



Robinhood Crypto Risk Disclosure



IT IS IMPORTANT YOU READ AND FULLY UNDERSTAND THE FOLLOWING RISKS OF BUYING, SELLING AND HOLDING CRYPTOCURRENCIES IN YOUR ROBINHOOD CRYPTO ACCOUNT.

Introduction

This Robinhood Crypto Risk Disclosures ("Risk Disclosure") applies to all Robinhood Crypto accounts and is intended to explain some of the risks associated with the use of the RHC Services offered by Robinhood Crypto, LLC ("RHC" or "Robinhood Crypto") pursuant to the [Robinhood Crypto Customer Agreement](#) (the "RHC Customer Agreement"). The information presented in this Risk Disclosure Statement is not comprehensive nor exhaustive and does not reflect all of the risks you should consider before using the RHC Services, including trading cryptocurrencies in your RHC Account.

Terms not otherwise defined in this Risk Disclosure have the meanings given to them in the RHC Customer Agreement.

General Risk of Trading Cryptocurrencies

- ***By Using the Services, you accept the risks of buying, selling and holding Cryptocurrencies.*** Trading cryptocurrencies presents a variety of risks that are not presented by investing in, buying, and selling products in other, more traditional asset classes. You acknowledge that (i) you are solely responsible for understanding and accepting the risks involved in investing in, buying, and selling cryptocurrencies, (ii) subject to the terms of the Customer Agreement, RHC has no control or influence over such risks, and (iii) RHC shall not be liable for any loss in value of cryptocurrencies that occurs in connection, directly or indirectly, with these risks or for the loss or theft of cryptocurrencies from third party venues used by RHC for trading.
- ***All cryptocurrency trading is speculative in nature and involves substantial risk.*** Cryptocurrency is a digital representation of value that functions as a medium of exchange, a unit of account, or a store of value, but it does not have legal tender status. Purchasing cryptocurrencies comes with a number of risks, including volatile market price swings or flash crashes, market manipulation, and cybersecurity risks. In addition, cryptocurrency markets and exchanges are not regulated with the same controls or customer protections available in equity, option, futures, or foreign exchange investing. There is no assurance that a person who accepts a cryptocurrency as payment today will continue to do so in the future.
- ***Cryptocurrency values can fluctuate quickly and materially.*** Cryptocurrencies are sometimes exchanged for U.S. dollars or other currencies around the world, but they are not generally backed or supported by any government or central bank. Their value is completely derived by market forces of supply and demand, and they are more volatile than traditional currencies. The value of cryptocurrency may be derived from the continued willingness of market participants to exchange fiat currency for cryptocurrency, which may



result in the potential for permanent and total loss of value of a particular cryptocurrency should the market for that cryptocurrency disappear.

- **Cryptocurrency trading can be extremely risky.** Cryptocurrency trading may not generally be appropriate, particularly with funds drawn from retirement savings, student loans, mortgages, emergency funds, or funds set aside for other purposes. Cryptocurrency trading can lead to large and immediate financial losses. The volatility and unpredictability of the price of cryptocurrency relative to fiat currency may result in significant loss over a short period of time. Transactions in cryptocurrency may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable. Some cryptocurrency transactions will be deemed to be made when recorded on a public ledger, which is not necessarily the date or time that a transaction may have been initiated.
- **Your investment in digital assets is not protected by any government insurance.** Cryptocurrencies are not covered by either FDIC or SIPC insurance. Legislative and regulatory changes or actions at the state, federal, or international level may adversely affect the use, transfer, exchange, and value of cryptocurrency.
- **Under certain market conditions, you may find it difficult or impossible to liquidate a position quickly at a reasonable price.** This can occur, for example, when the market for a particular cryptocurrency suddenly drops, or if trading is halted due to recent news events, unusual trading activity, or changes in the underlying cryptocurrency system.
- **Forks and airdrops may occur.** Any individual cryptocurrency may change or otherwise cease to operate as expected due to changes made to its underlying technology, changes made using its underlying technology, or changes resulting from an attack. These changes may include, without limitation, a "fork," a "rollback," an "airdrop," or a "bootstrap." Such changes may dilute the value of an existing cryptocurrency position and/or distribute the value of an existing cryptocurrency position to another cryptocurrency. Robinhood Crypto retains the right to support or not support any of these changes. Any cryptocurrency may be canceled, lost or double spent, or otherwise lose all or most of its value, due to forks, rollbacks, attacks, or failures to operate as intended.
- **Risk of software and security weaknesses.** The cryptocurrency may be vulnerable to attacks on the security, integrity or operation, including attacks using computing power sufficient to overwhelm the normal operation, of the cryptocurrency's blockchain or other underlying technology. The nature of cryptocurrency may lead to an increased risk of fraud or cyber attack.
- **The greater the volatility of a particular cryptocurrency, the greater the likelihood that problems may be encountered in executing a transaction.** In addition to normal market risks, you may experience losses due to one or more of the following: system failures, hardware failures, software failures, network connectivity disruptions, and data corruption.
- **Access to Digital Asset Supplies May be Limited.** The supply of cryptocurrencies available to RHC to provide to you through trades and the ability of RHC to deliver cryptocurrencies depends on third party providers that are outside of RHC's control. Under certain market conditions, you may find it difficult or impossible to liquidate a position, such



as where the market reaches a daily price fluctuation limit or where there is insufficient liquidity in the market. Further, RHC does not own or control any of the protocols that are used in connection with cryptocurrencies and their related networks, including those resulting from a fork. Accordingly, RHC disclaims all liability relating to such protocols or networks and any change in the value of any cryptocurrencies (whether forked assets or not) and makes no guarantees regarding the security, functionality, or availability of such protocols or networks. You accept all risks associated with the use of the services to conduct transactions, including risks in connection with the failure of hardware, software and internet connections.

