Token Audit

Project: Tether Gold Token: $XAUT Date: 13.10

Tether Gold (XAUt) is a token issued by TG Commodities (El Salvador) that represents an undivided interest in one fine troy ounce of London Good Delivery gold vaulted in Switzerland.

The gold is real and attested quarterly by BDO Italia. The weak links are the unnamed affiliated custodian, supply above the last attestation and admin keys with no timelock.

Website: gold.tether.to

This token is acceptable

(+) Backing:
1:1 gold backing with bar-level allocation, quarterly ISAE 3000 attestations, zero storage fee and the deepest secondary market among gold tokens.

(-) Trust in the issuer:
the holder relies on one corporate group: the custodian is affiliated and unnamed, supply exceeds the last attested reserve, and the issuer can freeze and burn tokens.

RATING

BBB

61/100

Ownership

Buyer
↓
XAUt
↓
Custodian
↓
Swiss bars

Physical redemption

min. redemption
430
XAUt, delivery
to Switzerland only

Total value
$3,04B

NAV / token
$4 192

Holders
143K

Reserve 30.06
22,01 t

Fees in / out
0,25%

Price tracks gold

Price $4 180 vs NAV $4 192 (-0,29%). Reserves at 30.06.2026: 707 747 oz, supply at 13.10.2026: 845 001 XAUt. The next attestation must close the gap.

1. Token passport

Field	Value	Source
Name, ticker	Tether Gold, XAUt (XAUT on rwa.xyz). Not to be confused with XAUt0: a separate omnichain token run by Everdawn Labs, which Tether neither issues nor redeems	[1], [10]
Issuer	TG Commodities, S.A. de C.V., El Salvador. Until 27.01.2025: TG Commodities Limited, BVI	[4], [7]
Group	Owned by Tether Holdings S.A. de C.V. and Tether Operations S.A. de C.V. Gold is purchased by Alpha Group Commodities Limited (AGCL), also a Tether subsidiary	[4]
Licences	Stablecoin issuer and digital asset service provider (DASP) in the CNAD register, El Salvador. XAUt issuance registered by CNAD on 19.05.2025	[4]
Underlying asset	LBMA London Good Delivery gold, vaulted in Switzerland	[4], [3]
Legal nature	Undivided, specific interest in one fine troy ounce of gold. Title to the bars is held by the custodian for holders; the issuer does not hold title	[4]
Custodian	Not publicly disclosed. A Swiss company related to Tether, described as "operationally separate"	[4], [12]
Networks	Ethereum (ERC-20), BNB Chain, Monad, Arbitrum, Avalanche (bridged supply)	[1]
Ethereum contract	0x68749665FF8D2d112Fa859AA293F07A622782F38, OpenZeppelin proxy	[5]
Launch	January 2020. rwa.xyz shows 31.10.2021, a source discrepancy	[1], [9]
Total value (rwa.xyz)	$3 039 267 691	[1]
NAV / price	NAV $4 192, price $4 180	[1]
Supply	Total 845 001,11 XAUt, circulating 725 060,53 XAUt	[1]
Holders	143 446 (+63,93% over 30 days), 67 487 active addresses over 30 days	[1]
Turnover	Monthly transfers $7 473 156 116, 2 698 405 transactions	[1]
Reserve auditor	BDO Italia, quarterly ISAE 3000 attestation (limited assurance)	[1], [4]
Min. purchase from issuer	50 XAUt + 150 USDT verification fee	[1], [4]
Min. redemption	430 XAUt, delivery to a Swiss address or sale on the Swiss market	[1], [4]
Fees	Purchase 0,25%, redemption 0,25%, storage 0%, management 0%	[1]
Eligibility	Not for US citizens and residents, Canadian residents and a number of sanctioned jurisdictions	[1], [4]
Code audit	Not published. The issuer states that reviews were performed	[5]
Market share	About 58% of distributed tokenized commodities ($5,24b), PAXG second ($1,82b)	[2]

