

Risk Disclosures

1. General Risk Warning

Crypto-assets are high-risk products and may not be suitable for all clients. Before using CoinMENA's services or trading any crypto-asset, you should carefully consider the following:

- (a) A crypto-asset is not a legal tender and is not backed by the government;
- (b) Legislative and regulatory changes or actions at national level or international level may adversely affect the use, transfer, exchange, and value of crypto-assets;
- (c) transactions in crypto-assets may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable;
- (d) some crypto-asset transactions may be deemed to be made when recorded on a public ledger, which is not necessarily the date or time that the client initiates the transaction;
- (e) the value of crypto-assets may be derived from the continued willingness of market participants to exchange fiat currency for crypto-asset, which may result in the potential for permanent and total loss of value of a particular crypto-asset should the market for that crypto-asset disappear;
- (f) the volatility and unpredictability of the price of crypto-assets relative to fiat currency may result in significant loss over a short period of time;
- (g) the nature of crypto-assets means that any technological difficulties experienced by the licensee may prevent the access or use of a client's crypto-assets;

Disclaimer: 'THE CENTRAL BANK OF BAHRAIN HAS NEITHER REVIEWED NOR APPROVED THE LISTED CRYPTO-ASSETS'.

Asset-Specific Information & Risks

Below are key facts and risks for each crypto-asset currently listed on CoinMENA. These summaries are indicative only and do not constitute investment advice.

Bitcoin (BTC)

- **Type:** Payment token / non-backed crypto-asset
- **Function:** Peer-to-peer digital currency and store of value.
- **Backing:** Not backed by any asset or government; value is purely market-driven.
- **Key risks:** Very high price volatility; potential for significant drawdowns; network congestion and high fees in peak periods; evolving regulatory treatment of mining and usage.

Ethereum (ETH)

- **Type:** Utility / protocol token (Layer-1 smart-contract platform)
- **Function:** Native token used to pay gas fees and interact with smart contracts and decentralised applications on Ethereum.
- **Backing:** Not asset-backed.
- **Key risks:** Exposure to broader risks (bugs, exploits); fee and congestion spikes; regulatory uncertainty in relation to staking and some DeFi activities.

Tether (USDT)

- **Type:** Fiat-backed USD stablecoin
- **Function:** USD-pegged stablecoin widely used for trading, settlement and transfers.
- **Backing:** Issuer states reserves are held in cash, cash equivalents and other assets; not a bank deposit and not government-guaranteed.
- **Key risks:** De-peg risk if confidence in reserves/issuer weakens; issuer, transparency and regulatory risk; concentration risk as one of the largest stablecoins.

USD Coin (USDC)

- **Type:** Fiat-backed USD stablecoin
- **Function:** USD-pegged stablecoin used for trading, payments and DeFi.

- **Backing:** Issuer discloses reserves in cash and short-term US Treasuries held with regulated custodians.
- **Key risks:** De-peg risk in stress; reliance on issuer governance and banking partners; regulatory changes affecting stablecoins and reserve structures.

XRP (XRP)

- **Type:** Payment / bridge token
- **Function:** Used for cross-border transfers and as a bridge asset in the Ripple ecosystem.
- **Backing:** Not asset-backed.
- **Key risks:** Ongoing and potential future regulatory/enforcement risk; dependency on Ripple and related ecosystem; concentration of holdings and governance.

Solana (SOL)

- **Type:** Utility / protocol token (Layer-1)
- **Function:** Transaction fees, staking and participation in Solana's DeFi/NFT ecosystem.
- **Backing:** Not asset-backed.
- **Key risks:** Historical network-stability/outage issues; smart-contract and bridge risk across Solana-based protocols; high volatility and leverage-driven moves.

Dogecoin (DOGE)

- **Type:** Meme / payment token
- **Function:** Meme-origin cryptocurrency
- **Backing:** Not asset-backed.
- **Key risks:** Price driven largely by sentiment and social media; limited fundamental use; extreme volatility and liquidity/concentration risk.

Cardano (ADA)

- **Type:** Utility / protocol token (Layer-1)
- **Function:** Staking, governance and transaction fees on the Cardano network.

