

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Schuman EURØP (EUROP)

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Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading EUROP. 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 EUROP and how does it work?

Schuman EURØP (EUROP) is a euro-backed stablecoin issued by Schuman Financial, an electronic money institution (EMI) regulated in France by the Autorité de Contrôle Prudentiel et de Résolution (ACPR). It is designed to maintain a 1:1 parity with the euro, meaning each EUROP token is backed by an equivalent amount of euros held in segregated accounts with regulated financial institutions. EUROP is currently issued on Ethereum, Polygon, Avalanche and the XRP Ledger, with further network integrations evaluated as market demand grows.

To ensure stability, according to the Schuman Financial team, all funds received in exchange for issued EUROP tokens are deposited in safeguarded accounts with credit institutions or invested in highly liquid and secure assets, such as short-term financial instruments. These assets remain separate from Schuman Financial's operational funds, with the aim that they are available for redemption. EUROP holders have the right to redeem their tokens at par value (€1 per EUROP) at any time, subject to Anti-Money Laundering (AML) checks. Institutional holders must open a Schuman Financial account for direct redemption, while individuals can submit a redemption request via the company's website.

Who is behind the project?

EUROP is issued by Schuman Financial. The company operates under the legal name Salvus SAS and is fully controlled by Schuman Financial AG, a Swiss-based firm in Zug, Switzerland. The company was founded by Martin Bruncko, Eduardo Morrison Gómez, Nicholas Pouzin, and Amrita Srivastava, who are employed as the CEO, CBO, COO, and Head of Banking & Payments respectively.

Tokenomics of EUROP

EUROP holders have the right to redeem their tokens at any time at a 1:1 ratio with the Euro. As such, there is no fixed supply limit; the number of tokens in circulation adjusts based on market demand.

General Risks

Like all other digital assets, there are some general risks to investing in EUROP. These include Smart Contract risks, 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 EUROP

Competition

The EUROP network faces competition from other euro-denominated stablecoins such as EURC and EURS. EUROP's value derives from its broader adoption; failure to achieve sufficient market share could negatively impact the value of EUROP.

Depegging Risk

At any given point, the price of EUROP may not accurately reflect the value of the underlying euro reserves. This is because EUROP's market price is determined by supply and demand on secondary markets rather than the actual reserves. If demand exceeds supply, the price may rise above €1, and if supply outstrips demand, the price may fall below €1.

Risk of Asset Freezing

Schuman Financial reserves the right to freeze or block certain EUROP tokens in circumstances deemed necessary, such as suspected illicit activity or regulatory requirements. If EUROP is deemed illegal in certain jurisdictions, affected tokens could be frozen, preventing holders from transferring them.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on EUROP and determined it was permitted to make EUROP available for trading to UK users. This process generally consists of reviewing publicly available information on the following:

- The creation, governance, usage and design of EUROP, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created EUROP;
- The supply, demand, maturity, utility and liquidity of EUROP;
- Material technical risks associated with EUROP, including any code defects, security breaches and other threats concerning EUROP 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 EUROP, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of EUROP, 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 EUROP about whether EUROP, 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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