



 BMEX LITEPAPER

THE BIRTHPLACE OF CRYPTO DERIVATIVES AND THE TOKEN FOR TRUE BELIEVERS

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CRYPTO WILL CONQUER!

We know this because the way we transact and interact has already fundamentally shifted. The world is moving from analogue to digital, and crypto is at the core of this evolution.

We believe the pace of innovation and adoption will accelerate over the current decade, soon crossing the \$10 trillion value in crypto assets traded globally every day.

The companies who understand this and marshal their resources accordingly will grow into the new powerhouses.

We built BitMEX to be a cornerstone of the crypto economy's infrastructure. Your gateway and identity in the crypto universe, offering the best systems and tools you need to access, manage, and grow your investments. This makes BitMEX one of the powerhouses in crypto.

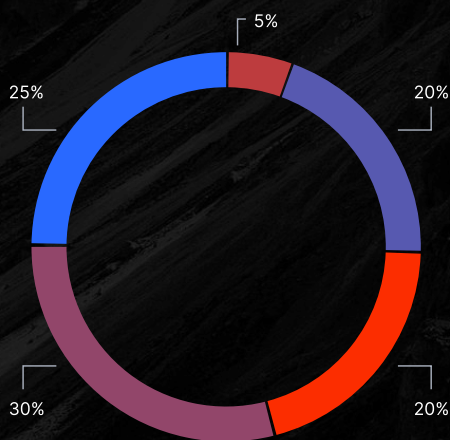
BMEX is the token for the true believers of this new paradigm and the fuel we will use to grow the BitMEX ecosystem. It's your access key to privileges across the crypto universe.

This third version of our litepaper continues to outline the vision, attributes, and benefits of the BMEX Token. Thanks for taking a look.

UTILITY AND BENEFITS

Crypto investors demand convenience, performance, and the freedom to choose a platform that best suits their needs. We want to be the first choice and are pursuing an aggressive expansion strategy that will see us launch a range of new products and features to satisfy this demand. The BMEX Token will be at the core of the BitMEX ecosystem and BMEX holders can enjoy benefits such as:

- Trading fee discounts of up to 70%
- Staking rewards of up to 7.5%
- Withdrawal fee refunds
- Early access to new products
- Exclusive access to BitMEX swag
- VIP service for larger token holders
- Monthly burning of BMEX tokens to fuel ecosystem growth



TOKEN ALLOCATION

BMEX is an ERC-20 token with a maximum supply of 450 million tokens, minted at once and vested over a period of up to five years.

The vast majority of BMEX will be spent to reward our users and grow the BitMEX ecosystem with new products and partners.



FOR MORE DETAILS, PLEASE GO TO PAGE 9.

MILESTONES

PHASE 1

BMEX Token Airdrops (May 2022)

Since early 2022, BitMEX users have been earning BMEX by participating in our promotions such as our welcome offer.

PHASE 2

Launched on BitMEX Spot (June 2022)

BMEX Token started trading on BitMEX Spot, as well as on partnering venues.

PHASE 3

Continuous Ecosystem Growth (Present)

By participating in the BMEX ecosystem, BitMEX users of all types get access to a range of benefits to boost their trading on the platform; staking rewards, improved fee tiers, staked BMEX airdrops, and more.



RADICAL IDEAS OFTEN HAVE HUMBLE BEGINNINGS. THAT'S TRUE FOR CRYPTO, AND FOR BITMEX

BitMEX was born to bring traditional financial services into a purely digital space, at a time when the crypto ecosystem was picking itself up from the ashes of Mt. Gox. Early on, we found great success by building a Bitcoin derivatives exchange that offered traders an entirely new experience – one that was bold and risk-taking. BitMEX then invented the perpetual swap. Finally, the 24/7 crypto market had a derivatives product tailored for it. This gave traders powerful leverage, limited liability, and flexibility.

The perpetual swap grew into the most traded crypto product of all time, proliferated on other exchanges, and changed the way the world traded crypto forever. We grew at a breakneck pace as a result, and used our resources to grow our product offering, invest in our technical/trading infrastructure, and enhance our security, which stands miles above our competitors (case in point, we've lost 0 funds since 2014).

All of this happened at a time when the purpose of crypto was being called into question. Observers underestimated not only crypto's utility, but its scope for future growth. The same can be said for BitMEX.

As an early pioneer, founded when Bitcoin was trading at only a few hundred dollars, we understand the journey we're on. By rapidly expanding our services and capabilities, we are positioning ourselves to be at the center of this monumental shift from centralisation to decentralisation. And we are not done innovating.

