

TROPTIONS · INSTITUTIONAL DOCUMENT SYSTEM

Bitcoin Settlement Handbook

VASP Procedures, Travel Rule & Compliance

For: Settlement desks, compliance officers, lenders

v1.0 · April 28, 2026

TROPTIONS materials are provided for informational and due-diligence purposes only. TROPTIONS is not a bank, broker-dealer, exchange, custodian, licensed financial institution, investment adviser, or legal adviser. No live custody, exchange, stablecoin issuance, IOU issuance, Aave execution, token buyback, liquidity pool execution, mining operation, or public investment functionality is enabled. All execution requires legal, compliance, provider, custody, signer, and governance approvals.

Executive Summary

This handbook covers TROPTIONS procedures for Bitcoin settlement: VASP selection criteria, wallet screening requirements, Travel Rule compliance for transactions "e\$1,000, and source-of-funds documentation. Bitcoin settlement is a preference route subject to full compliance review.

Who This Document Is For

Settlement desks processing Bitcoin transactions, compliance officers reviewing BTC procedures, lenders accepting Bitcoin in TROPTIONS-assisted transactions, and deal coordinators.

Required Information

- Sending VASP name and jurisdiction
- Receiving VASP name and jurisdiction
- Transaction amount (BTC and USD equivalent)
- Transaction purpose
- Wallet addresses (sending and receiving)
- Originator and beneficiary information (Travel Rule)

Required Documents

- & VASP registration/licence confirmation
- & Wallet risk screening report
- & Travel Rule data package (if "e\$1,000)
- & Source of funds declaration
- & Transaction purpose statement
- & KYC documents for originator and beneficiary

Step-by-Step Process

Step 1: VASP Selection

Select sending and receiving VASPs from TROPTIONS approved VASP list. Confirm both are licensed and compliant in their respective jurisdictions.

Step 2: Wallet Screening

Run both sending and receiving wallet addresses through approved blockchain analytics tool (Chainalysis, Elliptic, or equivalent). Document risk score.

Step 3: Travel Rule Compliance

For transactions "e\$1,000: collect originator and beneficiary information per FATF Travel Rule. Share via approved VASP-to-VASP protocol.

Step 4: Source of Funds

Document source of BTC being sent. Confirm BTC was not acquired through any prohibited activities.

Step 5: Transaction Submission

Submit transaction details and compliance package through TROPTIONS Bitcoin settlement intake.

Step 6: Compliance Review

TROPTIONS compliance team reviews complete package before any settlement proceeds.

Step 7: Settlement Execution

Upon compliance approval, settlement instruction is issued. TROPTIONS does not custody or transmit BTC directly.

Approval Gates

- & Both VASPs confirmed licensed
- & Wallet screening completed (acceptable risk score)
- & Travel Rule data package complete ("e\$1,000)
- & Source of funds confirmed
- & Compliance review approved
- & Settlement instruction issued

Readiness Checklist

- & Sending VASP confirmed
- & Receiving VASP confirmed
- & Wallet addresses screened
- & Travel Rule data collected ("e\$1,000)
- & Source of funds documented
- & KYC for parties complete

What Stays Blocked

- Settlement with non-licensed VASPs
- Settlement with high-risk wallets
- Transactions without Travel Rule compliance
- Transactions with unverified source of funds

Common Blockers

- VASP not on approved list
- Wallet risk score exceeds threshold
- Missing Travel Rule data
- Source of funds unclear
- KYC incomplete for any party

TROPTIONS System Handling

TROPTIONS provides compliance coordination for Bitcoin settlement transactions. TROPTIONS does not custody, transmit, or hold Bitcoin. All BTC movements occur between VASPs and wallets controlled by the transacting parties.

Final Checklist Before Submission

- & Both VASPs confirmed licensed
- & Wallet screening reports obtained
- & Travel Rule data collected ("e\$1,000)
- & Source of funds documented
- & KYC complete for all parties
- & Compliance review passed
- & Settlement instruction issued and confirmed

SAFETY & COMPLIANCE DISCLAIMER

TROPTIONS materials are provided for informational and due-diligence purposes only. TROPTIONS is not a bank, broker-dealer, exchange, custodian, licensed financial institution, investment adviser, or legal adviser. No live custody, exchange, stablecoin issuance, IOU issuance, Aave execution, token buyback, liquidity pool execution, mining operation, or public investment functionality is enabled. All execution requires legal, compliance, provider, custody, signer, and governance approvals.