

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
StabLR Dollar (USDR)

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Disclaimer

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

USDR is a U.S.-dollar-pegged stablecoin issued by StabLR Ltd. under Malta's Electronic-Money-Institution (EMI) licence. 1 USDR is designed to represent 1 USD and is fully backed by cash and short-term U.S. Treasury assets held in segregated accounts.

The token exists as an ERC-20 asset on Ethereum and, since December 2025, as a protocol-level asset on Concordium, allowing users to transfer value across wallets, exchanges and DeFi protocols. Whenever new dollars are deposited with the issuer, an equivalent amount of USDR is minted; when holders redeem, the corresponding tokens are burned. Daily on-chain reserve snapshots, quarterly attestations by Grant Thornton and an annual audit provide ongoing proof-of-reserves. Redemption at par is available to onboarded holders within 24 hours.

Who is behind the project?

StabLR Ltd. is the issuer of USDR, a licensed Electronic Money Institution (EMI) authorized by the Malta Financial Services Authority (MFSA). StabLR was founded in December 2022 by Gijs op de Weegh and is headquartered in Birkirkara, Malta.

Tokenomics of USDR

USDR 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. The total number of USDR to be issued will depend on market demand and should correspond directly to the maintained reserves.

USDR has a total supply backed by reserves in US Dollars and secure, low-risk assets. The funds are held in segregated accounts managed by StabLR Ltd., ensuring compliance with applicable safeguarding rules. StabLR's structure is designed to protect the reserves from risks associated with the issuer's operations.

General Risks

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

Competition

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

Depegging Risk

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

Risk of Asset Freezing

StabLR Ltd. reserves the right to block or freeze USDR in certain circumstances. If USDR is deemed illegal by certain jurisdictions, the associated USDR 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 USDR and determined it was permitted to make USDR 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 USDR, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created USDR;
- The supply, demand, maturity, utility and liquidity of USDR;
- Material technical risks associated with USDR, including any code defects, security breaches and other threats concerning USDR 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 USDR, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of USDR, 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 USDR about whether USDR, 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.