

## **RISK DISCLOSURE STATEMENT**

**Last Updated : [01/03/2025]**

This Risk Disclosure Statement (“Statement”) is issued by Paera UAB (“Paera”, “we”, “us”, or “our”), a company incorporated and registered in Lithuania with company number 306695227 and registered office at Vilnius, Žalgirio g. 88-101, LT-09303. This Statement is intended to inform users (“you”, “User”) of the potential risks associated with the use of our cryptocurrency exchange services (“Services”).

By using our Services, you acknowledge and accept the risks described in this Statement. This document is not exhaustive and does not disclose all risks involved in cryptocurrency transactions. You should carefully consider whether engaging in such activities is suitable for you in light of your financial condition and risk tolerance.

### **1. INTRODUCTION**

Welcome to Paera, your trusted partner in the world of digital currencies. At Paera, we are committed to providing our users with a secure and efficient platform for cryptocurrency transactions or exchange services. However, it is essential to recognize the inherent risks associated with digital currencies. This Risk Disclosure Statement aims to inform you about the potential risks involved in trading and holding cryptocurrencies.

#### **Purpose of the Document**

This document outlines the risks that traders and investors may face when engaging in cryptocurrency transactions. Our goal is to ensure you are fully informed and prepared for the volatility and complexities of the cryptocurrency market.

#### **Importance of Reading the Risk Disclosure**

We strongly encourage you to read this Risk Disclosure Statement carefully. Understanding these risks is crucial for making informed decisions. This document provides a comprehensive overview of the various risks, enabling you to assess your willingness and capacity to bear them.

#### **Your Acknowledgement**

By using Paera's services, you acknowledge that you have read, understood, and accepted the terms and risks outlined in this document. It is important to consider your financial situation, investment objectives, and risk tolerance before engaging in cryptocurrency trading. If you have any doubts, we recommend seeking advice from financial or legal professionals.

At Paera, we value transparency and trust. We believe that an informed user is an empowered user, and this Risk Disclosure Statement reflects our commitment to your financial well-being.

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## 2. UNDERSTANDING CRYPTOCURRENCY

### Definition of Cryptocurrency

Cryptocurrency is a digital or virtual currency that uses cryptography for security and operates independently of a central authority. Cryptocurrencies leverage blockchain technology to ensure decentralization, transparency, and immutability. Bitcoin is the most well-known cryptocurrency, but there are thousands of others with unique features and use cases.

### Nature of Cryptocurrency Trading

Trading cryptocurrencies involves exchanging one digital currency for another or for fiat currencies such as USD or EUR. Cryptocurrency markets operate 24/7, creating a dynamic and potentially volatile trading environment. Prices are determined by supply and demand across various exchanges and can fluctuate significantly.

### Key Characteristics of Cryptocurrency Markets:

- **Volatility:** Prices can experience sharp and unpredictable changes within short periods.
- **Market Hours:** Cryptocurrency markets operate continuously, unlike traditional financial markets.
- **Decentralization:** Digital currencies are not controlled by any central authority, making them resistant to government intervention.
- **Innovation and Evolution:** The cryptocurrency industry is continuously evolving with new technologies, tokens, and applications.

### Potential for High Rewards and High Risks

While cryptocurrency trading offers significant profit opportunities, the same volatility can lead to substantial losses. In extreme cases, the value of a cryptocurrency can decrease to zero.

### **Lack of Regulation**

Cryptocurrency markets are relatively new and lack the regulatory framework seen in traditional financial markets. This increases risks such as fraud and market manipulation.

At Paera, we believe that understanding these fundamental concepts is crucial for anyone entering the cryptocurrency market. An informed approach to trading is essential for managing risks and maximizing opportunities.