Success requires belief in the cause, and the will to do what is necessary to advance it.

In early 2021, we began transforming BitMEX from a leading derivatives exchange to a crypto investment platform with broad offerings for individual and institutional clients.

It began with new fiat on-ramps, a broader set of margin currencies, and launching our Spot exchange. 2023 onwards, we drastically expanded our offerings to include trading bots, multi-asset margining, and other tools to support our users.

Driven by innovation at all levels, crypto is moving faster than ever. At BitMEX, the best ideas win, regardless of where they come from. As different spheres of crypto evolve, we want to integrate the best products and technology with our platform to make the experience easy, performant, and convenient for users.

The BMEX Token is the fuel for growth in the BitMEX ecosystem and brings unique benefits to users such as fee discounts, higher staking yields, and yield-generating airdrops, all described in the following sections of this Litepaper.

WHAT'S NEXT FOR BITMEX

Through innovation, engineering, and product development, BitMEX will be giving millions of crypto investors who believe in a democratised and global crypto market, the tools used by professional money managers.

We're building a true crypto investment ecosystem, of which trading is just one of the many capabilities. Currently, BitMEX users can already trade spot and derivatives, earn yield on their BMEX, and have their assets stored with the only exchange that has lost 0 funds. But we know that crypto is still growing, and much of the infrastructure that will enable it to be all encompassing, democratic, and more user-friendly has yet to be built.

BMEX TOKEN UTILITY & FEATURES

As we grow our ecosystem with newly developed products, BMEX has expanded significantly in utility. Here is what holding BMEX offers to traders on BitMEX:

1. Trading Fee Discounts

BMEX holders will be entitled to up to 70% lower trading fees on our derivatives and spot products. The detailed discount schedule can be found [here](#).

2. Withdrawal Fee Refunds

BMEX holders benefit from reimbursement of their withdrawal fees. The detailed reimbursement schedule and minimum amount of BMEX required can be found [here](#) under Staking Benefits.

3. BitMEX Privileges and Swag

BMEX holders get access to exclusive privileges, experiences, and VIP swag. The more BMEX you hold, the better the benefits.

4. Higher Staking Reward

BMEX Token holders enjoy increased staking rewards of up to 7.5% on their BMEX, including improved fee tiers.

5. Monthly Token Burns

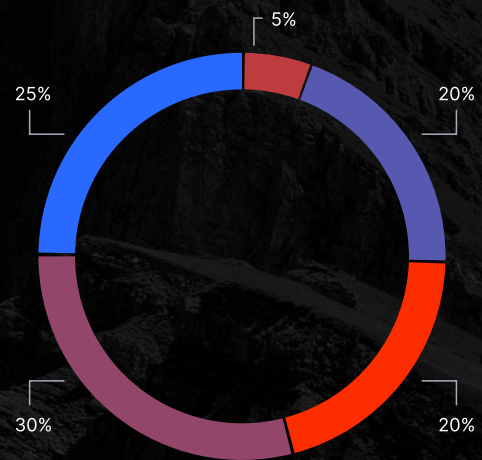
BitMEX burns BMEX Tokens every month to create continuous utility for holders. The burn levels and amount of BMEX Tokens to be burned will be informed [here](#).

BMEX TOKEN ALLOCATION

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The maximum supply of 450 million BMEX Tokens was minted and is locked in a vesting contract. BMEX Tokens are ERC-20 Tokens.

The Token Creation contract can be [found here](#).
The Token Vesting contract can be [found here](#).