- **Backing:** Not asset-backed.
- **Key risks:** Execution risk on long-term roadmap; strong competition from other L1s; high sensitivity to overall altcoin market cycles.

World Liberty Financial USD (USD1)

- **Type:** Fiat-backed USD stablecoin
- **Function:** USD-pegged stablecoin issued by World Liberty Financial for trading, payments and real-world-asset use cases.
- **Backing:** Marketed as redeemable 1:1 for U.S. dollars and backed by USD and U.S. government money market funds.
- **Key risks:** De-peg and reserve-quality risk; issuer and governance risk, including political/reputational association; regulatory or sanctions actions affecting issuer or venues.

Global Dollar (USDG)

- **Type:** Fiat-backed USD stablecoin
- **Function:** Single-currency USD stablecoin used for payments, settlements and treasury functions.
- **Backing:** Fully backed and redeemable 1:1 for USD, issued by Paxos Digital Singapore and related entities under MAS and European regulation.
- **Key risks:** De-peg and reserve-management risk; regulatory/jurisdictional risk; dependence on issuer's operational resilience and banking relationships.

Avalanche (AVAX)

- **Type:** Utility / protocol token (Layer-1)
- **Function:** Transaction fees, staking and securing Avalanche subnets.
- **Backing:** Not asset-backed.
- **Key risks:** Competition from other L1s; DeFi/bridge smart-contract risks; high volatility.

Shiba Inu (SHIB)

- **Type:** Meme token

- **Function:** Meme coin used mainly for general trading and community activity.
- **Backing:** Not asset-backed.
- **Key risks:** Extreme volatility and risk of rapid price collapses; sentiment-driven; liquidity and concentration risk.

Bitcoin Cash (BCH)

- **Type:** Payment token
- **Function:** Bitcoin fork focused on larger blocks and lower-fee payments.
- **Backing:** Not asset-backed.
- **Key risks:** Lower adoption vs Bitcoin; high volatility; liquidity and ecosystem-fragmentation risk.

Polkadot (DOT)

- **Type:** Utility / protocol token (multi-chain / Layer-0)
- **Function:** Governance, bonding and securing parachains in the Polkadot ecosystem.
- **Backing:** Not asset-backed.
- **Key risks:** Execution and adoption risk of the multi-chain model; governance/tokenomics risk; high volatility.

Chainlink (LINK)

- **Type:** Utility / protocol token
- **Function:** Incentivises oracle nodes providing off-chain data (e.g. price feeds) to smart contracts.
- **Backing:** Not asset-backed.
- **Key risks:** Oracle failure or manipulation risk; strong dependence on DeFi volumes and smart-contract demand; high volatility.

Litecoin (LTC)

- **Type:** Payment token
- **Function:** UTXO-based cryptocurrency for relatively fast, low-cost payments.

- **Backing:** Not asset-backed.
- **Key risks:** Competition from other payment networks; declining relative adoption; standard crypto volatility.

NEAR Protocol (NEAR)

- **Type:** Utility / protocol token (Layer-1)
- **Function:** Transaction fees, staking and incentives within the NEAR ecosystem.
- **Backing:** Not asset-backed.
- **Key risks:** Ecosystem adoption and developer-traction risk; bridge/smart-contract risk; high volatility.

Polygon (POL)

- **Type:** Utility / protocol token (scaling / L2 ecosystem)
- **Function:** Fees, staking and governance across the Polygon scaling ecosystem.
- **Backing:** Not asset-backed.
- **Key risks:** Dependence on Ethereum and changing scaling landscape; bridge and contract risk; governance/tokenomics risk.

Uniswap (UNI)

- **Type:** Governance / utility token
- **Function:** Governance token for the Uniswap decentralised exchange ecosystem.
- **Backing:** Not asset-backed.
- **Key risks:** Dependence on DEX volumes and fee models; governance-proposal and smart-contract risk; regulatory focus on DEXs/AMMs.

PEPE (PEPE)

- **Type:** Meme token
- **Function:** Meme coin used almost entirely for general trading.
- **Backing:** Not asset-backed.

- **Key risks:** Purely sentiment-driven; extreme boom-and-bust risk; thin liquidity and market-manipulation risk.

