

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

UMA

Universal Market Access (UMA)

Last updated on September 04, 2025

Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading UMA. 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 Universal Market Access (UMA) and how does it work?

Universal Market Access (UMA) is a decentralized oracle and dispute arbitration protocol on Ethereum that brings real-world information onto blockchains. Its Optimistic Oracle lets a smart contract request a fact, such as a price or event outcome, and receive an answer from a proposer who posts a bond. The answer is considered correct after a liveness period if no one disputes it. If a dispute occurs, the question moves to UMA's Data Verification Mechanism, a voting system run by token holders. Voting uses a commit phase and a reveal phase, typically over 48 hours in total, to determine the final outcome. UMA supports many use cases, including synthetic assets, insurance, prediction markets, cross-chain messaging, and DAO tooling. The latest design, Optimistic Oracle v3, allows simple true or false assertions and lets integrators set parameters such as bonds, liveness, and escalation managers for custom security.

The UMA token is the utility and governance asset for the protocol. Token holders stake to participate in voting and governance, including resolving disputes in the Data Verification Mechanism and approving or adjusting protocol parameters, price identifiers, and collateral types. Correct voters earn rewards in UMA, and bonds or fees posted by proposers and disputers are redistributed according to the result. This incentive structure is designed to align economic interests with accurate data, so that participants are motivated to supply and validate reliable information for applications that rely on UMA.

Who is behind the project?

Universal Market Access (UMA) was co-founded in 2018 by Hart Lambur and Allison Lu. The protocol is developed and maintained by Risk Labs.

Tokenomics of UMA

UMA has no hard cap on its supply and follows an inflationary token model. The project launched in 2020 with an initial supply of 100 million tokens, which were distributed as follows:

Category	Percentage
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Founders and early investors	48.5%
UMA users and developers	35%
Reserved for future token sales	14.5%
Deposited into Uniswap liquidity pool	2%
Total	100%

Over time, the total supply increased through governance-approved inflation and, as of January 31, 2025, UMA disclosed a total of 122,979,000 tokens.

As of September 2025, the circulating supply is approximately 89.8 million UMA.

General Risks

Like all other digital assets, there are some general risks to investing in UMA. These include short history risk, volatility, and 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 UMA

Competition

The UMA protocol faces competition from other oracle protocols such as Chainlink, Band Protocol, and DIA. UMA's value derives from its broader adoption in the market. If the UMA protocol fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of UMA.

Due Diligence

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

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