

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

DuckChain (DUCK)

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Disclaimer

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

DuckChain is an EVM-compatible Layer 2 built on The Open Network (TON). It relies on Arbitrum Orbit infrastructure to inherit TON security while offering Ethereum-style smart-contract functionality. By integrating directly with Telegram mini-apps, DuckChain allows the messaging platform's large user base to access decentralised applications, payments and AI-assisted tools inside Telegram.

DUCK is the native utility token. It is required for transaction fees, network governance and validator staking. Token holders who delegate or run validators help secure the chain and earn protocol-level staking rewards that are paid in DUCK.

Who is behind the project?

Development is led by TONScale Labs in technical collaboration with Offchain Labs, the company behind Arbitrum.

Tokenomics of DUCK

The DUCK token has a fixed maximum supply of 10 billion, which were distributed as follows:

Category	Amount
Airdrop (community)	50%
Ecosystem growth	20%
Investors	10%

Team	10%
Liquidity	4%
Marketing	3%
Advisors	3%

General Risks

Like all other digital assets, there are some general risks to investing in DUCK. These include Smart Contract risks, 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 DUCK

Competition

The DuckChain network faces competition from other Layer 2 solutions such as Polygon, Optimism and zkSync. DuckChain’s value derives from its broader adoption. If the network fails to achieve sufficient adoption compared with alternatives, this could negatively impact the value of DUCK.

Staking Risk

Staking DUCK does not isolate holders from market or technical risks. Rewards are paid in DUCK; adverse price movements, validator slashing or protocol bugs could reduce or negate staking returns.

Due Diligence

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