PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

USDPT (USDPT)

Last updated on May 06, 2026

Disclaimer

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

USDPT is a stablecoin intended to maintain a 1:1 value with the U.S. dollar. The token is designed to support transactions such as sending and receiving money worldwide, settlement between Western Union and its global agents, and consumer payments. USDPT is minted when funds are deposited and redeemed when tokens are returned through the issuer's designated processes, subject to applicable requirements.

Who is behind the project?

The Western Union Company was founded in 1851 by Hiram Sibley and Samuel L. Selden as the New York and Mississippi Valley Printing Telegraph Company, later renamed the Western Union Telegraph Company in 1856. The current President and Chief Executive Officer is Devin McGranahan. USDPT is issued by Anchorage Digital Bank, N.A., a U.S. national trust bank that is the first federally chartered crypto bank in the United States and is regulated by the Office of the Comptroller of the Currency.

Tokenomics of USDPT

USDPT is a stablecoin issued by Anchorage Digital Bank, N.A. that reflects the value of one U.S. dollar. The circulating supply is designed to correspond to the value of reserves consisting of U.S. dollar deposits, U.S. Treasury bills, and similar cash equivalents supporting the token. USDPT is issued for value stability relative to the U.S. dollar and for transactional use such as sending and receiving money 24/7, settlement between Western Union and its global agents, and consumer payments through licensed virtual currency exchanges and Western Union locations. The supply of USDPT is not capped and expands or contracts based on minting and redemption activity conducted through the issuer's designated infrastructure.

General Risks

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

Competition

The USDPT platform faces competition from other stablecoins such as USDT, USDC, and others. USDPT's value derives from its broader market adoption; if the USDPT platform fails to achieve sufficient adoption compared to these alternatives, this could negatively impact the value of USDPT.

Depegging Risk

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

USDPT should always be redeemable 1:1 with the U.S. dollar but there is always a risk of a smart contract bug. A potential bug could have a negative impact on the value of USDPT.

Redemption Risk

The value of USDPT is backed by a reserve of U.S. dollar and secure, low-risk assets held by Anchorage Digital Bank, N.A.. However, there is a risk that Anchorage Digital Bank, N.A. may be unable to meet redemption demands in a timely manner at some point in the future. If the issuer is unable to meet redemption requests due to insufficient reserves, it could lead to a loss of confidence in the asset, negatively impacting its value.

Risk of Asset Freezing

Anchorage Digital Bank, N.A. reserves the right to "block" certain USDPT addresses, and, if such addresses are Anchorage Digital Bank, N.A. custodied addresses, freeze associated USDPT. Additionally, if USDPT is deemed illegal in certain jurisdictions, the associated USDPT tokens could be frozen resulting in the owner of the wallet not being able to transfer USDPT.

Due Diligence

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