

## **Risk Disclosure**

**Version 1.0 Last Updated: 19th June 2025**

Trading and holding crypto-assets involves significant risk and may not be suitable for all users. By accessing or using our platform, you acknowledge that you have read, understood, and accepted the risks described below.

Kraken does not provide any guarantees regarding the value, performance, or security of crypto-assets and accepts no liability for any loss, whether direct or indirect, that may arise from the use of its services, reliance on any information provided, or the trading of any crypto-assets on the platform. Users are solely responsible for making their own independent decisions, including compliance with applicable legal, tax, and regulatory requirements.

### **Financial Risks**

- **Market Risk** - Crypto-asset prices are highly volatile and subject to rapid fluctuations. You may incur substantial losses in a short time, including the full value of your investment.
- **Liquidity Risk** - Certain crypto-assets may have low trading volumes, making it difficult to execute trades at desired prices or times. Illiquid markets may cause slippage or trading delays.
- **Issuer and Counterparty Risk** - Some crypto-assets are issued or backed by third-party entities. There is a risk that these parties may not fulfil their obligations, impacting the value or redeemability of the asset.
- **No Guarantee of Returns** - Crypto-asset trading is speculative. We do not offer any guarantees of profits or returns, and past performance is not indicative of future results.
- **Tax Risk** - The tax treatment of crypto-assets varies by jurisdiction and may change over time. You are solely responsible for understanding and complying with your local tax obligations related to crypto-asset trading, income, and capital gains.

### **Security and Operational Risks**

- **Cybersecurity Risk** - Despite robust safeguards, no system is immune to hacking, phishing, or malware attacks. Unauthorized access to accounts or systems may result in loss or theft of assets.
- **Custody and Wallet Risk** - Assets held on our platform are secured using industry-standard technologies. However, risks remain, including the loss of access to private keys, service disruptions, or breaches that may compromise stored funds.

- Operational and Technology Risk - Service disruptions due to software bugs, system outages, or technical failures may impact your ability to access the platform, execute trades, or withdraw assets.
- Fraud and Financial Crime Risk - The crypto industry may be targeted by scams, money laundering, or market manipulation. We operate in compliance with AML/KYC regulations and conduct ongoing transaction monitoring, but risks persist.

### Crypto-Specific and Regulatory Risks

- Regulatory Risk - The regulatory landscape for crypto-assets is evolving. Changes in laws or guidance may affect the availability, transferability, or legality of certain crypto-assets or services.
- Token Design and White Paper Risk - Some crypto-assets may have complex or experimental technical designs. Users should review the associated white paper or summary before transacting, to understand features, risks, and rights.
- Blockchain and Consensus Risk - Crypto-assets rely on blockchain networks which may be subject to forks, bugs, or consensus failures. Such issues can affect asset usability, value, or availability.
- Collateralization Risk (Asset-Backed Risk) - For asset-referenced tokens or crypto-assets that claim to be backed by reserve assets, there is a risk that the collateral is insufficient, mismanaged, or not properly disclosed. If the issuer fails to maintain adequate reserves, the asset's stability or redeemability may be compromised.
- Jurisdictional Restrictions - Our services may not be legally available in all countries. It is your responsibility to ensure that your use of our platform complies with the laws of your jurisdiction.

### General Disclaimers

- **Not Financial Advice:** Information on this platform is not investment, legal, tax, or financial advice. You should consult a qualified professional before making any investment decision.
- **Asset Understanding:** We encourage users to review each crypto-asset's white paper or summary document before trading.
- **Policies & Further Information:** For more details, please see our Terms of Service, Complaints Policy, and White Papers.