prosper
On-chain financial services
with social impact.

Terms and Conditions of Use – Prosper Protocol
Last updated: May 13, 2025

1. Acceptance of Terms

By accessing or using the services offered by Prosper Protocol through the website www.prosper.foundation or any of its applications, you agree to be bound by these Terms and Conditions. If you do not agree with any of the terms set forth herein, we kindly request that you do not use our services.

2. About Prosper Protocol

Prosper is a technological protocol designed to facilitate financial inclusion through decentralized finance (DeFi) tools. Through a token-based ecosystem and digital solutions, Prosper allows individuals and businesses to access services such as lending, staking, digital payments, and credit reputation validation.

3. Access and Use of Services

Access to Prosper may involve the creation of a digital wallet, the connection with external accounts, and participation in decentralized operations. By using these services, you declare that:

- You are at least 18 years old or of legal age in your jurisdiction.
- All information you provide is accurate and up to date.
- You will comply with local laws, including those related to anti-money laundering and counter-terrorist financing (KYC/AML).
- You understand the risks associated with using blockchain technology and crypto assets.

4. Registration and Validation (KYC/KYB)

Certain features (such as staking, participation in funds, or requesting credit) may require identity verification processes (KYC for individuals, KYB for businesses). The user agrees to cooperate with these processes and provide valid documentation. Prosper reserves the right to limit access to specific services in case of inconsistencies or non-compliance.

5. Use of Tokens

 Prosper operates with two main tokens:

- TT (Transaction Token): the main medium of exchange within the ecosystem.
- TR (Yield Token): a staking token backed 1:1 by stable assets, with the potential to generate returns.
- Using, acquiring, or transferring these tokens implies acceptance of their intended roles within the protocol. Prosper does not guarantee the future value of the tokens and does not act as a financial institution nor provide investment advice.

6. Staking and Yield Generation

6.1. What is Staking?

Staking is a feature offered by the Prosper ecosystem that allows users to voluntarily lock their TR (Yield Token) for a defined period to earn an annual yield (APY), paid in the same token. By staking, the user contributes to the sustainability of the ecosystem and participates in an incentive scheme designed to promote the stability and growth of the protocol.

6.2. How Staking Works on Prosper

- Users can choose to lock their TR tokens for defined terms (e.g., 3, 6, or 12 months), with pre-established yields.
- Interest is automatically accrued and may, in some cases, be reinvested (auto-compounding), generating a compounding effect.
- Once the lock-in period ends, users may withdraw their initial capital along with any accrued interest, if applicable.

6.3. General Conditions

Staking is executed through smart contracts operating on the blockchain, which cannot be modified by Prosper once deployed.
During the staking period, funds remain locked and cannot be withdrawn early unless expressly allowed by the specific contract.
Offered yields may be subject to change depending on market conditions, protocol updates, or force majeure.

6.4. Risk Warning and No Guarantee of Returns

Users acknowledge and explicitly accept that participation in the staking program involves inherent financial risks.
Prosper, its developers, and collaborators do not guarantee the achievement of future returns or the preservation of invested capital.
The announced return represents a protocol objective based on projected scenarios and does not constitute a binding obligation, promise, or commitment of effective payment.

Relevant risks include, but are not limited to:

- Partial or total loss of locked capital due to technical failures, cyberattacks, smart contract vulnerabilities, or other blockchain-related contingencies.
- Market risk due to TR token volatility and/or fluctuations in the value of backing assets. Regulatory changes or legal restrictions that may affect normal protocol operations. Operational or custodial errors by the user, such as loss of private keys, incorrect interface usage, or sending funds to wrong addresses.
- Non-compliance with staking terms due to external causes unrelated to the protocol or caused by third parties in the ecosystem.

Therefore, all staking participation should be considered a high-risk investment made under the user's sole responsibility, who declares understanding of the product's nature, its operation, and potential adverse scenarios.

Users are strongly advised to evaluate their financial situation and, if necessary, consult an independent advisor before participating in any staking activity.

7. Credit, Risk Evaluation, and Operational Conditions

7.1. Decentralized Evaluation and Approval Conditions

Credits offered through Prosper are granted via a decentralized system involving independent evaluators (Evaluation Agents - EAs), who apply technical and algorithmic criteria for credit risk analysis. This evaluation is based on user behavior within the ecosystem, transaction history, external signals (where available), and specific pool criteria.

Risk models may incorporate artificial intelligence systems that learn from prior behavior, user engagement, and repayment history.

Credit approval is not automatic or guaranteed. Final approval depends on:

- The individual assessment conducted by EAs.
- The availability of funds in the respective pool.
- Compliance with technical and documentation requirements.
- The protocol's risk policies at the time.
- The protocol reserves the right to deny any credit request without needing to disclose specific reasons to the user.

7.2. Nature of the Credits

All credits granted via Prosper are issued in the protocol's native token (TT or whichever token is in use at the time). Users accept that this token may fluctuate in value due to market factors, and Prosper does not guarantee value stability during the loan period.

Loans are subject to interest rates, terms, grace periods, and fees specific to each pool, all of which must be accepted by the user prior to disbursement.

Users receiving loans agree to repay the principal, interest, and any applicable penalties as outlined in each agreement.

7.3. Regulatory Compliance and Jurisdiction

Prosper is a decentralized infrastructure operating through smart contracts and is not a regulated financial institution in any jurisdiction.

