

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

QCAD (QCAD)

Last updated on January 16, 2026

Disclaimer

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

QCAD is a digital asset issued by Canada Stablecorp Inc. and is focused on providing a Canadian dollar-denominated stablecoin for use on blockchain networks. QCAD is intended to support digital payments, settlement, and transfers, with an emphasis on operating within a regulated framework in Canada.

QCAD is a fiat-backed stablecoin intended to maintain a one-to-one value with the Canadian dollar (CAD). Each QCAD token is fully backed on a 1:1 basis by Canadian dollar reserve assets held with regulated Canadian financial institutions. QCAD may be minted or redeemed at a 1:1 ratio, subject to applicable terms and conditions. The token is intended for transactional use, including payments, trading, and settlement on supported blockchain networks.

Who is behind the project?

QCAD is issued by Canada Stablecorp Inc. Canada Stablecorp Inc. was founded by Alex McDougall and Fred Pye.

Tokenomics of QCAD

QCAD is a stablecoin that reflects the value of the Canadian dollar through full reserve backing. The circulating supply is designed to correspond directly to the total value of Canadian dollar reserve assets held to support the token. The token does not support staking or governance features and is issued strictly for value stability and transactional use. The maximum supply of QCAD is not capped and expands or contracts based on minting and burning activity, which is controlled by Canada Stablecorp Inc.

General Risks

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

Depegging Risk

At any given point in time, the price of QCAD may not be aligned to the value of the Canadian dollar. This risk arises because the price of QCAD is determined by supply and demand in the secondary market, rather than the actual value of the Canadian dollar. If demand for QCAD exceeds the available supply, the price of QCAD may increase, leading to a higher price relative to the Canadian dollar. Conversely, if there is a surplus of QCAD tokens and insufficient demand, the price may decrease, causing QCAD to be worth less than the Canadian dollar.

Risk of Asset Freezing

Canada Stablecorp Inc. retains the ability to freeze QCAD associated with specific wallet addresses under certain conditions. This includes compliance with applicable laws or legal orders. Affected users may be unable to transfer or redeem QCAD in such cases.

Redemption Risk

The value of QCAD is backed by a reserve of Canadian dollar and secure, low-risk assets held by its custodian. However, there is a risk that Canada Stablecorp Inc. may be unable to meet redemption demands in a timely manner at some point in the future. If the issuer is unable to meet redemption requests due to insufficient reserves, it could lead to a loss of confidence in the asset, negatively impacting its value.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on QCAD and determined it was permitted to make QCAD 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 QCAD, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created QCAD;
- The supply, demand, maturity, utility and liquidity of QCAD;
- Material technical risks associated with QCAD, including any code defects, security breaches and other threats concerning QCAD 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 QCAD, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of QCAD, 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 QCAD about whether QCAD, 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.](#)

Payward Ltd (trading as Kraken) is registered as a cryptoasset firm with the Financial Conduct Authority (FRN: 928768) registered office at 6th Floor, One London Wall, London, EC2Y 5EB. Cryptoasset services offered by Payward Ltd are unregulated and not covered by the Financial Services Compensation Scheme as well as the FCA's consumer protection regulations. Note the value of cryptoassets can go down as well as up, gains may be subject to Capital Gains Tax and there may be extra charges when paying via credit card from your provider.