



 **BMEX** LITEPAPER

The Birthplace of Crypto Derivatives Introduces 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're building 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 will make 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 Litepaper outlines the vision, attributes, and benefits of the BMEX Token.

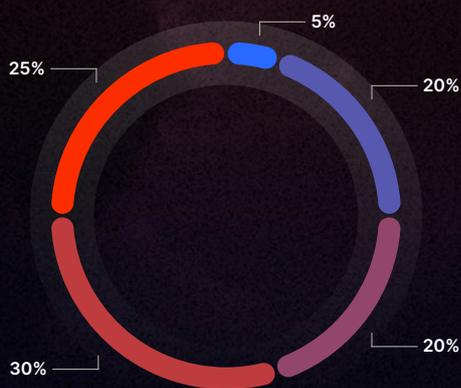
Thanks for taking a look.

BMEX 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 a variety of benefits.

- Trading fee discounts and preferential rates on our derivatives and spot exchange
- Increased staking rewards on BitMEX EARN deposits
- Early access to new products as well as participation in IEOs
- Exclusive privileges, VIP experiences, and merchandise
- As the BMEX Ecosystem grows, quarterly burning of BMEX tokens

As we grow our ecosystem with new products and services, BMEX will continue to bring benefits and enhanced utility to its holders.



- Airdrops & Launch
- Product & Liquidity
- Employee Incentives
- Ecosystem Growth
- Long-term Reserve

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.

i FOR MORE DETAILS, PLEASE GO TO [PAGE 9](#).

2022: Token Issuance in Two Phases

Phase 1: Trade and Earn BMEX Airdrops

- Earn BMEX by trading on BitMEX.com from now until early Q2 2022.
- BMEX can be earned by new and existing users and are distributed to your BitMEX.com main account. The more you trade and use BitMEX, the more you can earn.
- The latest BMEX Token promotions can be viewed [here](#).

BMEX Token cannot be withdrawn from BitMEX in Phase 1.

Phase 2: Trade BMEX on the BitMEX Spot exchange

- Upon the launch of the BitMEX Spot exchange in early Q2 2022, BMEX Token will become tradeable on the BitMEX Spot exchange as well as on partnering venues.
- BMEX Token can be deposited or withdrawn freely at that point.

Radical ideas often have humble beginnings. That's true for crypto, and true for BitMEX.

BitMEX was born out of a notion to bring analogue financial services into a purely digital space. Early on, we found great success by building a new type of exchange that transcended the traditional finance paradigm. BitMEX then invented the perpetual swap. Finally, the 24/7 crypto market had a derivatives product tailored for it. This gave investors 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 a cut above our competitors.

All of this happened at a time when the usefulness of crypto was being called into question. The single biggest mistake that observers of crypto made was underestimating 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 analogue financial services to digital ones. 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 unveiled our new strategy: [Beyond Derivatives](#). Under this strategy, we are transforming BitMEX from a leading derivatives exchange to a full-service crypto investment platform with broad offerings for individual and institutional clients.

It started with new fiat on-ramps, a broader set of margin currencies, and new savings products. Soon, we will expand into spot trading, lending, social trading offerings and web 3.0 offerings.

Driven by amazing innovation at all levels, including DeFi, 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 exclusive privileges, 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 one of many capabilities. Users will be able to trade derivatives, earn yield on their crypto, and invest in the latest coins through spot trading. 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.

A preview of what's in store in the short term:

- **Brokerage:** Our brokerage services will facilitate white-glove services such as OTC, principal trading, agency trading, direct market access, algorithmic order execution, and more.
- **Spot:** In Q2 2022, the BitMEX Spot exchange open order book will launch, providing traders with the superior features they know from our derivatives trading experience. It will list both major and promising crypto pairs and underlyings.
- **Staking and lending,** collateralised by crypto and other tokenised assets.
- **Safe and easy banking bridges** to ease the movement of assets into crypto and use of crypto to pay for everyday things.

And, later down the road:

- A suite of products for automated trading including products that protect traders from liquidation in short-term dips.
- A platform to engage with and invest in sporting clubs, social groups, web3 projects, and more through tokens.
- Investment in an ambitious partnership agenda, both IRL and in metaverses to boost our product portfolio and the adoption of BMEX.

BMEX Token Utility & Features

As we grow our ecosystem with newly developed products or through acquisitions, BMEX will continue to expand its utility. For starters, here is what holding BMEX offers to traders on BitMEX.com:

1. Trading Fee Discounts

Holders of BMEX Tokens will be entitled to lower trading fees on our derivatives and order book Spot exchange (upon launch). The detailed discount schedule can be found [here](#).

2. BitMEX Privileges, Experiences, Community Access and Merchandise

Token holders will be granted exclusive privileges, experiences, and merchandise. The more BMEX you hold, the better the benefits.