Therefore:

The responsibility for complying with local financial, credit, tax, and consumer protection laws lies solely with the user and interacting parties in their respective jurisdictions. Users, evaluators, and liquidity providers (LPs) must ensure compliance with local laws regarding lending, interest caps, guarantees, and regulatory requirements. Prosper does not act as a financial intermediary or direct lender and is not responsible for contractual breaches between protocol users.

7.4. Risks Associated with Borrowing

Users acknowledge and accept the following risks associated with using Prosper's lending system:

- Possible token value volatility may affect the purchasing power of borrowed amounts.
- Smart contract-enforced automatic execution in case of default.
- Inability to renegotiate terms once a contract is signed.
- Liquidity limitations in secondary markets for repurchasing or restructuring debt.
- Lack of traditional judicial mechanisms as this is a decentralized system without direct human intermediaries.

7.5. Declaration of Understanding

By requesting credit, the user declares that:

- They understand there is no guarantee of continued access to credit in the future.
- They are aware of the experimental nature of DeFi protocols and agree to use them at their own discretion and responsibility.
- They release Prosper from any legal obligation related to fund recovery, legal enforcement, or application of local regulations.

8. Risks and Disclaimer of Liability

8.1. General Risk Warning

Users acknowledge and accept that using services provided by Prosper Protocol involves exposure to a broad range of risks inherent in emerging technologies, particularly those based on blockchain, digital assets, and decentralized finance (DeFi).

These services operate under disruptive models that may lack stable regulatory frameworks in many jurisdictions, and their performance can be affected by technical, economic, legal, geopolitical, and human factors.
Users engage with Prosper services under their sole responsibility and understand that profitability, service access, system stability, or operational continuity are not guaranteed.

8.2. Key Risks Identified (but not limited to)

a) Price VolatilityTokens and digital assets may experience sudden value fluctuations due to secondary market dynamics, external news, regulations, or internal protocol behavior. Past performance does not guarantee future returns.
b) Technical Failures or Vulnerabilities

Prosper operates on smart contracts deployed on blockchain. While audited and tested, no system is infallible. Risks include:

- Undetected code errors
- Oracle or external data source failures
- Frozen funds due to network congestion or bugs
- Protocol exploits or hacker attacks

c) Loss of Access or Custody of Funds

Control over funds rests solely with the user. Prosper does not store private keys or access user wallets.
Loss of credentials or recovery phrases may result in the irreversible loss of assets. Prosper cannot retrieve, reverse, or cancel blockchain transactions once confirmed.

d) Regulatory and Legal Risks

DeFi and blockchain are evolving under increasing regulatory scrutiny worldwide. This could lead to:

- Service restrictions in specific regions
- Blocked access due to legal changes
- New tax or reporting obligations for users or providers
- Users are solely responsible for understanding and complying with local laws. Prosper does not provide legal or tax advice.

e) Service Interruptions or Protocol Changes

As a living infrastructure, Prosper may undergo updates, temporary suspensions, or discontinuation due to governance decisions or external forces.
Protocol parameters (interest rates, staking rules, validation) may change without prior notice, per its decentralized nature.
Some features may be discontinued due to technical evolution or regulatory constraints.

f) Misuse of Services by Third Parties

As an open protocol, anyone can interact with Prosper's smart contracts if they meet technical requirements.
Prosper does not monitor or validate user intentions, creditworthiness, or reputation.
Risks such as fraud, impersonation, or misuse are inherent to decentralized systems.

8.3. Legal Liability Disclaimer

Prosper, its developers, contributors, and affiliated entities shall not be liable for economic losses, direct or indirect damages, loss of opportunity, business interruption, or any consequence resulting from the use of its services, except in cases of gross negligence or willful misconduct legally established by a competent authority.

In particular, Prosper shall not be responsible for:

- Failed, delayed, or rejected transactions
- Incorrect interest calculations due to user error or external issues
- Errors in staking or token usage
- Loss of funds due to undetected programming bugs
- Smart contract changes made under protocol governance
- Legal restrictions imposed by governments, regulators, banks, or other third parties

8.4. Explicit Acceptance

By using Prosper's services, users freely, voluntarily, and knowingly accept all aforementioned risks, including those not explicitly listed.
Users are advised to proceed cautiously, avoid investing funds they cannot afford to lose, and consult qualified professionals when facing legal, technical, or financial doubts.
Prosper is not a bank, financial agent, or provider of guaranteed returns. It is a technological tool enabling users to interact with a decentralized ecosystem at their own risk and discretion.

9. Privacy and Data Processing

Personal data provided will be handled in accordance with our Privacy Policy. In some cases, data may be shared with analytics providers, identity verification services, or compliance partners under strict security protocols.

Some transaction-related data may be recorded on blockchain, a public and immutable network, which cannot be modified or deleted by Prosper.

10. Modifications

Prosper may update these Terms and Conditions at any time. Users will be notified via website or email. Continued use of the service implies acceptance of the updated terms.

11. Jurisdiction and Governing Law

This agreement is governed by the laws of the country where the responsible entity is legally registered. In case of conflict, the parties agree to resolve disputes amicably and, failing that, submit to the competent courts of said jurisdiction.

12. Contact

For inquiries, claims, or legal notices, please contact the Prosper team at:
privacy@prosper.fundation