

Risk Disclosure

Effective Date: July 25, 2025

Investing in or exchanging crypto-assets for funds involves significant risks that may lead to partial or complete loss of your funds. Before engaging with crypto-assets or our Services, please carefully consider the following risks and assess whether they are suitable for your financial situation. We recommend conducting your own research and consulting with a qualified financial advisor if needed. This risk disclosure highlights key risks but is not exhaustive.

1. High Volatility and Risk of Loss

Crypto-assets are subject to extreme price volatility. Their value can fluctuate significantly within short periods, potentially dropping to zero. Unlike traditional financial instruments, crypto-assets are not backed by any government or central bank, increasing the risk of substantial financial loss. You should be prepared to lose all funds involved in crypto-asset exchanges.

2. Lack of Regulatory Protections

Crypto-assets are not considered legal tender in the European Union and are not subject to the same regulatory protections as traditional financial instruments. The financial compensation schemes do not cover investments in crypto-assets, as they are not deemed eligible for guarantees or protections typically afforded to other types of investments.

3. Liquidity Risks

The ability to exchange crypto-assets for funds depends on market liquidity, which can vary significantly. Low liquidity may prevent you from selling your crypto-assets at a reasonable price or at all, especially during periods of market stress. Illiquid markets can exacerbate price volatility and financial losses.

4. Cybersecurity and Fraud Risks

Crypto-assets are digital assets and are vulnerable to cyber-attacks, hacking, phishing, spoofing, scams, and other fraudulent activities. Such incidents may result in irreversible loss of your crypto-assets. Sending crypto-assets to an incorrect or unknown wallet address during an exchange is typically non-recoverable. Always verify wallet addresses and use secure practices when initiating exchanges.

5. Technological and Network Risks

The operation of crypto-assets relies on blockchain networks, which may experience technical issues, network congestion, or protocol changes. These factors can delay or prevent transactions, affect the accessibility of your crypto-assets, or lead to losses. We have no control over underlying blockchain networks and cannot guarantee uninterrupted transaction processing.

6. Regulatory and Legal Risks

The regulatory landscape for crypto-assets in the EU is evolving, and future changes may impact their value, usability, or legality. Non-compliance with regulations, such as anti-money laundering (AML) requirements, may expose you to legal risks. Additionally, certain crypto-assets may face restrictions or bans under EU regulations, potentially affecting their tradability or value. It is possible that statutory or regulatory changes have material effects on our Services. We are dedicated to designing, updating, and/or adapting our Services to ensure compliance with all relevant laws and regulations. We cannot guarantee that specific regulatory or legal changes will not lead to restrictions or discontinuation of our Services.

7. Counterparty and Platform Risks

Engaging with crypto-asset service providers involves counterparty risk. Platforms may face operational, financial, or cybersecurity issues, including insolvency, which could result in the loss of your funds or assets. When providing exchanging crypto-assets for funds, we may, with the client's consent, engage with various counterparties, such as financial institutions and exchanges. We have no control over the financial stability of these counterparties, which are integral to the crypto market infrastructure. Delays or failures in fiat payment processing by banking partners may also affect your ability to receive funds.

8. Tax Implications

Crypto-asset transactions may have tax consequences, such as capital gains tax, depending on your jurisdiction. Tax regulations can be complex and vary by country. You are responsible for understanding and complying with applicable tax obligations and should seek professional tax advice.

9. Complexity and Lack of Transparency

Crypto-assets and their underlying technologies can be complex, making it challenging to fully understand their risks and mechanics. Changes to a crypto-asset's protocol or network may also affect its value or functionality.

10. Scams and Market Manipulation

The crypto-asset market is susceptible to scams, including fraudulent investment schemes, impersonation of legitimate businesses, and market manipulation. Promises of guaranteed returns or “low-risk” investments are often indicative of scams. Always verify the legitimacy of platforms and wallet addresses before initiating an exchange.

11. Stablecoin-Specific Risks

While stablecoins aim to maintain a stable value by pegging to assets like fiat currencies, they are not immune to risks. A stablecoin’s stability depends on the issuer’s reserves, governance, and operational integrity. Depegging events, regulatory actions, or issuer insolvency could lead to significant losses.

Recommendations

- **Conduct Thorough Research:** Understand the specific crypto-assets and Services you are using, including their risks and compliance with EU regulations.
- **Use Secure Practices:** Safeguard your private keys, use two-factor authentication (2FA), and verify wallet addresses before transferring funds.
- **Diversify Investments:** Avoid concentrating your investments in a single crypto-asset to mitigate risk.
- **Stay Informed:** Keep up with regulatory changes and market developments that may affect your crypto-assets.
- **Assess Financial Suitability:** Only invest or trade what you can afford to lose, considering your financial circumstances.

By using our Services, you acknowledge these risks and agree to take full responsibility for any losses incurred. We are not liable for losses resulting from market fluctuations, technical issues, or other risks outlined above. For further details, refer to our Terms and Conditions and consult with a professional advisor before engaging with crypto-assets.