

# PAYWARD LTD

## CRYPTO ASSET RISK DISCLOSURE

Based (BASED)

Last updated on March 13, 2026

### Disclaimer

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

Based is a decentralized finance application designed as a non-custodial “SuperApp” that combines multiple crypto services within a single platform. The application integrates perpetual and spot trading, prediction markets, and crypto payments in one interface. The platform connects with external infrastructure such as Hyperliquid for trading and Polymarket for prediction markets. It also includes a crypto Visa card that enables users to spend crypto balances through traditional payment networks.

At the time of writing, the token is not live. The BASED token will be used for payments for AI-related services and as the transaction currency for AI-driven commerce agents within the platform. Holding or staking the token is intended to provide access to membership tiers that may offer reduced trading and prediction market fees, rewards on the Based Visa debit card, higher card spending limits, and lower on/off-ramp fees. Token holders may also receive access to features such as project launchpools, discounts with Based Mall merchants, tools within the Based Mall ecosystem, and consumption credits for future agent-based functionalities. The token is also expected to be used for participation in governance decisions related to protocol parameters and upgrades.

### Who is behind the project?

Based was co-founded and is led by Edison Lim, who serves as Chief Executive Officer (CEO), and Zac Ler, who serves as Chief Technology Officer (CTO).

### Tokenomics of BASED

The total supply of BASED is 1 billion tokens which is distributed as follows:

BASED Allocation	% of Total supply
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Community	36.00%
Ecosystem & Community Rewards	23.64%
Investors	20.36%
Core Contributors	20.00%
<b>Total</b>	<b>100%</b>

**General Risks**

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

*Competition*

The Based platform faces competition from other DeFi trading protocols such as dYdX, GMX, Aevo, and many others. BASED’s value derives from its broader market adoption; if the Based platform fails to achieve sufficient adoption compared to these alternatives, this could negatively impact the value of BASED.

**Due Diligence**

Prior to listing on the Kraken platform, Kraken performed due diligence on BASED and determined that BASED is unlikely to be a security or derivative under UK securities legislation. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

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