



October 15, 2015

**bitFlyer, Inc.**  
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## United States Marshals Service Bitcoin Auction Participation Details

44,341 BTC (~JPY 1.3 billion \*) seized by the FBI will be auctioned off on Nov 5<sup>th</sup>, 2015. This is the 4th and final Bitcoin auction since June 2014.

*\* Converted as of Oct 11th, 2015 5PM (JST) at bitFlyer's mid rate*

bitFlyer (as an agent\*) will arrange a joint bid for its customers. Application methods and precautions are available in detail below. We welcome all interested customers to participate in our joint bid.

*\* As an agent, bitFlyer will participate in the auction under its own name and using customers' calculation methods.*

*\*\* Successful Bitcoin auction bid funds may be subject to consumption taxes and other taxes. As we will be corresponding with an overseas agency, Bitcoin received from bitFlyer as a result of a successful bid is not considered to be subject to consumption tax; however, there is a possibility that consumption tax may be applicable in the event the proceeds are resold as a business. Please consult your local tax office or tax accountant for further details.*

### [ Reference Article ]

<http://www.coindesk.com/us-government-to-sell-44000-btc-in-final-silk-road-auction/>

### [ Auction Details ]

bitFlyer will once again arrange a joint bid to participate in the USMS Auction on behalf of our clients. There will be a 2% commission charged to participants, paid in BTC.

### [ Conditions of Participation ]

A bitFlyer account at the Business Class level or above, or Corporate1 Class or above, is required. Please note that bitFlyer will not be responsible in the case account creation or account class updates do not meet the participation deadline.

*\*\* Application conditions will be strictly applied. If one or more conditions are not satisfied, the application will be deemed invalid, and the joint purchasing expense will be refunded.*

*\*\* bitFlyer will send an email to all applicants for verification purposes. Please note that questions regarding verification results are not accepted.*

### **[ Application Method ]**

1. Send an email with the required information to the email address below:

[info+usms-last-auction@bitflyer.jp](mailto:info+usms-last-auction@bitflyer.jp)

- Your Full Name (or Corporate Name)
- bitFlyer Account Number (ex. BF10-1234-5678-90)
- Participation Amount  
*\*\*A minimum of JPY 1 million, in JPY 1 million units. Only Japanese Yen is accepted.*

2. Deposit

Please transfer your participation amount to the dedicated account below:

< Bank Account for Joint Auction Funds Transfer >

Sumitomo Mitsui Banking Corporation Tokyo  
Daiichi Branch (Branch code: 931) Savings  
Account Number 2900001 カビットフライヤー

*\*\* Bank transfer fees are to be paid by participants.*

*\*\* Please ensure the full participation amount is transferred to bitFlyer.*

3. bitFlyer Eligibility Verification

All applicants shall be reviewed for eligibility. Applicants will be contacted by email regarding the results of the eligibility verification. In the case the applicant does not meet the requirements for participation, bitFlyer will return all deposited funds to the applicant's bitFlyer account.

### **[ Applicant Verification ]**

bitFlyer will contact all applicants by email.

### **[ Deadlines ]**

Application Deadline: 2PM on Thursday, November 5<sup>th</sup> (JST)

Deadline for Funds Deposit: 2PM on Thursday, November 5<sup>th</sup> (JST)

*\*\* Participation will be limited to those who have confirmed funds in bitFlyer. Funds must be received by this date in order for the application to be valid.*

### [ Target Bitcoin Series ]

Bitcoin in blocks of 2,000 BTC shall be formed for the Series A block (total 42,000 BTC).

<USMS Website Official Auction Detail >

<http://www.usmarshals.gov/assets/2015/dpr-bitcoins/>

### [ Bidding Price ]

Bidding for 2,000 BTC will be performed with the bidding price calculated as follows:

Bidding Price = (Total amount of bitFlyer customers' participation + bitFlyer's participation amount) / FX rate\*

*\* USD TTS rate quoted by Sumitomo Mitsui Banking Corporation on Nov. 5th will be used.*

*\*\* In the case of a large number of participants, bitFlyer will determine the bidding price up to approximately a 30% discount from market price (as of November 5<sup>th</sup> at Yahoo!).*

### [ Commission ]

In the case the bid is successful, 2% of the total proceeds (in BTC) will be charged as commission to bitFlyer.

i.e. If the number of Bitcoin won by a successful bid is 1,000 BTC, 980 BTC will be sent to your registered external wallet, after deducting the commission.

Bitcoin funds not applied to the successful auction bid commission will be transferred in full to the participant's bitFlyer account.

### [ Important Notes ]

- Application conditions will be strictly applied. If one or more conditions are not satisfied, the application will be deemed invalid, and the joint purchasing expense will be refunded to your bitFlyer account.

- Auction results will be reported to all participants by email.
- In case the bid is successful, the Bitcoin will be distributed proportionally by participation amount.
- Successful Bitcoin auction bid funds may be subject to consumption taxes and other taxes. As we will be corresponding with an overseas agency, Bitcoin received from bitFlyer as a result of a successful bid is not considered to be subject to consumption tax, however there is a possibility that consumption tax may be applicable in the event the proceeds are resold as a business. Please consult your local tax office or tax accountant for further details.
- In the case the bid is not successful, bitFlyer will return all deposited funds to the applicant's bitFlyer account.
- There is a potential risk that bitFlyer will be unable to participate in the auction due to delays related to internal bitFlyer processes, government decisions, or other reasons. bitFlyer does not hold any responsibility for failing to participate in the auction.
- In the case that there is no participation by the deadline, bitFlyer shall be able to participate in the auction at any price.
- In the case of a successful bid, the amount of Bitcoin received may exceed the allowable holdings upper limit stipulated by bitFlyer. In this case, an external Bitcoin wallet will be required.

#### **[Reference]**

Please find below materials from the bitFlyer USMS Bitcoin Auction coordination in February, 2015.

[https://bitflyer.jp/pub/USMS\\_auction3\\_en.pdf](https://bitflyer.jp/pub/USMS_auction3_en.pdf)

Please find below materials from the bitFlyer USMS Bitcoin Auction coordination in June, 2014. (Link leads to a Japanese site)

<https://bitflyer.blob.core.windows.net/pub/fbiauction.pdf>

**bitFlyer, Inc**