

SWYFTX RISK DISCLOSURE

Before using any Swyftx services, you should ensure that you fully understand and can afford to undertake the risks involved. This document lists some, but not all of the risks involved in holding, trading and otherwise using crypto assets generally, and using Swyftx services specifically.

This risk disclosure document is intended to provide you with a general outline of the risks involved, but cannot capture *all* such risks. The risks listed below therefore do not constitute an exhaustive list, and additional significant risks may be applicable. Accordingly, in addition to reading this document, you should always do your own research.

1. General

Swyftx does not provide any legal, tax or financial advice and you are strongly advised to undertake your own research and enquiries and obtain independent legal, tax or financial advice from an appropriately qualified professional advisor prior to making any financial decision relating to crypto assets or the Swyftx services, including with respect to buying, trading, holding or otherwise using crypto assets. There are significant risks associated with crypto assets, and you are solely responsible to make sure you understand these risks and assess whether taking such risks are appropriate for you and your circumstances. Swyftx does not make any offers, recommendations or invitations for you to deal in crypto assets or use any services, and does not take into account your personal circumstances, financial situation, needs or objectives. Before making any financial decision, you should carefully assess your financial situation and capacity, and only use funds that you can afford to lose.

Before entering into any transaction, you should ensure that you understand and have made an independent assessment of the suitability and appropriateness of a transaction into which you are entering and the nature and extent of your exposure to risk of loss in light of your own objectives, financial and operational resources and other relevant circumstances.

Past performance is no guarantee of future results.

2. Risks Related to Crypto Assets Generally

(a) Risk of volatility

Dealing in crypto assets (including trading, holding or using crypto assets) carries the risk of incurring financial loss. Crypto assets are, by their nature, highly volatile and you should be aware that the risk of loss in trading, investing or otherwise holding crypto assets can be substantial. You should carefully consider and assess whether trading, holding or using crypto assets is suitable for you having regard to your own financial circumstances and risk tolerance.

The value of crypto assets can be highly unpredictable, with significant price fluctuations within short periods of time. Crypto assets are extremely volatile and their value may not be guaranteed or backed by any government.

The value of crypto assets can be affected by unpredictable events, including (but not limited to) the performance of world markets, interest rates, changes in taxation on income and capital, foreign exchange rates, regulatory and legislative changes, technological developments and market sentiment.

Crypto assets which are meant to mimic or follow the price of another asset (e.g. any fiat currency or commodity) may not always accurately reflect such prices, which can fluctuate above or below its intended value.

(b) Regulatory risk

The legal status of crypto assets remains uncertain in many countries and jurisdictions around the world. Crypto assets are not recognised legal tender in most parts of the world, including Australia and New Zealand, and there is no guarantee that any person will agree to accept them for their intended purpose at any time in the future. Market availability and liquidity may be limited or disrupted, and there can be no guarantee that you will be able to sell or exchange your crypto assets at any price.

Crypto assets are largely unregulated in most parts of the world, and limited protection (if any) may be afforded to users in the event of loss. Crypto exchanges and service providers may not be subject to the same level of regulatory supervision as other traditional forms of financial exchange or service providers.

Different jurisdictions may (where regulation does apply) regulate of crypto assets differently, and the cross-border nature of the blockchain and of crypto assets may make them subject to the laws of various jurisdictions. Crypto assets may also be legally prohibited in certain countries or jurisdictions, or be subject to specific restrictions and limitations with which you are solely responsible for complying at your own risk and expense. You must always make sure that any use you make of any crypto asset is compliant with all applicable laws. It is your responsibility to undertake your own investigations and enquiries and satisfy yourself of the legal status of any crypto asset and the implications of such legal status for you.

Different jurisdictions may impose specific tax rules and treatments on crypto assets. You must ensure you understand the tax implications of your activities, and always comply with all reporting and payment obligations applicable to you. If you are unsure of your obligations, you should consider seeking professional tax advice.

It is difficult to predict how or whether regulatory authorities may apply existing regulation with respect to such technology and its applications, including specifically (but without limitation to) Swyftx and the crypto assets relevant to the Swyftx services. It is likewise difficult to predict how or whether any legislative or regulatory authorities may implement changes to law and regulation affecting distributed ledger technology and its applications, including specifically (but without limitation to) Swyftx and the crypto assets relevant to the Swyftx services.

(c) Risks associated with relevant technology

Swyftx and our third party providers may experience cyber-attacks, extreme market conditions, or other operational or technical difficulties which could result in the immediate halt of transactions either temporarily or permanently.

The nature of crypto assets may entice an increased risk of fraud or cyber-attack, including (but not limited to) rollback attacks or blockchain reorganisations.