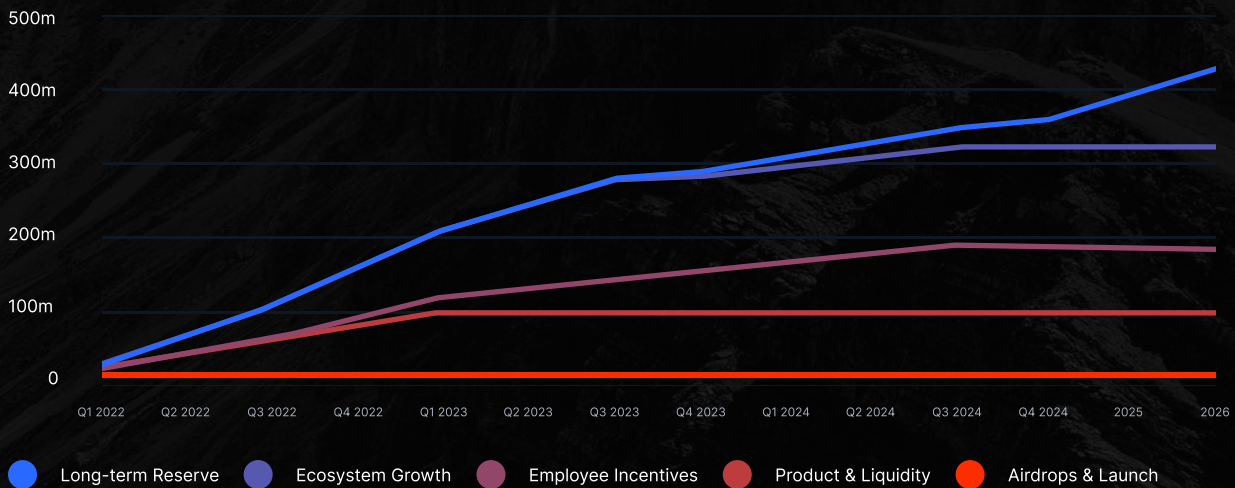


Allocation	Vesting Schedule		Use of Token
● Airdrops & Launch	5%	\$8.1bn	Used for the launching airdrops, new user acquisition campaigns and a private sale.
● Product & Liquidity	20%	3% on issuance, then monthly vesting over 12 months	Used for liquidity provision during the initial sale/ token distribution upon spot market launch as well as ongoing support for product features and incentives (e.g., Insurance Fund reserve or maker pool rewards).
● Employee Incentives	20%	Cliff until Oct 2022, then monthly vesting over 24 months.	Used exclusively for employee incentives and performance rewards.
● Ecosystem Growth	30%	Cliff until April 2022, then monthly vesting over 18 months	Used as acquisition currency and incentives for new partners and projects in the BitMEX Ecosystem as well as for marketing & affiliate rewards that grow the number of BMEX holders.
● Long-term Reserve	20%	Cliff until January 2024, then monthly vesting over 36 months	Two to five year long-term reserve to be distributed into above Ecosystem Growth and Product & Liquidity funds.
Total	100%		

BMEX TOKEN VESTING SCHEDULE

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This vesting schedule is the technical vesting of the smart contract and does not include further contractual vesting, for example for employee benefits or investors that agreed to additional lockup and vesting periods.



CUMULATIVE TOKEN SUPPLY IN % AND MILLION BMEX (both rounded)

	Million BMEX	Supply in %
Q1 2022	36M	8%
Q2 2022	76.5M	17%
Q3 2022	117M	26%
Q4 2022	168.8M	38%
Q1 2023	220.5M	49%
Q2 2023	258.8M	58%
Q3 2023	292.5M	65%
Q4 2023	303.8M	68%
Q1 2024	324.4M	72%
Q2 2024	345.0M	77%
Q3 2024	365.6M	81%
Q4 2024	374.9M	83%
2025	412M	92%
2026	450M	100%

Note: This table shows the approximate quarterly amount of Token as per the vesting contract. It excludes any contractual vesting or burning of token.

LEGAL DISCLAIMER

This litepaper is provided for your information only and does not constitute investment advice. It should also not be construed as an offer, solicitation or invitation to earn or purchase (when available) BMEX Tokens. Unless otherwise stated, capitalised terms user here have the same meanings ascribed to them in the Terms of Service. Under no circumstances should BMEX Tokens be considered an investment. If you purchase BMEX Tokens for whatever reason, neither HDR Global Trading Limited nor the Group is liable for any refunds or exchanges for your purchase. The prices of tokens can be highly volatile. You are recommended to consult legal, financial, tax and other professional advisers or experts for further guidance before you decide to earn or purchase BMEX Tokens.

BMEX Tokens are functional utility tokens designed for use on BitMEX.com.

BMEX Tokens are not shares, bonds, units in a collective investment scheme, securities, or other instruments commonly known as securities of any type. BMEX Tokens are merely a means by which you may be able to utilise certain services or features on the BitMEX platform. BMEX Tokens do not entitle you to any equity, governance, voting or similar right or interest in HDR Global Trading Limited, the Group or in any of its Affiliates. Changes in circumstances might cause the project and BMEX Token features described in this litepaper to change, or end altogether.

BMEX Tokens are not being offered to US Persons and are not available in the United States, sanctioned jurisdictions or in other jurisdictions as may be specified by BitMEX from time to time. If you are located in, incorporated or otherwise established in, or a resident of the United States, you are not permitted to transact in BMEX Tokens. In addition, certain benefits and features associated with BMEX Tokens may not be available in certain jurisdictions.