???????? ??????????????? ??? NETELLER - ?????? ??????? ?? ???? ?????????

Paysafe Financial Services Limited has been temporarily registered under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 as a cryptoasset business until 31 March 2022, pending the determination of our application by the Financial Conduct Authority.

Please read the following risk warnings carefully before using the Cryptocurrency Service.

This document provides you with information about the risks associated with using the Cryptocurrency Service, which allows you to buy or sell interests in cryptocurrency via a Cryptocurrency Exchange.

The defined terms used in this document are the same as those set out in the Cryptocurrency Service Terms of Use.

The trading of interests in virtual currencies (including the Supported Cryptocurrencies) entails certain risks. This document provides you with information about some of these risks, but cannot predict all of the risks which may arise nor can it describe how such risks relate to your personal circumstances. If you are in any doubt about whether the Cryptocurrency Service is right for you, you may wish to seek guidance from a professional adviser.

You should carefully assess whether your financial situation and tolerance for risk is suitable for any form of exposure to cryptocurrencies.

- **The Cryptocurrency Service is unregulated.**

- Since the trading of Supported Currencies is not currently subject to regulation beyond anti-money laundering requirements, the Cryptocurrency Service is not governed by any specific European or UK regulatory framework. This means that, when you use the Cryptocurrency Service, you will not benefit from the protections available to customers receiving regulated e-money/payment services provided by us or one of our affiliate companies.
- Given the unregulated nature of the Cryptocurrency Service, customers also do not benefit from access to the Financial Services Compensation Scheme (FSCS) nor the Financial Ombudsman Service.

- **Trading in cryptocurrencies carries special risks.**

- Cryptocurrencies also carry special risks not generally shared with official currencies or goods or commodities in a market. Unlike most currencies, which are backed by governments or other legal entities, or by commodities such as gold or silver, cryptocurrency is a unique medium of exchange, in that there is no central bank that can take corrective measures to protect the value of cryptocurrency in a crisis.
- Instead, cryptocurrencies are an as-yet autonomous and largely unregulated worldwide system of currency. Traders of such currencies put their trust in a digital, decentralised and partially anonymous system that relies on peer-to-peer networking and cryptography to maintain its integrity.

- **The value of cryptocurrencies is highly volatile.**

- The market for the Supported Currencies is still relatively new and uncertain. The price or value of cryptocurrency can rapidly increase or decrease at any time and may even fall to zero, and as such can be inherently difficult to value reliably. The risk of loss in trading or holding an interest in cryptocurrencies can be substantial and can result in the loss of the entire value of your interest in cryptocurrency.

- The cryptocurrency market is highly susceptible to market manipulation and other misuse for illegal activities. The market is likely to be adversely affected if law enforcement agencies investigate any allegedly illegal activities on the Cryptocurrency Exchange or any other cryptocurrency platform.
- More generally, cryptocurrencies are complex products and susceptible to bubbles or loss of confidence (irrational or otherwise), which could collapse demand relative to supply, meaning there is no guarantee that cryptocurrency can always be sold. For example, confidence might collapse in any given cryptocurrency because of unexpected changes imposed by the software developers or others, a government crackdown, the creation of superior competing alternative currencies, or a deflationary or inflationary spiral. Confidence might also collapse because of technical problems: if the anonymity of the system is compromised, if money is lost or stolen, or if hackers or governments are able to prevent any transactions from settling.

- **Cryptocurrency Exchanges are vulnerable to cyber attacks, errors and hacking.**

- Cryptocurrency exchanges are entirely digital and, as with any virtual system, are at risk from hackers, malware and operational glitches. Even though Cryptocurrency Exchanges take various steps to preserve the security of their platforms, cryptocurrency which is held in wallets provided by such exchanges remain vulnerable to hacking.
- If a thief gains access to one or more Supported Cryptocurrencies (i.e. by stealing the private encryption key to the Cryptocurrency Exchange wallets), he/she could transfer the stolen assets to another account. This is particularly problematic since all cryptocurrency transactions are permanent and irreversible.
- Accordingly, a hack is likely to lead to substantial depletion of the Supported Cryptocurrency held on your behalf (see below). Whilst the Cryptocurrency Exchange may be willing to compensate users for any such loss, they are not obliged to do so. A serious hack could also have the effect of putting a Cryptocurrency Exchange into insolvency.