2. Verdict and red flags

Field	Value
In one sentence	The gold behind the token exists and is confirmed every quarter, but the holder's claim to it rests on trust in a single group: the custodian is affiliated and unnamed, and the contract can freeze and burn tokens without delay.
Score and grade	61,1 ≈ 61/100, grade BBB (acceptable)
Main strength	1:1 backing by LGD bars, with addresses mapped to bar serial numbers and an independent quarterly attestation. No storage fee.
Main weakness	The whole chain (issuer, purchaser, custodian, contract key holder) sits inside Tether. Apart from the BDO attestation, there is no independent control point.
What would change the score	Public names of the custodian and insurer, a legal opinion on protecting the gold if the issuer goes bankrupt, an upgrade timelock, monthly reserve reconciliation and cash redemption for small holders. Together these lift the score to about 76, grade A.

Red flags

Flag	Consequence	Status
Custodian undisclosed and affiliated	Grade capped at BBB. The holder cannot verify who holds the gold or whether it is encumbered	active, no effect on the result
Supply above the last attested reserve	Currently 845 001 XAUt against 707 747 oz on 30.06.2026. The 137 254 XAUt difference is not yet confirmed	open until the 30.09.2026 attestation, no penalty
Upgrade and burn without a timelock	A 3-of-6 multisig can change contract logic and burn a blocked address's balance immediately	active, reflected in block 9
Disputes only via confidential BVI arbitration	Class actions excluded, holders find it hard to enforce rights	active, reflected in block 3
Sanctions against the issuer	None found	not applicable
Fee disclosure mismatch	None found: rwa.xyz and issuer documents match	not applicable

3. Legal nature and holder rights

Block weight 15. The key question: does an XAUt holder own gold or hold a claim against Tether?

Under the Relevant Information Document (RID), each token represents an undivided, specific interest in one ounce of LGD gold. Title to the bars is held by the Swiss custodian for holders; TG Commodities does not hold title. The custodian is contractually bound to release the bar or its sale proceeds on redemption [4]. On paper this is stronger than a claim against the issuer, but the structure is described in the issuer's own document, not in an independent legal opinion.

#	Criterion	Finding	Score
3.1	Legal nature documented	The RID and terms of service describe an interest in physical gold. Issuer document, filed with CNAD [4]	2
3.2	Ownership vs claim	Title is held by the custodian for holders, the issuer does not hold title [4]. The custodian is affiliated	2
3.3	Bankruptcy protection	The RID states that reserves are segregated. No public legal opinion; rwa.xyz leaves the "bankruptcy remote" field empty [1]	1,5
3.4	Rights of secondary-market buyers	A token holder without KYC cannot redeem gold. US and Canadian persons are fully excluded [4]	1
3.5	Dispute resolution	Confidential CPR arbitration, BVI law and seat, sole arbitrator, class actions excluded [4]	1
3.6	Right of redemption	Established: a bar or USD proceeds. Timing is "commercially reasonable", with no fixed SLA [4]	2

Sources: [4] LlamaRisk review of the RID and terms of service, [1] rwa.xyz.

Block conclusion

Score: 7,9 of 15 (9,5/18).

The structure is designed correctly: an interest in specific gold, not issuer debt. But it is confirmed only by the issuer's own documents, and enforcing holder rights runs through closed arbitration in the BVI.

Risk: medium.

4. Ownership chain and custody

Block weight 10.

Chain: buyer → TG Commodities (KYC, sale) ← AGCL (buys gold and delivers it to the custodian) → custodian in Switzerland (bar intake) → XAUt minted to the AGCL address → sale to verified customers. Tokens are minted only after the bars pass the custodian's intake [4], [5].

Every link in the chain belongs to one group. In 2025 the Tether CEO confirmed that the group stores gold in its own vault in Switzerland, at an undisclosed location [12]. The custodian's affiliation is stated directly in the RID [4]. During the Aave listing, LlamaRisk specifically asked for the custodian's name, its regulatory status and any senior security interests [4]. We found no public answer.

