a rule-based approach to redistribute holdings between hot, warm, and cold wallets, keeping operative risk to a minimum with no manual effort on your part.
- **Segregated wallet structure:** We meet the highest compliance requirements by ensuring that your customers' holdings and your own are always cleanly segregated and securely verifiable.

Seems highly technical? It is – for your security. But, as a custody solution user, you will not be aware of this complexity.

As well as a powerful API, we provide an intuitive user interface that allows even non-technical staff to work with the system without extended training. This means that you can monitor wallet holdings at a glance, create reports in just a few clicks, or approve transactions under the dual-control principle.

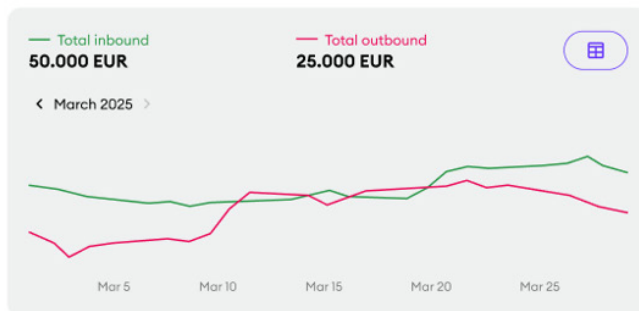
## Balances

Overview Total Wallets Owners Assets



Balances by Wallet groups

| Group                           | Balance ↓                 | Inbound                   | Outbound                  |
|---------------------------------|---------------------------|---------------------------|---------------------------|
| Hot<br>5 Wallets                | 100.000,00 EUR            | 5.000,00 EUR              | 5.000,00 EUR              |
| Warm<br>5 Wallets               | 100.000,00 EUR            | 5.000,00 EUR              | 5.000,00 EUR              |
| Corporate Reserves<br>5 Wallets | 100.000,00 EUR            | 5.000,00 EUR              | 5.000,00 EUR              |
| Bitcoin<br>BTC                  | 80.000,00 EUR<br>0,79 BTC | 2.500,00 EUR<br>0,025 BTC | 2.500,00 EUR<br>0,025 BTC |
| Ethereum<br>ETH                 | 20.000,00 EUR<br>6,44 ETH | 2.500,00 EUR<br>0,80 ETH  | 2.500,00 EUR<br>0,80 ETH  |
| Settlement<br>5 Wallets         | 100.000,00 EUR            | 5.000,00 EUR              | 5.000,00 EUR              |



Dashboard with all important information at a glance

Boerse Stuttgart Digital  
Pro Custody

Balances Transactions Settings Profile

## Balances

Overview Total **Wallets** Owners Assets

March 27, 2025 All wallet groups CSV

| Group                   | Balance                      | Inbound                     | Outbound                    |
|-------------------------|------------------------------|-----------------------------|-----------------------------|
| Hot                     | 250,000,00 EUR               | 25,000,00 EUR               | 25,000,00 EUR               |
| Warm                    | 250,000,00 EUR               | 25,000,00 EUR               | 25,000,00 EUR               |
| Bitcoin<br>3105hg0ha92h | 250,000,00 EUR<br>3,0973 BTC | 25,000,00 EUR<br>3,0973 BTC | 25,000,00 EUR<br>3,0973 BTC |
| Cold                    | 250,000,00 EUR               | 25,000,00 EUR               | 25,000,00 EUR               |
| Corporate Reserves      | 250,000,00 EUR               | 25,000,00 EUR               | 25,000,00 EUR               |

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## Transactions

Overview **New internal transfer** New withdrawal

All types Start date - End date Bitcoin, Ethereum, Polka... All statuses CSV

1 internal transfer is pending for approval. 1 deposit is unsolicited.

| Type                                  | From  | To  | Amount | Status            |
|---------------------------------------|---|---|--------|-------------------|
| Internal Transfer<br>10 min ago       | 08dd9130-afce-e59d-4...                               | -   | -      | Cancelled         |
| Internal Transfer<br>03/03/2025 11:23 | 08dd9130-afce-e59d-4...                               | 08dd9130-c359-7203-4...                               | 10 BTC | New               |
| Withdrawal<br>03/03/2025 11:23        | 08dd9d0c-8580-b6dc-1...                               | OxF3BD6aeabi0Bde95b...                                | 10 BTC | Processing        |
| Internal Transfer<br>03/03/2025 11:23 | 08dd9d0c-8580-b6dc-1...<br>bchtest:gafrkOu3kwrkf84... | 08dd9130-c359-7203-4...                               | 10 BTC | Awaiting approval |
| Deposit<br>03/03/2025 11:23           | bchtest:gafrkOu3kwrkf...                              | 08dd9130-c359-7203-4...<br>OxF3BD6aeabi0Bde95bc5fL... | 10 BTC | Unclaimed         |
| Internal Transfer<br>03/03/2025 11:23 | 08dd9130-c359-7203-4...                               | 08dd9130-c359-7203-4...                               | 10 BTC | Failed            |