Coming Q2 2022 and beyond:

3. BitMEX EARN Benefits

BMEX Token holders enjoy increased staking rewards for their BitMEX EARN locked deposits. More details can be found on the BitMEX EARN product page.

4. Exclusive Product Access & IEO Tickets

BMEX Token holders will enjoy early access to new products, as well as preferential terms for up-and-coming services such as IEOs on our spot market or lending rates.

5. Token Burn Along the BMEX Ecosystem Growth Index

BitMEX intends to burn BMEX Tokens every quarter to create a continuous utility environment for holders. The number of BMEX Tokens to be burned will be informed by the BMEX Ecosystem Growth index launching in Q3 2022 and published online.

6. BMEX Token as Collateral

With the implementation of multicoin margin on the BitMEX platform (coming Q2/Q3 2022), BMEX can be used as collateral for trading. When ready, we intend to extend this usage for our lending and brokerage services.

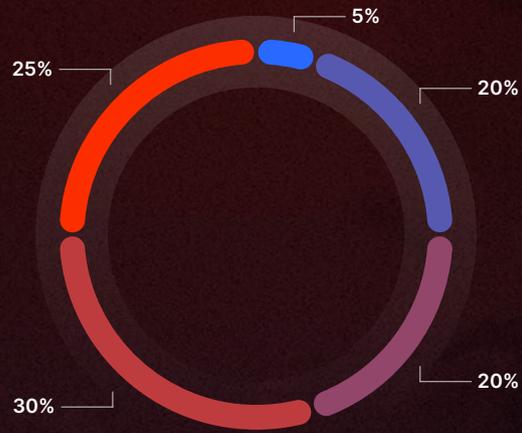
7. BitMEX Academy Courses & Community Access

BMEX Token holders will be entitled to unlock courses for free, or at a significant discount, on BitMEX Academy. Large holders will also receive invitations to private AMAs and enjoy access to Discord channels, dedicated to VIPs and high-performing traders.

BME X Token Allocation

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

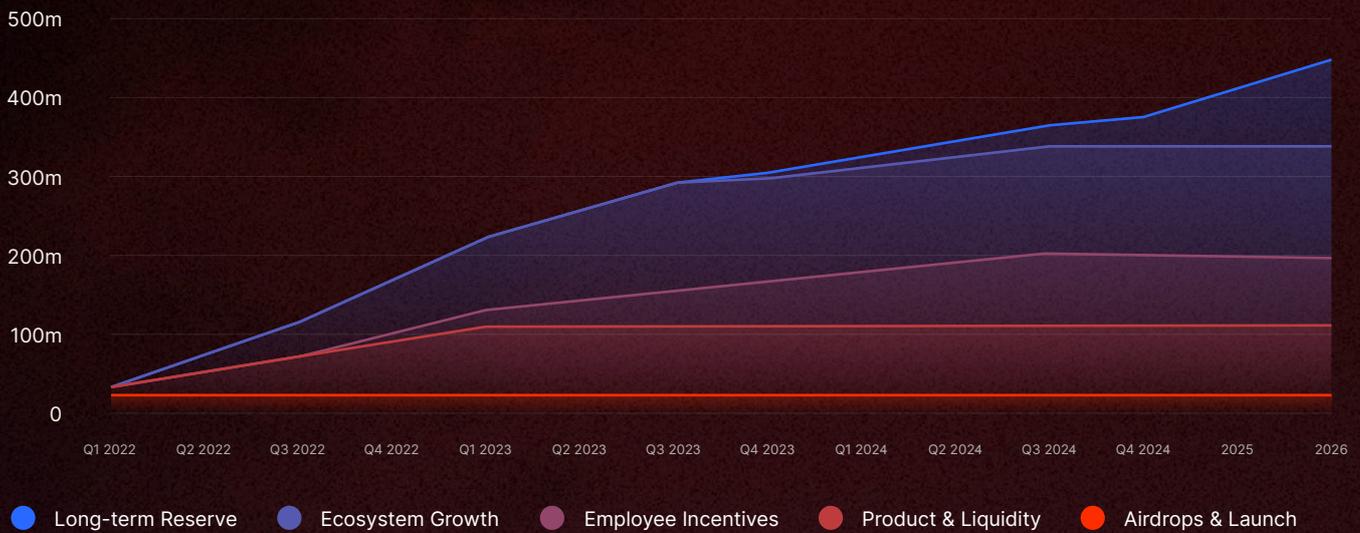
The **Token Creation contract** can be [found here](#).
The **Token Vesting contract** can be [found here](#).



Allocation		Vesting Schedule	Use of Token
● Airdrops & Launch	5%	None	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 BME X holders.
● Long-term Reserve	25%	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

This vesting schedule is the technical vesting of the smart contract and does not include token burning or any further contractual vesting. For example vesting of employee benefits or investor lock-ups.



Cumulative Token Supply in % and Million BMEX (both rounded)

Quarter	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	412.5M	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 used 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](https://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.