Ripple USD (RLUSD)

- **Type:** Fiat-backed USD stablecoin
- **Function:** Ripple-issued USD stablecoin for payments and on-chain liquidity.
- **Backing:** Designed to be fully backed by a segregated reserve of cash and cash equivalents and redeemable 1:1 for USD, per issuer disclosures.
- **Key risks:** Stablecoin de-peg and reserve-management risk; issuer/governance risk linked to Ripple; regulatory scrutiny on stablecoins and cross-border use.

WIF (“dogwifhat”)

- **Type:** Meme token
- **Function:** Solana-based meme coin.
- **Backing:** Not asset-backed.
- **Key risks:** Extreme volatility; heavily sentiment-driven; liquidity and concentration risk; no fundamental backing.

Stellar Lumens (XLM)

- **Type:** Payment / utility token
- **Function:** Native token for Stellar network transfers, fees and issuance of other assets.
- **Backing:** Not asset-backed.
- **Key risks:** Competition from other cross-border payment solutions; protocol/governance risk; altcoin-style volatility.

Sky (SKY)

- **Type:** Utility / protocol token
- **Function:** Utility/governance token for its underlying protocol/ecosystem (e.g. DeFi or infrastructure functions).
- **Backing:** Not asset-backed.

- **Key risks:** Project execution and adoption risk; relatively low liquidity; smart-contract/protocol risk depending on usage.

Aave (AAVE)

- **Type:** Governance / utility token
- **Function:** Governance and safety-module token for the Aave decentralised lending protocol.
- **Backing:** Not directly backed by protocol reserves.
- **Key risks:** Smart-contract, liquidation and collateral-volatility risk within the lending protocol; DeFi systemic/oracle risk; regulatory scrutiny of decentralised lending.

The Graph (GRT)

- **Type:** Utility / protocol token
- **Function:** Incentivises indexers and curators who provide blockchain data indexing and querying.
- **Backing:** Not asset-backed.
- **Key risks:** Adoption risk for The Graph as a data layer; staking/slashing risk; high volatility.

Floki (FLOKI)

- **Type:** Meme token
- **Function:** Meme coin linked to “Floki” branding with community-driven ecosystem elements.
- **Backing:** Not asset-backed.
- **Key risks:** Marketing and community-driven value; high volatility; uncertain long-term utility; liquidity/concentration risk.

JasmyCoin (JASMY)

- **Type:** Utility token
- **Function:** Token for data/IoT-related services within the Jasmy ecosystem.
- **Backing:** Not asset-backed.

- **Key risks:** Execution and adoption risk for underlying data/IoT use cases; smaller-cap liquidity and volatility risk.

Algorand (ALGO)

- **Type:** Utility / protocol token (Layer-1)
- **Function:** Participation in consensus and payment of transaction fees on Algorand.
- **Backing:** Not asset-backed.
- **Key risks:** Adoption risk versus larger L1s; token-supply/inflation dynamics; high volatility.

Lido DAO (LDO)

- **Type:** Governance / utility token
- **Function:** Governance token for Lido, a liquid-staking protocol.
- **Backing:** Not asset-backed.
- **Key risks:** Smart-contract and staking-derivative risk; concentration of staking power; regulatory uncertainty around staking services.

PayPal USD (PYUSD)

- **Type:** Fiat-backed USD stablecoin
- **Function:** PayPal-linked USD stablecoin for payments and trading.
- **Backing:** Fully backed by US dollar deposits, short-term US Treasuries and similar cash equivalents, and redeemable 1:1 for USD via Paxos/PayPal, per issuer disclosures.
- **Key risks:** De-peg/reserve-management risk; operational and regulatory risk affecting PayPal and Paxos (including incidents such as erroneous large mints/burns).

Vaulta (A)

- **Type:** Utility / platform token
- **Function:** Token associated with Vaulta's Web3 banking / tokenised investment platform.
- **Backing:** Not inherently asset-backed; underlying tokenised assets, where used, are separate from the token.

- **Key risks:** Platform, regulatory and RWA-tokenisation risk; smaller-cap liquidity and volatility; dependence on project execution.