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## Transactions

Overview **New internal transfer** New withdrawal

Bitcoin  
BTC

12345 / Name  
Address

1Lbfr7SAHDC9CgdZo3HTMTkV8MN4znX7l  
Valid Bitcoin Network - Recipient: Jane Marie Jones

What amount would you like to withdraw?

Amount

BTC 10 EUR 887,587,42

Network Fee: 0.0002 BTC

Apply Cancel

Overview of wallet holdings and transactions

### ? Logical vs. physical accounting

Imagine your crypto assets are gold bars in a vault.

- **Physical process:** If you move a bar from one vault to another, the physical inventory of both vaults changes. In the crypto world, this corresponds to a blockchain transaction – it is secure, but slow and incurs costs (network fees).
- **Logical process:** If you reassign ownership of the bar from customer A to customer B, the bar remains physically at the same location. The owner only changes on paper. This corresponds to a blockchain settlement in our system.

Our platform uses precisely this separation. If, for example, 100 of your customers buy Bitcoin, we can perform the logical allocation of these purchases internally, while covering the overall requirement via a single large blockchain transaction from a broker. The benefits for you are huge savings in transaction costs, faster processing times, and considerably simpler reconciliation.

## Pillar 3: Seamless integration as a full-service partner

Instead of siloed solutions, we offer a platform that integrates seamlessly with your existing infrastructure and business processes.

- **One-stop shop for crypto assets:** The crucial advantage of our platform lies in the synergy between custody and integrated brokerage. You get a smooth trading and settlement process from a single source, which reduces complexity and interface risks.
- **API-first architecture for full automation:** We work with a single, powerful API for brokerage and custody. Even if you use both services, you only need to implement a single interface. Our flexible API and webhooks enable deep integration with your systems.
- **Compliance as a service:** Our platform reduces the burden on your compliance team by taking on complex tasks for you as standard. These include adhering to the Travel Rule (ToFR), or blockchain forensics for money laundering prevention (AML). Here, we draw on our AML officers' many years of experience in the capital market business.

## Real-life use cases

Our platform is designed to be flexible, enabling new business models and supporting existing ones. As Europe's leading infrastructure provider, we offer proven solutions that are trusted by top financial institutions, including DZ BANK.

### Model 1 – B2B2C: Sub-custody for licensed institutions

#### Challenge:

Your bank has its own MiCAR license and wants to expand its portfolio quickly and securely to include crypto assets, without carrying the risks or costs of building its own infrastructure.

#### Solution:

You use our sub-custody model and leave the technical custody to us. Your end customers remain solely your customers – and we act as an invisible sub-custodian in the background. You get our tried and trusted infrastructure and compliance, while maintaining control over your customer relationships, only providing end-customer data on demand for ToFR-relevant transactions.

“Through our partnership with Boerse Stuttgart Digital, we have been able to realize our vision of secure, MiCAR-compliant crypto access for the Slovenian and European markets. The combination of maximum regulatory security and simple technical integration demonstrates: In Boerse Stuttgart Digital's platform, which seamlessly connects brokerage, trading, and custody, we have found the right institutional-grade solution to provide our clients with reliable trading and secure custody of cryptocurrencies via our brokerage platform.”

**Igor Štemberger**

President of the Management Board at ILIRIKA brokerage house plc.

### Model 2 – B2B2C: Full service for institutions without their own crypto license

#### Challenge:

As an innovative online broker, you want to offer your customers cryptocurrency trading, but you do not have your own MiCAR license for custody provision.

**Solution:**

You use our onboarding model on your own frontend, while your end customers become almost “invisible” customers of Boerse Stuttgart Digital via KYC sharing. We act as the license-holder and take on the entire regulatory responsibility for custody. Benefit: A much shorter time-to-market and capacity to focus on your customer interface and trading experience.

