



December 1, 2017

bitFlyer, Inc.

Policy on Bitcoin Gold-related chain split in Bitcoin blockchain

(Revised on December 1)

A chain split (“split”) related to Bitcoin Gold (BTG) occurred on October 24, 2017. Our response to the chain split is as follows.¹

- We will credit you with an amount of BTG corresponding to the amount of Bitcoin (BTC) in your bitFlyer account prior to the split.² If we deem the BTG split to be a permanent and secure customer asset as well as of solid legality and compliance, then bitFlyer accounts will support both BTC and BTG.
- Services allowing users to buy, sell, deposit, and send BTG are planned for release.

We plan to implement the procedures described above. However, due to security issues such as the inclusion of malware in the BTG wallet software’s distributed binary, BTG has not yet been distributed to customer accounts and we are carefully examining the issue. If we deem the BTG split to be a permanent and secure customer asset as well as of solid legality and compliance, then bitFlyer accounts will support both BTC and BTG. Services allowing users to buy, sell, deposit, and send BTG are planned for release at that time.

Schedule

Time (JST)	Planned Measures
When block 491,406 is generated on the Bitcoin blockchain.	Calculation The amount of BTG to be distributed to customer assets will be calculated based on the amount of BTC held in their corresponding bitFlyer accounts at the time of the split. ³
TBD	Distribution and BTG Availability When the BTG split is deemed by bitFlyer to be a permanent and secure customer asset and of solid legality and compliance the appropriate users will

	be credited with BTG. The purchase and sale of BTG will then be made available on bitFlyer.
TBD after observing the stability of the BTG chain	<p>BTG Deposits and Withdrawals</p> <p>After observing sufficient stability in the BTG chain after the split, BTG deposit and withdrawal services will be made available on bitFlyer.</p>

You can check the block number for Bitcoin on chainFlyer.

chainFlyer : <https://chainflyer.bitflyer.jp/>

Overview of Bitcoin Gold (BTG)

BTG is an altcoin that emerged as a result of a hard fork on the 491,407th block of the Bitcoin blockchain (Bitcoin Core). It is being led by Hong Kong miners.

Main Features of BTG

- BTG has SIGHASH_FORKED (replay protection measure) ⁴ implemented, as Bitcoin Cash (BCH) did at the time of its hard fork.
- BTG is pre-mined. This refers to the blockchain mining that takes place in a non-public environment, which may result in unequal distribution of new coins and profits margins that lean heavily towards the original supporters and developers of BTG.
- BTG applies the Equihash Proof of Work (PoW) algorithm. This algorithm is different from the SHA256 algorithm that Bitcoin is using because it is a memory oriented PoW, which limits hash power by how much RAM one has. As a result, it is resistant to mining using ASICs.
- As of December 1, 2017, there have been security issues such as the inclusion of malware in the BTG wallet software's distributed binary.

As a result, bitFlyer has not yet made a final decision on the crediting of customer accounts with BTG as of December 1, 2017. If we deem the BTG split to be a permanent and secure customer asset and of solid legality and compliance, then the appropriate users will be credited with BTG. The purchase, sale, deposit and withdrawal of BTG will also be made available.

For more information on BTG, see <https://btcgpu.org>.

Lastly, we strongly hope that the Bitcoin ecosystem, which has been supported by its users since 2009, will continue to grow in a stable fashion going forward. As members and stakeholders in this community, we will continue to do everything we can to contribute. We appreciate your continued support.

¹ Based on current conditions as of December 1, 2017, described measures may be subject to change pursuant to ongoing changes in the Bitcoin ecosystem. An additional announcement will be issued in the event of any changes in measures.

² If we conclude that the BTG split is impermanent, contains legality and/or compliance issues, or that it poses a security risk to customer assets (e.g. measures against replay attacks are insufficient, vulnerabilities exist in the protocol, etc.) there is a possibility that we will not credit users with BTG. bitFlyer will not compensate for any losses or damages that result from the decision not to provide BTG to users.

³ The amount of BTC held in your bitFlyer account can be confirmed either under “My Assets” after logging in to the bitFlyer homepage or the “Fund Balances” under the “Funds” menu of bitFlyer Lightning. Any Bitcoin in your margin deposit (Lightning FX/Futures Account) is also included in the calculation of your current balance. Be careful not to confuse this balance with the balance for your bitFlyer deposit address on the Bitcoin blockchain. Open interest (positions) on bitFlyer Lightning FX / Futures is not included in the calculation of BTC balances.

⁴ If there is no replay protection, transfers on one chain may also be reflected on the other chain without intention.

We waive all liability for any damages to clients and/or third parties due to defects, changes, or other deficiencies in the content above.

We cannot answer any questions at this time about our decision regarding whether the BTG split will be permanent or any other related questions.

Please be aware that the Bitcoin Gold currency code may change.

In the case of a chain split, change in the specification of the cryptocurrency, or an airdrop, we reserve the right to respond as we deem necessary. We waive all liability for any damages to clients and/or third parties due to defects, changes, or other deficiencies regarding our response to the hard fork.

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