Risk disclosure

Version 1.1

Reading copy. The authoritative text is the plain-text file whose fingerprint appears below; it is downloadable at the same address with the .txt extension.

SHA-256 fingerprint of the authoritative text : e6d1e4295dd40c1effb61e7d0bfc691b525320df1405cf2b7968277fed6facfc

1. Purpose and absence of advice

This document describes the risks of using CowriePay. It forms an integral part of the Terms and conditions (www.cowriepay.io/legal/terms) and must be read before going live.

CowriePay is technical infrastructure for businesses. We provide no financial, legal, accounting or tax advice, and we do not recommend holding any asset. It is for the Client to assess whether the service suits its business, its regulatory obligations and its internal risk-management procedures.

2. Risks specific to stablecoins

A stablecoin is an asset issued by a third party whose value is intended to track a reference currency. That stability is neither guaranteed nor underwritten by us.

- The peg to the reference currency may break, temporarily or durably.
- The issuer may freeze holdings, invalidate tokens or change redemption terms, including on balances held for your account.
- The quality and availability of the issuer's reserves are outside our control, as is the soundness of its regulatory framework.
- An asset may cease to be supported by us or by the infrastructure we depend on.

3. Irreversibility of transactions

A transaction recorded on a blockchain is final. It cannot be cancelled, recalled or charged back by us or by anyone else.

An incorrect destination address results in the permanent loss of the funds. It is for the Client to verify the addresses it registers and the instructions it submits through the API. The allowlist, cooling-off and multi-person approval mechanisms we provide reduce this risk but do not remove it.

4. Network risks

- Network congestion may delay the confirmation of a deposit or a payout, sometimes significantly.
- Network fees vary and may rise sharply, without notice and independently of our own pricing.
- A chain reorganisation may invalidate a transaction you believed settled; this is why a deposit is credited only after a defined number of confirmations. Where a reorganisation affects a deposit that has already been credited, the correction is made manually by our team: the displayed balance may therefore, for a time, not match the state of the chain.
- A chain split, a protocol upgrade or an incident affecting a network may suspend deposits and payouts on that network.
- A token may rely on a contract that its issuer can modify, and its behaviour may change.
- For deposits in a native asset (ETH, BNB), a network-fee reserve is deducted from the amount received when

it is moved to our accounts, in addition to the service fee. See article 9 of the Terms and conditions (www.cowriepay.io/legal/terms).

5. Unsupported asset or network

A deposit address only accepts the assets and networks listed in the dashboard and in the technical documentation.

Sending an unsupported asset, or sending a supported asset over an unsupported network, generally results in an unrecoverable loss. We are under no obligation to recover such funds and, in most cases, have no technical means of doing so.

In the event of a chain split or a free token distribution, we are not required to support either the resulting chain or the distributed tokens. No right or claim arises for the Client on that account.

6. Custody risks

CowriePay is a custodial service: we hold the technical means of dealing with the assets entrusted to us. The Client therefore depends on our organisation and our systems.

- Assets are held in pooled accounts. Your claim is identified at all times in an internal ledger, but it does not correspond to a dedicated on-chain address.
- No deposit-guarantee scheme applies. Assets entrusted to us are not used for our own account, lent or pledged, and the obligation to return them under article 5 of the Terms and conditions (www.cowriepay.io/legal/terms) is an obligation of result.
- A compromise of our systems, an operational error or the failure of a critical provider may result in loss or unavailability.
- The security of your account also depends on you: a compromise of your API keys, credentials or authentication factors may allow transactions that we will execute as though they came from you.

7. Availability and technical risks

The service is provided as is and as available. Interruptions may occur for maintenance, during an incident, when the API changes, or because of a third party we depend on.

An integration that does not handle errors, timeouts and retries may produce unintended effects on the Client's side. The technical documentation describes the expected behaviour, in particular signature verification of notifications and the handling of redeliveries.

8. Compliance holds

Our due-diligence obligations may lead us to hold, refuse or block a transaction, including a legitimate one.

- The origin address of a deposit is screened before any credit. If screening cannot run, the deposit is held by default rather than credited.
- A match against a sanctions list results in the funds being held and reviewed; depending on the case, they may be blocked durably.
- An account may be suspended at the request of a competent authority.
- Where the law prohibits it, we cannot disclose the reason for a measure.

9. Regulatory risk

The legal status of digital assets varies between countries and is changing quickly. A change in the applicable framework may restrict, suspend or make impossible all or part of the service in a given jurisdiction, including without notice.

No licensing regime specific to digital-asset service providers is in force in the West African Economic and Monetary Union. The introduction of such a framework could change the conditions under which the service operates. See the Legal notice (www.cowriepay.io/legal/legal-notice).

It is for the Client to ensure that its own use of the service is lawful in the jurisdictions where it operates and towards its own customers.

10. Tax and accounting

The tax and accounting treatment of digital assets is the Client's responsibility and depends on its jurisdiction. We provide neither advice nor certification in this respect, and the statements made available in the dashboard do not replace the Client's own reporting obligations.

11. Acknowledgement

By opening an account or using the API, the Client acknowledges having read and understood this disclosure and accepts the risks described in it.