- **Additional Risks.** Additional risks of investing in cryptocurrencies include, but are not limited to, the following:
 - Cryptocurrencies are not legal tender, operate without central authority or banks, and are not backed by any government.
 - Cryptocurrencies are a new technological innovation with a limited history and are a highly speculative asset class, and as such, have in the past experienced, and are likely in the future to continue to experience, high volatility, including periods of extreme volatility. The volatility and unpredictability of the price of cryptocurrencies relative to fiat currency may result in significant loss over a short period of time.
 - Cryptocurrencies are virtual products, they may become delisted or unsupported at any time, which means they may no longer be offered for sale or exchange on markets, and if this happens, the cryptocurrencies may become worthless.
 - Cryptocurrencies could become subject to forks, and various types of cyberattacks, including a “51% Attack” or a “Replay Attack.” The nature of cryptocurrencies may lead to an increased risk of fraud or cyberattack.
 - Transactions in cryptocurrencies may be irreversible, and accordingly, losses due to fraudulent or accidental transactions may not be recoverable.
 - Trading platforms on which cryptocurrencies are traded, including exchanges that may be used by RHC to support orders, may stop operating or shut down due to fraud, technical problems, hackers or malware, and these trading platforms may be more susceptible to fraud and security breaches than established, regulated exchanges for other products.
 - The nature of cryptocurrency means that any technological difficulties experienced by RHC may prevent access to, or the use of, a user’s cryptocurrency.
 - Some cryptocurrency transactions shall be deemed to be made when recorded on the public ledger, which is not necessarily the date or time a user initiates a transaction.
 - The decentralized, open source protocol of the peer-to-peer computer network supporting a cryptocurrency could be affected by internet disruptions, fraud or cybersecurity attacks, and such a network may not be adequately maintained and protected by its participants.



- Legislative and regulatory changes or actions at the state, federal or international level may adversely affect the use, transfer, exchange and value of cryptocurrencies.
- A cryptocurrency could decline in popularity, acceptance or use, thereby impairing its price and liquidity.

Order Routing on Robinhood Crypto

When you buy or sell cryptocurrency through your Robinhood Crypto account, we send your order to third-party liquidity providers for execution. If you trade in the app, you can choose to have your orders routed to non-exchange liquidity providers (“market makers”) or through exchange liquidity providers (“partner exchanges”). If you trade on Robinhood Legend, your orders will be routed via Smart Exchange Routing. If you trade using web classic, only Market Maker Routing is available.

Market Maker Routing

- Robinhood Crypto’s default routing routes orders to market makers. Robinhood Crypto receives volume rebates from those market makers.
- Market Maker Routing is the default routing for all orders on the mobile app and is the only available option on web classic.
- In the event Smart Exchange Routing is unavailable, all cryptocurrency orders on the mobile app will default to Market Maker Routing.

Smart Exchange Order Routing

- With Smart Exchange Routing, eligible cryptocurrency orders are only routed to partner exchanges, which may execute at prices that differ from the prices available through market makers.
- There is a transaction-based fee associated with cryptocurrency trades. Please review the [RHC Fee Schedule](#) for a description of that fee.
- Not all coins may be available for Smart Exchange Routing, and the availability of coins is subject to change. A list of cryptocurrencies available for smart exchange routing is available [here](#).
- Smart Exchange Routing is not available for recurring investments.
- Smart Exchange Routing is the only routing setting on Robinhood Legend. Additional information about trading Cryptocurrencies on Robinhood Legend can be found in the [Robinhood Legend General Disclosure and Acknowledgement](#).

Estimated Cost and Credits for Cryptocurrency Orders

The quantity and estimated cost or credit for cryptocurrency orders are determined as follows:



- The quantity and estimated cost or credit for a dollars-based market order in a cryptocurrency is calculated based on the ask price (for buy orders) or bid price (for sell orders) at the time that the dollar amount is entered on the order form.
- The estimated cost or credit for a coin-based market order in a cryptocurrency is calculated based on the ask price (for buy orders) or bid price (for sell orders) at the time that the quantity is entered on the order form.
- The quantity and estimated cost or credit for a dollars-based limit order in a cryptocurrency is calculated based on the limit price at the time that the dollar amount is entered on the order form.
- The estimated cost or credit for a coin-based limit order in a cryptocurrency is calculated based on the limit price at the time that the quantity is entered on the order form.
- The quantity and estimated cost or credit for a dollars-based stop or stop limit order in a cryptocurrency is calculated based on the stop price.
- The estimated cost or credit for a coin-based stop or stop limit order in a cryptocurrency is calculated based on the stop price.

The bid and ask prices referenced above, as well as the bid and ask prices used when determining the default limit price on the limit order form, are derived from third-party market data sources. The [RHC Customer Agreement](#) includes terms regarding such sources in the section titled “Third-Party Information.”

Market Orders on Robinhood Crypto

As described in the [RHC Customer Agreement](#), RHC collars all market buy orders in cryptocurrencies by using limit orders priced up to 1% above the last ask price and collars all market sell orders in cryptocurrencies by using limit orders priced up to 5% below the last bid price. Recurring Investment orders in cryptocurrencies cannot be placed through Robinhood Legend.

Additional Resources

You should conduct extensive research into the legitimacy of each individual cryptocurrency, including its platform, before investing. The features, functions, characteristics, operation, use and other properties of the specific cryptocurrency may be complex, technical, or difficult to understand or evaluate. Cryptocurrency trading requires knowledge of cryptocurrency markets. In attempting to profit through cryptocurrency trading you must compete with traders worldwide. You should have appropriate knowledge and experience before engaging in substantial cryptocurrency trading.