Tether Gold (XAUT)

- **Type:** Asset-backed token (gold)
- **Function:** Token representing ownership of physical gold via a Tether-branded product.
- **Backing:** Intended to represent one troy ounce of physical gold held in vaults for each token, as per issuer disclosures.
- **Key risks:** Gold-price risk; issuer and custodian risk; transparency/auditability of backing.

Gala (GALA)

- **Type:** Gaming / ecosystem token
- **Function:** Utility token for the Gala Games ecosystem (gaming, NFTs and related services).
- **Backing:** Not asset-backed.
- **Key risks:** Dependence on success of Gala's games and NFT ecosystem; volatility linked to gaming/NFT cycles; project and competition risk.

The Sandbox (SAND)

- **Type:** Metaverse / utility token
- **Function:** Utility token for The Sandbox metaverse (virtual land, assets and governance).
- **Backing:** Not asset-backed.
- **Key risks:** Metaverse user-adoption and engagement risk; NFT/virtual-land market cyclicity; high volatility.

Decentraland (MANA)

- **Type:** Metaverse / utility token
- **Function:** Utility token for the Decentraland virtual world (land, items and services).
- **Backing:** Not asset-backed.

- **Key risks:** Dependence on metaverse usage and developer activity; volatile virtual-land/NFT markets; competition from other metaverse platforms.

Chiliz (CHZ)

- **Type:** Fan-engagement / utility token
- **Function:** Utility token for sports and fan-engagement platforms (e.g. fan tokens, club experiences).
- **Backing:** Not asset-backed.
- **Key risks:** Reliance on demand for fan tokens; regulatory treatment of fan-engagement tokens; volatility and liquidity risk.

Pax Gold (PAXG)

- **Type:** Asset-backed token (gold)
- **Function:** Token representing allocated gold held by Paxos.
- **Backing:** 1:1 backed by London Good Delivery gold held in LBMA-accredited vaults, per issuer disclosures.
- **Key risks:** Gold-price risk; issuer/custodian and jurisdictional risk; redemption and delivery operational risk.

Curve (CRV)

- **Type:** Governance / utility token
- **Function:** Governance token for Curve Finance, a DeFi AMM focused on stablecoins and similar assets.
- **Backing:** Not asset-backed.
- **Key risks:** Governance-attack and protocol-exploit risk; revenue sensitivity to stablecoin volumes/yields; high volatility.

Compound (COMP)

- **Type:** Governance token
- **Function:** Governance token for the Compound decentralised lending protocol.
- **Backing:** Not asset-backed.

- **Key risks:** Smart-contract, liquidation and oracle risk in the lending markets; DeFi-regulatory risk; volatile DeFi-cycle exposure.

Basic Attention Token (BAT)

- **Type:** Utility / rewards token
- **Function:** Rewards and utility token for the Brave browser advertising ecosystem.
- **Backing:** Not asset-backed.
- **Key risks:** Adoption risk of Brave/ad-tech model; dependence on advertiser spend and user growth; altcoin-style volatility.

Biconomy (BICO)

- **Type:** Utility / infrastructure token
- **Function:** Token for Biconomy's transaction/relayer infrastructure (e.g. gasless transactions, UX tooling).
- **Backing:** Not asset-backed.
- **Key risks:** Protocol/business-model adoption risk; infra and smart-contract failures; small/mid-cap liquidity and volatility risk.

Yearn Finance (YFI)

- **Type:** Governance / protocol token
- **Function:** Governance token associated with Yearn's on-chain yield strategies and vaults.
- **Backing:** Not directly backed by vault assets.
- **Key risks:** Strategy and smart-contract risk in complex yield products; high volatility and limited liquidity; dependence on DeFi yields and liquidity.

Yield Guild Games (YGG)

- **Type:** Gaming / guild utility token
- **Function:** Token used in Yield Guild's gaming guild ecosystem (scholarships, guild operations).
- **Backing:** Not asset-backed.

- **Key risks:** Reliance on play-to-earn and gaming sectors; volatility in NFT/gaming cycles; governance and treasury-allocation risk.

