PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

0x (ZRX)

Last updated on September 7, 2026

Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading ZRX. 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 0x and how does it work?

0x Protocol is an open-source suite of audited smart contracts that lets developers embed token-swap functionality directly into their applications. Via its Swap and Gasless APIs, 0x aggregates liquidity from 130 + liquidity sources across 15 + EVM-compatible blockchains and has settled more than 60 million trades worth over US $154 billion to date.

Supported networks now include Ethereum, Arbitrum, Avalanche, Base, BNB Chain, OP Mainnet, Polygon and several others, enabling a consistent trading experience across chains. Trades follow a hybrid model: makers create and sign orders off-chain, those orders are disseminated by APIs (replacing the earlier "relayer-only" design) and takers settle them on-chain in a single atomic swap through the 0x Settler contract. This design minimises gas costs while keeping custody with the user at all times. ZRX is the governance token of the protocol. After the community approved ZEIP-95 in February 2023, the legacy staking pools that once distributed protocol fees to relayers were decommissioned; ZRX holders now exercise voting power (directly or by delegation) to approve protocol upgrades and treasury spend through on-chain governance. On September 7 2023 ZeroEx Inc. (developer of 0x Protocol and the Matcha interface) settled charges with the U.S. Commodity Futures Trading Commission involving the offer of leveraged commodity tokens, agreeing to a US $200 000 civil penalty. The settlement did not require the protocol to shut down and 0x continues to operate globally.

Who is behind the project?

The 0x Protocol is a product of a company called ZeroEx Inc., co-founded in 2016 by Will Warren and Amir Bandeali. In July 2017, ZeroEx Inc. held a public sale in which it raised $24 million in ETH in exchange for ZRX tokens. Support for the project came from venture firms including Polychain Capital, Blockchain Capital and Pantera Capital, among others. Advisors to the company include Coinbase co-founder Fred Ehrsam, Augur co-founder Joey Krug and Scalar Capital co-founder Linda Xie.

Tokenomics of 0x
ZRX has a hard capped total supply of 1 billion tokens.

General Risks
Like all other digital assets, there are some general risks to investing in *ZRX*. 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 0x

Adoption by Protocols & Users
ZRX's value derives from protocols building on 0x. If 0x fails to attract sufficient adoption, this could negatively impact the value of ZRX.

Developer Dependence
While there are many developers who contribute to the 0x ecosystem, there are no guarantees that they will continue to contribute and develop on the network. ZRX, 0x Protocol's native asset, could be negatively affected by an inability to retain and/or attract developers to keep up with market needs and improve its decentralized exchange tooling when necessary.

Due Diligence
Prior to listing on the Kraken platform, Kraken performed due diligence on ZRX and determined that ZRX 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 ZRX, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created ZRX;
- The supply, demand, maturity, utility and liquidity of ZRX;
- Material technical risks associated with ZRX, including any code defects, security breaches and other threats concerning ZRX 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 ZRX, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of ZRX, 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 ZRX about whether ZRX, or generally about whether the type of crypto asset, is a security and/or derivative.