#	Criterion	Finding	Score
4.1	Chain described	Described in the RID: AGCL → custodian → minting → sale [4]	2
4.2	Custodian publicly named	Not disclosed. Only the country is stated [4], [11]	1,5
4.3	Custodian independence	Related party, "operationally separate", with separate accounts and staff [4]	1
4.4	Bar-level allocation	A lookup on the issuer's site maps addresses to serial numbers. The attestation lists bars with serial number, weight and fineness [8]	2
4.5	Insurance	At launch the gold was said to be insured by the custodian [11]. Insurer and coverage undisclosed	1,5
4.6	Encumbrances and liens	Not disclosed. The LlamaRisk question on senior security interests remains open [4]	1,5

Sources: [4] LlamaRisk, [5] BGD Labs, [8] 1inch page with attestation data, [11] 2020 launch announcement, [12] Bloomberg interview as reported by CryptoSlate.

Block conclusion

Score: 5,3 of 10 (9,5/18).

The main substantive problem of this audit. The gold is counted, but the holder does not know who stores it, who insures it or whether it is pledged. This can only be checked through Tether.

Risk: high.

5. Regulation and investor eligibility

Block weight 5.

Since 27.01.2025 the issuer has operated in El Salvador under the Digital Assets Issuance Law (LEAD). The regime requires 100% reserves against tokens in circulation, a monthly sworn statement, an independent quarterly attestation and disclosure of the custodian to the regulator [4]. To the regulator, not the market: the custodian's name does not have to be made public.

In the EU, XAUt is closest in nature to an asset-referenced token under MiCA. We found no record of MiCA authorisation for XAUt. Tether publicly declined MiCA authorisation for USDT, and by 01.07.2026 USDT had left MiCA-licensed venues [13]. For XAUt this is a signal: access for regulated European institutions is in question.

#	Criterion	Finding	Score
5.1	Licence verifiable	CNAD registers (issuers, issuances, DASP) checked by LlamaRisk in June 2025 [4]. Not re-checked by us	2
5.2	Quality of regime	LEAD is young, with little enforcement history. Quarterly attestation is mandatory [4]	1
5.3	Status in key jurisdictions	Not for the US and Canada, no MiCA authorisation found [4], [13]	1
5.4	Eligibility restrictions set out	Clear list of prohibited persons and jurisdictions [4]	2
5.5	Sanctions and AML	Screening, Chainalysis Reactor, address freezing at the request of authorities [4]	2
5.6	Enforcement history	None found for XAUt. The Tether group has settled past claims over USDT reserves	1

Sources: [4] LlamaRisk, [13] review of the USDT delisting in the EU.

Block conclusion

Score: 2,5 of 5 (9,0/18).

There is a licence and the reserve requirements are formally strict. But the Salvadoran regime is young, and the token is effectively closed to the US, Canada and the regulated part of the EU.

Risk: medium.

6. Reserve reconciliation and price

Block weight 15. For a commodity token this replaces the NAV check: does the number of tokens match the gold, and does the price track the metal?

Date	Gold, oz	XAUt minted	Sold to customers	Source
31.03.2025	246 524,38	246 524,33	n/a	[4]
31.12.2025	520 089,35	520 089,30	n/a	[8]
31.03.2026	707 747,139	707 747,09	559 598,64	[8], [3]
30.06.2026	707 747,139	reserve unchanged	612 823,66	[3]
13.10.2026	not attested	845 001,11	725 060,53 circulating	[1]

On every attestation date, gold and minted supply match to a hundredth of an ounce. On 30.06.2026 the reserve was 707 747,139 oz, about 22,01 t, with a market value of about $2,837b, including 1 759 LGD bars [3].

Gap at the audit date. rwa.xyz shows 845 001,11 XAUt across all networks, of which 827 417,63 are on Ethereum [1]. That is 137 254 XAUt (about 4,27 t) above the last attested reserve counting all networks, and 119 670 XAUt above it for Ethereum alone. Part of the supply on other networks may be bridged, in which case it should not be added to Ethereum. Supply growth after 30.06 is expected in itself, as customer sales are rising. But backing for the new tokens can only be checked against the 30.09.2026 attestation.

