

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

Shiba Inu (SHIB)

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Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading SHIB. 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 Shiba Inu?

Shiba Inu is a community-driven cryptocurrency that was created in August 2020. Its SHIB token is an ERC-20 token on the Ethereum blockchain and is the native asset of the ShibaSwap ecosystem.

SHIB is a meme-inspired token that was created as a "Dogecoin killer." It is named after the Shiba Inu dog breed, which is the same breed that is featured in the Dogecoin logo.

Who is behind the project?

The identity of the person or group behind the SHIB project is not publicly known. The project was launched as a decentralized and community-driven effort, and the project team known only as "Ryoshi" has remained anonymous.

How does it work?

SHIB is designed to be used as a decentralized, community-led medium of exchange, and as a staple within the ShibaSwap ecosystem. ShibaSwap is a decentralized exchange (DEX) that is built on the Ethereum blockchain and is specifically designed for the SHIB token and other tokens in the Shiba Inu ecosystem.

Users can trade their SHIB tokens for other cryptocurrencies or tokens on ShibaSwap, or they can provide liquidity to the platform by staking their tokens in liquidity pools. They can also earn rewards for their participation in the platform.

Tokenomics of SHIB

SHIB is used within the ShibaSwap ecosystem for exchanging cryptocurrencies or providing liquidity. It can also be used as a store of value or means of payment like other cryptocurrencies. SHIB uses a deflationary mechanism where a small amount of the token is burned with each transaction, decreasing the total supply over time.

Shiba Inu (SHIB) has a total supply of 1 quadrillion (1,000 trillion) tokens, with 50% deposited into a Uniswap liquidity pool to ensure liquidity and the remaining 50% burned and donated to Vitalik Buterin's wallet as a "charitable donation." The SHIB team later sent a portion of the tokens to a new wallet address to prevent network congestion and promote their use within the ShibaSwap ecosystem. According to CoinGecko, as of September 2023, the circulating supply of SHIB is 589 trillion tokens.

General Risks

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

Competition

Shiba faces competition from different projects such as Dogecoin, Floki, and many others. SHIB's value derives from ShibaSwap's broader adoption in the market. If ShibaSwap fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of SHIB.

Due Diligence

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

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 SHIB about whether SHIB, 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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