Crypto asset transactions are not reversible. Erroneous transactions may result in irreversible loss of your funds.

Where you hold crypto assets in your on-chain digital wallet, you must be very cautious in maintaining your private keys and backup phrase. Loss of private keys and backup phrase may result in irreversible loss of your funds. Due to the decentralised nature of blockchain, there is no central party which may restore your private keys, extract your funds or reimburse you for your losses.

Any third party gaining access to your digital wallet can extract your funds, and you may not be able to identify or find such parties. **You should never provide any person with your wallet's private keys or backup phrase.**

Once you send crypto assets to a specified address, there is a risk that you may lose access to, and any claim on, those crypto assets either indefinitely or permanently because, for example, an address may have been entered incorrectly. Losses due to fraudulent or accidental transactions may not be recoverable.

Blockchain technologies are susceptible to a wide variety of risks, from malicious attacks to technical difficulties and failures, which may result in loss of funds transacted or held over the blockchain, increased transaction costs or delays in execution.

(d) Risk of uninsured losses

Crypto assets made available via the Swyftx services are uninsured unless you specifically obtain private insurance to insure them. In the event of loss or loss of utility value, there is no public insurer or private insurance arranged by Swyftx, to offer recourse to you.

3. Risks Related to Using Swyftx Services

Swyftx may suffer technological difficulties which may prevent the access or use of your account, or delay your transactions. Due to the significant risks of trading cryptocurrency as well as the impact of technology and the international market, Swyftx cannot warrant or guarantee that particular crypto asset will be available as part of its services. Swyftx reserves the right to stop offering trades in relation to particular crypto assets as part of the services. We will use our reasonable endeavours to notify you if we cease to support a particular crypto asset.

Swyftx's top priority is the security of its systems, crypto assets held by it and its users' personal information. However, Swyftx (and third parties having authorised access or control over such assets) may suffer malicious attacks and security breaches, which may result in the compromise of such assets.

We try to ensure that the information on our website is correct, but we do not give any express or implied warranty that such information will be error-free. To the extent permitted by law, we do not accept liability for any such error or omission.

Swyftx deploys crypto assets held by it in a variety of income generating activities including, subject to its [Terms of Use](#), lending them to third parties and transferring them to external platforms and systems. Swyftx conducts in-depth due diligence reviews of any such third party or platform, including security, financial and credibility tests. However, Swyftx cannot guarantee that such third parties or platforms will not suffer any breaches, lose such assets or fail to return any assets to Swyftx, resulting in financial loss.

Swyftx's obligation to return to its user the crypto assets available in such user's Swyftx account (subject always to Swyftx's [Terms of Use](#)) is not affected by losses suffered by Swyftx including loss of deployed assets, except where those losses are caused by a hack or by a user's act or omission. However, by engaging with Swyftx you acknowledge that there is a risk that Swyftx may become unable to repay its obligations to its creditors, in which case your funds may be lost, in whole or in part.

The interest paid by Swyftx to users in exchange for the users lending their crypto assets to Swyftx under Swyftx's "Earn Program" is, in the case of a Fixed Earn Credit Contract determined at the start of the loan and, in the case of a Flexible Earn Credit Contract, as displayed on the Swyftx platform from time to time (in each case, subject to the [Terms of Use](#)). The rate is based on a variety of considerations, including market conditions, demand and supply of a particular crypto asset, interest rates in the fiat markets and Swyftx's own inventories and cost of capital.

Swyftx does not offer custodial or fiduciary services to you, and does not hold your crypto assets as your custodian or on your behalf. Your Swyftx account is not a deposit, checking or savings account, and it is not covered by insurance against losses.

Legislative and regulatory changes or actions at the state, national, or international level may adversely affect Swyftx's ability to continue to provide some or all of its services in any particular jurisdiction, continue to support any particular crypto asset or continue to serve any specific user or group of users. Accordingly, Swyftx cannot guarantee the continued and uninterrupted provision of the services to you.

Swyftx's systems, as well as those of third parties utilised by Swyftx, may be subject to errors, bugs, disruptions, interruptions and communication failures, which may result in delays, errors, temporary suspension or inaccessibility of the services, which might cause damage or loss (including financial loss) to the user of the services.

Swyftx Pty Ltd is registered as a Digital Currency Exchange (or "DCE") with the Australian Transaction Reports and Analysis Centre (AUSTRAC).

Crypto assets are not legal tender, Swyftx is not a bank or depository institution, and your Swyftx account is not a deposit or savings account. Crypto assets in your Swyftx account are not held by Swyftx as a custodian or fiduciary, are not insured by any private or governmental insurance plan, and are not covered by any compensation scheme. Swyftx does not hold an Australian financial services licence or an Australian credit licence.

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