Issuer inventory. The difference between minted and circulating supply, 119 941 XAUt or 14,2% of supply, sits with AGCL and the issuer as inventory for instant sales [1], [4]. This is a working model, but it means Tether itself is the largest XAUt holder.

Price. At the snapshot the price was $4 180 against NAV $4 192, a 0,29% discount [1]. The one-year deviation history was not collected for this audit.

#	Criterion	Finding	Score
6.1	Independent reserve check	BDO Italia, ISAE 3000, limited assurance. A point-in-time attestation, not an audit [4], [9]	2
6.2	Frequency and freshness	Quarterly, published about five weeks later. Current supply exceeds the last attested reserve	1
6.3	Token-to-ounce reconciliation	Match on every attestation date [3], [4], [8]	3
6.4	Price vs gold	0,29% discount at the snapshot [1]. Deviation history not collected	2
6.5	On-chain reserve confirmation	No Proof of Reserve. Issuer lookup and a Chainlink XAUt/USD price feed based on secondary markets [5]	1
6.6	Issuer financial statements	Not published. The attestation does not include the issuer's financial statements [9]	1,5

Sources: [1] rwa.xyz, [3] Q2 2026 attestation summary, [4] LlamaRisk, [5] BGD Labs, [8] 1inch, [9] The Block and Decrypt on the first attestation.

Block conclusion

Score: 8,8 of 15 (10,5/18).

On every quarterly date, gold and tokens reconcile. Between dates the holder has only the issuer's word, and supply is now 137 254 XAUt above the confirmed reserve.

Risk: medium.

7. Fees and cost of ownership

Block weight 20.

Fee	Amount	Source
Purchase from issuer	0,25% on the Swiss market gold price	[1], [4]
Account verification fee	150 USDT, non-refundable	[1]
Redemption	0,25% of the bar's spot value	[1], [4]
Delivery within Switzerland	Not disclosed in figures	[4]
Storage and management	0%	[1]
Cash settlement	Sale on the Swiss market, spread not disclosed	[4]

Example: two holders

Reference price $4 192 per XAUt (NAV at the snapshot). Issuer purchase minimum: 50 XAUt, about $209 600. Redemption minimum: 430 XAUt, about $1 802 560.

Step	$100 000	$2 000 000
XAUt amount	about 23,9	about 477,1
Entry	Secondary market only: below the 50 XAUt minimum. Venue fee and spread	From the issuer: 0,25% = $5 000 + 150 USDT
Storage	$0	$0
Exit	Market sale only: below the 430 XAUt minimum. 0,29% discount at the snapshot, about $286	Bar redemption: 0,25% ≈ $5 000 + delivery
Known round-trip costs	depend on the venue	about $10 150, or 0,51%, plus delivery

Takeaway: for a large holder, XAUt is a cheap way to hold gold. There is no annual storage fee, only entry and exit costs. A holder below 430 XAUt pays the market rather than the issuer and depends entirely on venue liquidity.

#	Criterion	Finding	Score
7.1	Fee disclosure	All main rates disclosed and consistent across sources [1], [4]	3
7.2	Storage fee	None [1]	3
7.3	Entry and exit cost	0,5% per round trip plus 150 USDT for a large holder	2
7.4	Undefined costs	Delivery and cash settlement spread not disclosed in figures	1,5
7.5	Issuer revenue model	Revenue from primary sales only, storage is free. Sustainability relies on the group's own vault [12]	2

Sources: [1] rwa.xyz, [4] LlamaRisk, [12] CryptoSlate. Example calculated by 8Blocks.

Block conclusion

Score: 15,3 of 20 (11,5/15).

A strong block. Fees are low and disclosed. The one minus: a small holder cannot use the cheap redemption route and pays the market instead.

Risk: low.

8. Liquidity and redemption

Block weight 15.

XAUt has the largest secondary market among gold tokens: $7 473 156 116 in monthly transfers and 143 446 holders [1]. The token is accepted as collateral on Aave v3, priced off the XAU/USD gold feed [5]. Tether's own XAUt-based lending product, Alloy, is being wound down from 17.09.2026 [14].

