

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Swarms (SWARMS)

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Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading SWARMS. Investors should perform their own assessment to determine the appropriate level of risk for their personal circumstances. Be sure to do your own research and due diligence while taking into account your own financial situation and risk tolerance. Please review the [Risk Summary](#) for additional discussion of general risks associated with the assets made available in the platform. These materials are for general information purposes only and are not investment advice or a recommendation or solicitation to buy, sell or hold any crypto asset or to engage in any specific trading strategy. The information contained in this risk disclosure is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is Swarms and how does it work?

Swarms is a Solana-based infrastructure project that aims to support an “agentic economy” in which autonomous software agents discover, transact and collaborate without central oversight. The project offers three principal components:

- Swarms API - a framework for developers to build, deploy and orchestrate multi-agent systems in Python, Rust and other languages.
- ATP Protocol - a forthcoming on-chain layer designed to handle economic transactions between agents.
- Swarms Marketplace & Cloud - a live platform where creators list agents, prompts and tools, earn revenue from buyers, and host agents in a managed environment.

Although the marketplace is operational, the native SWARMS token is not yet required for payments, governance or network security. Current fees are settled in SOL or USD; the team continues to explore token utility but no official mechanism has been launched.

Who is behind SWARMS

SWARMS was founded by Kye Gomez, who continues to serve as the project’s CEO.

Tokenomics of SWARMS

SWARMS has a maximum supply of 1 billion tokens. The token allocation is not publicly available.

General Risks

Like all other digital assets, there are some general risks to investing in SWARMS. These include short history risk, volatility risk, liquidity risk, demand risk, forking risk, code defects, cryptography risk, regulatory risk, concentration risk, electronic trading risk and cyber security risk. For more information on general risks associated with smart contracts and digital assets, see Kraken's Risk Statement.

Risks specific to SWARMS

Competition

The Swarms network faces competition from other AI-agent platforms such as Virtuals Protocol and ai16z. Swarms' value depends on broad adoption; failure to attract usage relative to these alternatives could adversely affect the price of SWARMS.

Developer Dependence

While many developers contribute to Swarms' open-source codebase, there is no guarantee they will continue to do so. SWARMS could be negatively affected if the project cannot retain or attract talent to maintain and improve its tooling.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on SWARMS and determined that SWARMS is unlikely to be a security or derivative under UK securities legislation. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

- The creation, governance, usage and design of SWARMS, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created SWARMS;
- The supply, demand, maturity, utility and liquidity of SWARMS;
- Material technical risks associated with SWARMS, including any code defects, security breaches and other threats concerning SWARMS and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and
- Legal and regulatory risks associated with SWARMS, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of SWARMS, and (ii) consideration of statements made by any regulators or securities regulatory authorities in the UK, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to SWARMS about whether SWARMS, or generally about whether the type of crypto asset, is a security and/or derivative.

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong. [Take 2 mins to learn more.](#)

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