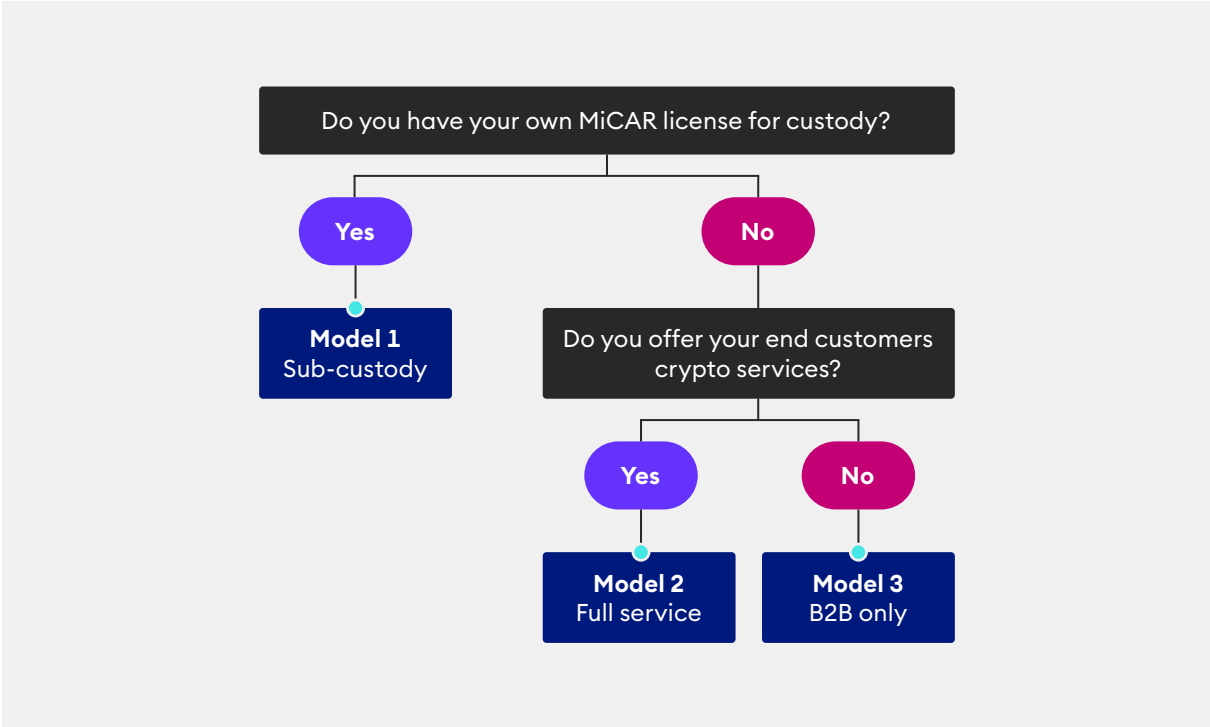
**Model 3 – B2B only: For ETP issuers and businesses**

**Challenge:**

As an ETP provider, you must fulfil the requirements of investors and auditors by storing crypto underlyings for financial products in a verifiable, secure manner, strictly segregated from your own assets.

**Solution:**

We provide a fully segregated wallet infrastructure that ensures a clean separation of ETP assets. Our transparent reporting functions provide you with the necessary proof of reserve. What’s more, our system performs complex processes such as withdrawals in kind in compliance with the Travel Rule.



## Boerse Stuttgart Digital Custody: Your custody solution for digital assets

Boerse Stuttgart Digital's custody solution is not just an infrastructure, but also a central platform that helps provide access to the crypto market for you and your customers. Use our secure, cutting-edge custody solution for your customers' digital assets and your own – while you focus on your core business.

We are continuously expanding the platform's strategic value. Integrated institutional staking, for example, is planned for the near future. This will allow you to generate new revenue sources directly from within secure custody. In addition, our own wallet solution is being developed further to offer greater independence and top-level security standards.

### **Boerse Stuttgart Digital is part of the Boerse Stuttgart Group. Shaping the future with 160 years of expertise, we are raising the bar in the realm of digital finance:**

The Group harnesses over 160 years of experience in the capital market business. Having built expertise in the crypto industry early on, Boerse Stuttgart Digital unites seasoned experts from the traditional finance realm with visionary pioneers in financial innovation. With our exceptional team at your side, you'll have a dedicated and trustworthy partner throughout your digital financial journey – every step of the way.



**Are you ready to leave the complexity of digital assets behind?**

Contact our expert team to talk in confidence about your individual requirements for a digital asset custody solution, and find out how we can help you get ahead. We enable your business.

[info@bsdigital.com](mailto:info@bsdigital.com)

## **Boerse Stuttgart Digital**

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