Q2 2026 was a test: gold fell 14,1%, while customers increased XAUt holdings by 9,5%, from 559 598,64 to 612 823,66 tokens [3]. There was no mass redemption, but also no stress on the issuer side. How redemption would behave under outflows cannot be verified from public data.

#	Criterion	Finding	Score
8.1	Secondary market depth	Largest turnover in the class. USD pairs are thin, most liquidity is in USDT pairs [1]	2
8.2	Redemption threshold	Redemption from 430 XAUt, one LGD bar [4]. This is the industry standard: PAXG physical delivery also starts at one bar, about 430 oz [15]. Small holders exit through the secondary market	2
8.3	Redemption timing	"Commercially reasonable" timing, no SLA [4]	1
8.4	Suspension rights	The issuer may defer redemption and freeze an address under investigation [4]	1
8.5	Holder concentration	14,2% of supply in issuer inventory. Shares of the largest external holders not collected [1]	1,5
8.6	Integrations	Collateral on Aave v3, XAUt0 bridge to other networks [5], [10]	2
8.7	Stress scenario	Q2 2026: a 14,1% fall in gold with no outflow from the token [3]	2

Sources: [1] rwa.xyz, [3] Q2 2026 attestation, [4] LlamaRisk, [5] BGD Labs, [10] CoinDesk on XAUt0, [14] blockchain.news, [15] Chainlink.

Block conclusion

Score: 8,2 of 15 (11,5/21).

The market is deep. A one-bar redemption threshold is in line with the industry and barely affects the score: small holders exit through the market, and arbitrage by large participants keeps the price close to gold. The block's weak points: no redemption SLA and the right to suspend redemption.

Risk: medium.

9. Smart contract and technical rights

Block weight 5. Role data comes from the BGD Labs technical review for Aave, August 2025 [5]. We did not re-check it on-chain.

Role	Rights	Held by
Proxy admin	upgrade, upgradeAndCall: replaces all contract logic	Tether 3-of-6 multisig
Owner	mint, redeem, addToBlockedList, removeFromBlockedList, destroyBlockedFunds, transferOwnership	Same 3-of-6 multisig

#	Criterion	Finding	Score
9.1	Privileged roles	Minting, blocking and burning a blocked address's balance sit with a single multisig [5]	1
9.2	Timelock	None. BGD Labs recommended that Tether add one [5]	0
9.3	Public code audit	None. The RID mentions reviews, reports not published [5]	1,5
9.4	Bridge dependency	XAUt0 via LayerZero is run by Everdawn Labs. Tether does not redeem XAUt0 [10]	1
9.5	Incidents	No public contract incidents found	2
9.6	Code quality	Standard OpenZeppelin components, Transparent proxy, verified code [5]	2

Sources: [5] BGD Labs, [10] CoinDesk.

Block conclusion

Score: 2,1 of 5 (7,5/18).

The code is standard, but a six-key multisig can change the logic and burn the balance of any blocked address without delay. For the holder this is another point of trust in Tether.

Risk: high.

10. Underlying asset: gold

Block weight 15. This block assesses the quality of the metal and its storage, not the gold price.

Parameter	Value	Source
Standard	LBMA London Good Delivery	[4]
Reserve composition on 30.06.2026	1 759 LGD bars plus smaller bars, 707 747,139 oz in total	[3]
Storage location	Switzerland, a single group vault, address undisclosed	[12]
Gold price on 30.06.2026	$4 008,02 per ounce, a 14,1% quarterly fall	[3], [14]
Tether group gold outside XAUt	About 27,1 t bought by Tether International in H1 2026 for USDT reserves and its own purposes	[3]

#	Criterion	Finding	Score
10.1	Metal quality	LGD, LBMA standard [4]	3
10.2	Provenance and fineness	Bars listed in the attestation with serial number, weight and fineness. Refiners not publicly disclosed [8]	2
10.3	Underlying asset liquidity	The gold market is one of the deepest in the world	3
10.4	Price risk	Gold is volatile: Q2 2026 was the largest quarterly fall in 13 years [3]	2
10.5	Storage concentration	One country, one group vault [12]	1

Sources: [3] Q2 2026 attestation, [4] LlamaRisk, [8] 1inch, [12] CryptoSlate, [14] blockchain.news.

