Risk Disclosures

Crypto Assets

Risk Disclosure Statement: HODL OTC Version 1 – December 2024

This document outlines the risks associated with the use of HODL OTC services. By engaging with HODL OTC, you confirm that you have read, understood, and accepted the risks detailed below. This disclosure is an integral part of our Terms of Service and is incorporated by reference. It is essential that you fully understand these risks before engaging in cryptocurrency transactions.

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1. Irreversible Transactions

Cryptocurrency transactions conducted through HODL OTC are final and irreversible. This includes but is not limited to the following scenarios:

- Sending cryptocurrency to an incorrect wallet address.
- Utilizing an incorrect blockchain network for transfers.
- Transacting with fraudulent schemes or addresses.
- Unauthorized access to your account resulting in fraudulent transactions.

HODL OTC will not be liable for losses arising from such events. Users are solely responsible for ensuring accuracy in all transaction details.

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2. Volatility and Market Risk

Cryptocurrencies are highly volatile and may experience rapid and unpredictable price fluctuations. Trading in these assets can lead to significant gains or total loss of your capital. You should not engage in cryptocurrency trading with funds you cannot afford to lose.

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3. Regulatory and Legal Risks

Cryptocurrencies are subject to evolving legislation and regulatory scrutiny in different jurisdictions. Regulatory changes or actions, whether local or international, may:

- Restrict cryptocurrency use, transfer, or exchange.
- Impact the value or utility of cryptocurrencies. HODL OTC operates within the framework of current regulations but cannot predict or mitigate future legislative changes.

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4. Lack of Guarantees

Cryptocurrencies are not legal tender and are not backed by any government or institution. HODL OTC does not provide guarantees for the future value, acceptance, or stability of any cryptocurrency. Moreover, your holdings are not insured against losses by any government entity.

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5. Cybersecurity and Technological Risks

- **Hacking and Fraud:** Cryptocurrencies and trading platforms are targets for hacking and fraud. Even with advanced security protocols, vulnerabilities exist.
- **System Downtime:** Access to funds or the platform may be interrupted due to maintenance, technical failures, or cyberattacks.
- **Loss of Private Keys:** Loss of private keys or wallet credentials will result in the permanent loss of funds. Users are advised to secure their credentials diligently.

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6. Market Dependency and Liquidity

The value of cryptocurrencies depends on market demand. A decline in market interest could render your assets worthless. Liquidity issues may prevent you from selling your holdings at a desirable price or time.

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7. Tax Obligations

Cryptocurrency transactions may have tax implications. Users are solely responsible for understanding and complying with the tax laws applicable in their jurisdiction. HODL OTC does not provide tax advice or assistance.

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8. Acceptance Risks

There is no assurance that businesses or individuals who currently accept cryptocurrencies as payment will continue to do so in the future.

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9. Transaction Timing and Network Issues

On-chain transactions are deemed completed only when recorded on a blockchain ledger. Delays or failures may occur due to:

- Network congestion.
- Insufficient transaction fees.
- Other blockchain-related issues.

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10. Delisting and Support Cessation

HODL OTC reserves the right to suspend or cease support for specific cryptocurrencies at its discretion. Users may face difficulties withdrawing or liquidating affected assets if such actions are taken.

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11. No Right of Recourse

Many cryptocurrencies are decentralized and lack an issuing entity or governance structure. As such:

- You may have no legal recourse against the creators or developers of a cryptocurrency.
- HODL OTC does not guarantee buybacks or refunds for supported cryptocurrencies.

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12. Complex and Evolving Technology

Cryptocurrency technologies, including blockchains, are complex and may undergo unexpected changes (e.g., forks, rollbacks). These events may affect the value, utility, or availability of your assets.

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13. Third-Party Risks

HODL OTC relies on third-party service providers for specific functions. Interruptions, failures, or breaches at these entities could affect your access to funds or the platform.

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14. Indemnity and Limitation of Liability

By using HODL OTC services, you agree to indemnify HODL OTC and its affiliates against any claims, losses, or damages arising from:

- Your use of the platform.
- Violations of the Terms of Service or this Risk Disclosure. HODL OTC's liability is fully limited permitted by applicable laws.

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15. User Responsibilities

- You must conduct your due diligence before trading cryptocurrencies.
- You must have the necessary knowledge, experience, and financial resources to engage in cryptocurrency trading.
- Ensure that you fully understand the functionality and risks of the cryptocurrencies you trade.

Disclaimer

HODL OTC provides its services "as is" without warranties of merchantability, fitness for a particular purpose, or non-infringement. Users should consult with legal and financial professionals if they have questions or concerns about cryptocurrency risks.

In case of discrepancies between translations of this document, the English version shall prevail.

Should you have any questions in this regard, please do not hesitate to contact our offices.

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Financial Services Provider as Represented by
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