Request Network (REQ)

- **Type:** Utility token
- **Function:** Utility token for Request Network's invoicing and payment-request protocol.
- **Backing:** Not asset-backed.
- **Key risks:** Adoption risk of the protocol; competition from other payment/invoicing solutions; volatility and liquidity risk.

Sushi (SUSHI)

- **Type:** Governance / utility token
- **Function:** Governance and incentive token for Sushi DEX and related DeFi products.
- **Backing:** Not asset-backed.
- **Key risks:** Competition with larger DEXs; protocol/governance and treasury-management risk; high volatility and DeFi-cycle exposure.

TRUMP (TRUMP)

- **Type:** Meme token
- **Function:** Meme coin associated with Donald Trump, traded as a themed asset.
- **Backing:** Not asset-backed; no intrinsic cash-flow.
- **Key risks:** Extremely high volatility; strong association with a political figure and related reputational/regulatory scrutiny; high concentration and potential pump-and-dump dynamics.

Enzyme (MLN)

- **Type:** Governance / protocol token
- **Function:** Governance and fee token for the Enzyme on-chain asset-management protocol.
- **Backing:** Not asset-backed.

- **Key risks:** Smart-contract risk in asset-management vaults; niche/institutional-adoption risk; low liquidity and price swings.

Onyxcoin (XCN)

- **Type:** Utility / governance token
- **Function:** Utility and governance token for the Onyx protocol/infrastructure.
- **Backing:** Not asset-backed.
- **Key risks:** Protocol and partner-adoption risk; tokenomics/governance-change risk; smaller-cap liquidity and volatility.

LIF3 (LIF3)

- **Type:** Utility / DeFi ecosystem token
- **Function:** Utility and rewards token for the Lif3 omni-chain DeFi ecosystem (staking, yield, etc.).
- **Backing:** Not asset-backed.
- **Key risks:** Smart-contract, bridge and yield-strategy risk; high volatility and DeFi-cycle sensitivity; liquidity risk and potential unsustainability of high yields.

Render Token (RENDER)

- **Type:** Utility token
- **Function:** Used to pay for distributed GPU rendering within the Render Network.
- **Backing:** Not asset-backed.
- **Key risks:** Dependence on demand for rendering/AI workloads; infrastructure and protocol risk; high volatility.

Wormhole (W)

- **Type:** Governance / utility token
- **Function:** Token associated with Wormhole's cross-chain messaging and bridging ecosystem.
- **Backing:** Not asset-backed.

- **Key risks:** Bridge and cross-chain exploit risk; multi-chain smart-contract complexity; high volatility and technical-risk premium.

ONDO (ONDO)

- **Type:** Governance / utility token
- **Function:** Token linked to Ondo Finance, which offers tokenised yield and real-world-asset products.
- **Backing:** Not itself backed by RWAs; underlying RWAs sit in separate structures.
- **Key risks:** Regulatory/legal risk around tokenised securities/RWAs; counterparty and structural risk in underlying products; volatility and liquidity risk.

BNB (BNB)

- **Type:** Utility / protocol token
- **Function:** Used for fees, staking and ecosystem uses on BNB Chain and certain related platforms.
- **Backing:** Not asset-backed.
- **Key risks:** Regulatory/enforcement risk relating to the broader ecosystem; concentration of governance/operational control; large-cap altcoin volatility.

Axie Infinity (AXS)

- **Type:** Gaming / governance token
- **Function:** Governance and rewards token for the Axie Infinity gaming ecosystem.
- **Backing:** Not asset-backed.
- **Key risks:** Dependence on Axie game popularity and NFT/in-game economy; historical boom-and-bust patterns; high volatility.

Jupiter (JUP)

- **Type:** Utility / governance token
- **Function:** Token associated with Jupiter DEX aggregator and DeFi tools on Solana.
- **Backing:** Not asset-backed.

- **Key risks:** Dependence on Solana trading volumes and DEX usage; smart-contract/aggregator risk; highly volatility.

BONK (BONK)

- **Type:** Meme token
- **Function:** Solana-based meme token used primarily for trading and community activity.
- **Backing:** Not asset-backed.
- **Key risks:** Extreme volatility and risk of large drawdowns; sentiment-driven pricing; liquidity and potential manipulation risk.