Block conclusion

Score: 11,0 of 15 (11,0/15).

The asset itself is the best possible for this kind of token. The risk is not in the metal but in the fact that all of it sits in one place under the control of one group.

Risk: low.

11. Scoring and risk matrix

Block	Weight	Points	Block score	% of weight
3. Legal nature and holder rights	15	9,5/18	7,92	52,8%
4. Ownership chain and custody	10	9,5/18	5,28	52,8%
5. Regulation and eligibility	5	9,0/18	2,50	50,0%
6. Reserve reconciliation and price	15	10,5/18	8,75	58,3%
7. Fees and cost of ownership	20	11,5/15	15,33	76,7%
8. Liquidity and redemption	15	11,5/21	8,21	54,8%
9. Smart contract	5	7,5/18	2,08	41,7%
10. Underlying asset: gold	15	11,0/15	11,00	73,3%
Total before penalties	100		61,08	
Penalties			0	
Result			**61/100**	**grade BBB**

8Blocks grade scale (version 2): AAA 90-100, AA 80-89, A 70-79 (reliable), BBB 60-69, BB 50-59 (acceptable), B 40-49, CCC 30-39 (risky), CC 20-29, C below 20 (high risk). The BBB cap from the "custodian undisclosed" flag does not affect the result.

Risk matrix

Risk	Likelihood	Impact	Mitigation	Block
New tokens without confirmed gold	low	high	The 30.09.2026 attestation, monthly reconciliation or Proof of Reserve	6
Gold unavailable to holders if the group goes bankrupt	low	high	Legal opinion, independent custodian	3, 4
Bars encumbered in favour of third parties	low	high	Disclosure of the custodian and absence of liens	4
Redemption delays under stress	medium	medium	Redemption SLA, disclosed queue order	8
Token freezing and burning	low	high	Timelock, public blocking policy	9
Delisting on regulated venues	medium	medium	MiCA or other authorisation	5
XAUt0 bridge failure	low	medium	Hold XAUt on Ethereum if redemption is needed	9

12. Questions for the issuer, limitations and sources

Questions for the issuer

1. Who is the gold custodian, what is its regulatory status, and does anyone hold rights to the bars senior to XAUt holders?
2. Who insures the gold, for what amount and against which risks?
3. Is there a Swiss-law legal opinion that the gold is excluded from the insolvency estate of TG Commodities, AGCL and the custodian?
4. What backs the 137 254 XAUt minted above the 30.06.2026 reserve? When will the 30.09.2026 attestation be published?
5. How much XAUt on other networks is minted natively and how much is bridged, and how is this treated in the attestation?
6. What is the actual redemption timing and the cost of delivery within Switzerland?
7. Is cash redemption planned for holders below 430 XAUt?
8. Will a timelock be added for upgrades and burns? Will code audits be published?
9. How many times has destroyBlockedFunds been used on XAUt, and on what grounds?
10. Does TG Commodities plan to seek MiCA authorisation for XAUt?

Right of reply

This audit relies on public data only. If TG Commodities provides documents on the questions above, 8Blocks will recalculate the scores and publish an updated version listing the changes.

Method limitations

- The gold.tether.to site is script-rendered. The RID and terms of service were not read directly: their content is taken from the 2025 LlamaRisk and BGD Labs reviews. The documents may have changed.
- The 30.06.2026 attestation is taken from trade media summaries; the original PDF was not checked.
- CNAD registers and contract roles were not re-checked by us. Holder distribution and price deviation history were not collected.
- The grade describes the token's structure, not the outlook for the gold price. This audit is not investment advice.