- **The Supported Cryptocurrencies (and the fiat currency used to buy/sell them) are held in custody by a third party.**

- When you use the Cryptocurrency Service to buy interests in one or more of the Supported Cryptocurrencies, they will be held on your behalf by a third party (usually the Exchange) who will act as custodian (the “Custodian”). Records will be held by the Cryptocurrency Exchange and us to show that the Supported Cryptocurrencies are held on your behalf and do not belong to any third party.
- The Supported Cryptocurrencies may be held on an “omnibus basis” with the Custodian, which means that your interests may be held at a single blockchain address together with those of other customers of that Custodian. If the Custodian becomes insolvent, there may be delays in identifying the assets belonging to you. There may be also be an increased risk of loss if there should be a shortfall between the assets held in the Custodian’s omnibus account and the claims of all of its customers (in which case, you may have to share proportionately in that shortfall with other customers).
- Otherwise, in the event of insolvency of the Custodian, please note there is no specific legal protection that covers you for losses arising from any Supported Cryptocurrencies that were held with such Custodian. This could mean that you have no specific rights under insolvency law to recover cryptocurrency held by the Custodian and you may be treated as an ordinary creditor of the same.
- When you sell your interests in the Supported Cryptocurrencies, the proceeds from the sale will be held in a pooled segregated bank account of the Cryptocurrency Exchange. As with the Supported Cryptocurrencies, records will be held by the Cryptocurrency Exchange and us to show that funds are held on your behalf and do not belong to any third party. In the event of the Cryptocurrency Exchange’s insolvency, you may be able to claim for the return of your fiat

currency from this pool.

- **The Cryptocurrency Exchange may suspend or terminate their service at any time.**

- To provide the Cryptocurrency Service to you, we partner with one or more Cryptocurrency Exchanges to facilitate the buying and selling of interests in Supported Cryptocurrencies. In order to provide these services we charge a fee. More information to our fee structure can be found in the NETELLER Cryptocurrency Terms of Use.
- Given the various risks attaching to cryptocurrency exchanges (including the uncertain legal environment), it is possible that a Cryptocurrency Exchange could suspend or terminate its relationship with us and sometimes won't tell us why. In these circumstances, we may have to suspend the Cryptocurrency Service ourselves but we will try to transfer the underlying Supported Cryptocurrency to another Cryptocurrency Exchange as soon as possible.

- **The legal status of cryptocurrency is uncertain and constantly evolving.**

- Given that the market for cryptocurrencies is relatively new, the legal nature of cryptocurrency is – in most jurisdictions – yet to be determined by statute, regulation or case law. In the absence of such authority, it is not clear how a regulator or court may treat interests or rights arising trading in cryptocurrency. In particular, the law applicable to firms who hold cryptocurrencies in custody (particularly in the event of such firms' insolvency) is far from clear.
- It is possible that a national or supranational regulator may take unilateral action to legislate the cryptocurrency market in a manner which prevents or encumbers the proper operation of the market in your jurisdiction. This may impact whether we can offer the Cryptocurrency Service to you.

- **The functioning of the cryptocurrency network is outside our control.**

- Since the blockchain is an independent public peer-to peer network and is not subject to regulation or control by any authority or firm, we are not responsible for any failure, mistake, error and/or breach which shall occur on the blockchain or on any other networks in which the Supported Cryptocurrencies are being issued and/or traded.
- We do not own or control the underlying software protocols which govern the operation of the Supported Cryptocurrencies. In general, the underlying protocols are open source and anyone can use, copy, modify, and distribute them.
- The underlying protocols of the Supported Cryptocurrencies are subject to sudden changes in operating rules ('forks'), and such forks may materially affect the value, function, and/or even the name of the Supported Cryptocurrency.