

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Global Dollar (USDG)

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Disclaimer

Please note that this Crypto Asset Statement is not exhaustive of all risks associated with trading USDG. 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 Crypto Asset Statement is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is USDG and how does it work?

Global Dollar (USDG) is a U.S.-dollar-pegged stablecoin issued by Paxos Digital Singapore Pte. Ltd. Each USDG is fully backed by cash or cash-equivalent assets held in segregated accounts at DBS Bank and is redeemable 1-for-1 for U.S. dollars.

First launched as an ERC-20 token on Ethereum, USDG is now available natively on Solana, Ink, and X Layer, and can reach additional blockchains (e.g., Hyperliquid, Plume, Aptos) through the LayerZero-powered USDG0 bridge. Like other fiat-backed stablecoins, USDG serves as a medium of exchange, store of value and settlement asset across the Global Dollar Network and DeFi platforms.

Who is behind the project?

Paxos was co-founded in 2012 by Charles Cascarilla (Chief Executive Officer) and Rich Teo (Chief Executive Officer, Asia). Paxos Digital Singapore Pte. Ltd. is the issuer of USDG.

Tokenomics of USDG

USDG has a circulating supply that can increase or decrease based on demand. Since it seeks to maintain a 1:1 peg, the supply and demand economics are such that the total supply is uncapped - in any given day millions of dollars could either be traded for USDG or from USDG back into USD.

General Risks

Like all other digital assets, there are some general risks to investing in USDG. 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 USDG

Competition

The Global Dollar network faces competition from other cryptocurrencies such as Circle's USDC, Tether's USDT and many others. Global Dollar's value derives from its broader adoption in the market. If the Global Dollar network fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of USDG.

Depegging Risk

At any given point in time, the price of USDG may not accurately reflect the value of the underlying asset (U.S. dollars). This risk arises because the price of USDG is determined by supply and demand in the secondary market, rather than the actual value of U.S. dollars. If demand for USDG exceeds the available supply, the price may increase, leading to a higher price relative to U.S. dollars. Conversely, if there is a surplus of USDG tokens and insufficient demand, the price may decrease, causing USDG to be worth less than U.S. dollars.

Risk of Asset Freezing

Paxos Digital Singapore Pte. Ltd., the entity behind USDG, reserves the right to block or freeze USDG in certain circumstances. If USDG is deemed illegal by certain jurisdictions, the associated USDG tokens could be frozen, resulting in the owner of the wallet not being able to transfer the tokens.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on USDG and determined it was permitted to make USDG available for trading to UK users. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

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