Sources

[1] rwa.xyz, Tether Gold (XAUT), snapshot 13.10.2026: https://app.rwa.xyz/assets/XAUT
[2] rwa.xyz, Tokenized Commodities, snapshot 13.10.2026: https://app.rwa.xyz/commodities
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[4] LlamaRisk, legal review of XAUt for Aave, 02.06.2025: https://governance.aave.com/t/temp-check-add-xaut-to-aave-v3-core-instance/22201/5
[5] BGD Labs, technical review of XAUt for Aave, 18.08.2025: https://governance.aave.com/t/arfc-add-xaut-to-aave-v3-core-instance/22385/9
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[7] DefiLlama RWA, XAUT: https://defillama.com/rwa/asset/xaut
[8] 1inch, XAUt: attestation data for 31.12.2025 and 31.03.2026: https://1inch.com/tokens/ethereum/xaut
[9] The Block, first XAUt attestation; Decrypt on the attestation format: https://www.theblock.co/post/352196/tethers-gold-backed-xaut-stablecoin-holds-7-7-tons-of-reserves-after-first-quarter
[10] CoinDesk, XAUt0: https://www.coindesk.com/price/xaut0
[11] Crypto Economy, Tether Gold launch, 2020: https://crypto-economy.com/?p=21969
[12] CryptoSlate on a Bloomberg interview, July 2025: https://cryptoslate.com/tether-holds-8-billion-worth-of-gold-in-swiss-vault-matching-ubs-exposure/
[13] Tech Insider, USDT delisting in the EU, 2026: https://tech-insider.org/usdt-delisting-eu/
[14] Blockchain.news, Tether Gold in Q2 2026, 02.09.2026: https://blockchain.news/news/tether-gold-xaut-q2-2026-growth
[15] Chainlink, how tokenized commodities work: https://chain.link/article/tokenized-commodities-how-they-work

Final audit conclusion

XAUt: grade BBB, 61/100, the token is acceptable. This is not a rating of gold. The gold behind XAUt exists, it is of the highest standard, and on every quarterly date there is exactly as much of it as there are tokens. The risk lies elsewhere: between the holder and the bar there is no link independent of Tether, other than the quarterly BDO check.

Block	Score	Risk	Key finding
3. Legal nature	7,9	medium	Interest in gold on paper, closed BVI arbitration
4. Ownership chain	5,3	high	Custodian unnamed, encumbrances undisclosed
5. Regulation	2,5	medium	Salvadoran licence, closed to US and Canada, MiCA open question
6. Reserve reconciliation	8,8	medium	Reconciles on attestation dates, supply now above reserve
7. Fees	15,3	low	0,25% in and out, free storage
8. Liquidity and redemption	8,2	medium	Deep market, industry-standard redemption threshold
9. Smart contract	2,1	high	Upgrades and burns without a timelock
10. Gold	11,0	low	LGD, but a single group vault

Strengths

- 1:1 LGD gold backing, confirmed on every quarterly date.
- Addresses mapped to bar serial numbers.
- No storage fee, low entry and exit fees.
- The largest market and integrations among gold tokens: about 58% of the segment [2].

Key risks

- The custodian is affiliated and unnamed; insurance and encumbrances are undisclosed.
- At the audit date, supply is 137 254 XAUt above the last confirmed reserve.
- A Tether multisig can change the contract and burn blocked balances without delay.
- Disputes only via confidential BVI arbitration.

Who it suits and who it does not

Suits protocols and funds outside the US and EU that need gold inside crypto infrastructure: as collateral, a settlement asset or a treasury reserve. One condition: the team knowingly accepts Tether counterparty risk.

Does not suit those who need a claim to gold that can be verified without the issuer, persons from the US and Canada, and regulated EU institutions.

What would raise the score

- Public names of the custodian and insurer, and confirmation of no encumbrances.
- A legal opinion on protecting the gold in bankruptcy.
- An upgrade timelock and published code audits.
- Monthly reconciliation or on-chain Proof of Reserve.
- Cash redemption for holders below 430 XAUt.

Re-rating triggers

- Publication of the 30.09.2026 attestation: does it confirm current supply?
- A change of custodian, storage location or group structure.
- A contract upgrade or large-scale use of destroyBlockedFunds.
- Action by CNAD or other regulators against the issuer.
- A price deviation from gold above 1% for more than a day.

This audit was prepared by 8Blocks from public data and is not investment, legal or tax advice.

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This material is for information only and is not an offer to buy or sell any assets.