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### **3. ASSOCIATED RISKS**

- **Legal Status and Government Protection:** Digital assets are not recognized as legal tender in most jurisdictions and are not covered by government-backed insurance schemes. Regulatory requirements may change, affecting compliance obligations.
- **Market Risk:** Cryptocurrency investments are highly volatile, influenced by technological advancements, regulatory changes, and economic conditions. Market concentration can also lead to price manipulation.
- **Regulatory Risk:** Legal and regulatory frameworks governing digital assets are evolving. Changes in laws and policies may impact the financial viability of cryptocurrency investments.
- **Technology Risk:** Blockchain-based assets are susceptible to cyber-attacks, software bugs, and connectivity issues, all of which can result in financial losses.
- **Liquidity Risk:** Some digital assets may have limited liquidity, making it challenging to execute large trades without significant price fluctuations.
- **Third-Party Risks:** Many cryptocurrency transactions rely on third-party platforms, which may be vulnerable to security breaches or operational failures.
- **Fraud and Operational Risk:** The cryptocurrency market is susceptible to fraudulent activities, security breaches, and misrepresentations, leading to potential losses.
- **Taxation Risk:** Tax laws regarding cryptocurrencies vary by jurisdiction and may change over time. Investors must comply with applicable tax obligations.
- **Custodial Risk:** The safekeeping of digital assets involves risks such as hacking, theft, and loss of private keys.
- **Protocol and Smart Contract Risks:** Cryptocurrency protocols may undergo changes (forks) that affect asset functionality. Smart contract vulnerabilities can lead to asset losses.

- **Environmental and Energy Risks:** Certain cryptocurrencies, particularly those using proof-of-work mechanisms, have high energy consumption and may face regulatory scrutiny.

### **Important Notice**

This list is not exhaustive. Additional risks may arise as the cryptocurrency market continues to evolve. Paera does not provide legal, tax, or financial advice. Users should conduct independent research and consult professional advisors before making investment decisions.

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## **4. RISK MITIGATION MEASURES**

At Paera, we employ various risk mitigation strategies to enhance security and protect our users:

### **Platform Security Measures:**

- **Advanced Security Protocols:** Encryption, two-factor authentication, and regular security audits.
- **Continuous Monitoring:** Detection of unusual activity to prevent fraud.
- **Regular Updates:** Implementation of the latest security and technological advancements.
- **Liquidity Management:** Ensuring smooth execution of trades.

### **User Protection Measures:**

- **Educational Resources:** Providing insights on responsible trading and market risks.
- **Risk Management Tools:** Offering stop-loss orders and other risk-limiting tools.
- **Transparent Communication:** Keeping users informed about changes in market conditions and regulations.

### **Best Practices for Users:**

- **Seek Professional Advice:** Consult financial and legal experts before investing.
- **Stay Informed:** Keep up with industry developments and regulatory updates.
- **Diversify Investments:** Spread risk across multiple assets.

- **Use Secure Networks:** Trade on secure and private networks to prevent unauthorized access.

#### **Emergency Protocols:**

- **Customer Support:** Dedicated assistance available at support@Paera.com.
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### **5. USER RESPONSIBILITIES**

Users of Paera must adhere to responsible trading practices:

- Conduct thorough research before investing.
  - Stay informed about regulatory requirements in their jurisdiction.
  - Secure their accounts with strong passwords and two-factor authentication.
  - Report any suspicious activity immediately.
  - Trade ethically and comply with Paera's terms and conditions.
  - Use risk mitigation tools and assess personal risk tolerance.
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### **6. UPDATES AND AMENDMENTS**

Paera regularly reviews and updates this Risk Disclosure Statement. Users will be notified of significant changes through email and platform notifications. The latest version will always be accessible on our website.

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### **7. CONCLUSION AND CONTACT INFORMATION**

This Risk Disclosure Statement outlines the risks associated with cryptocurrency trading on Paera's platform. By using our services, you acknowledge these risks and agree to trade responsibly.

For any questions or support, please contact us at:

- **Email:** support@paera.com
- **Website:** <https://paera.com>

At Paera, we strive to provide a secure and transparent trading environment. However, it is crucial for users to engage in cryptocurrency trading with caution and responsibility.

