

PAYWARD LTD
CRYPTO ASSET RISK DISCLOSURE
Bluefin (Blue)

Last updated on February 14, 2025

Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading BLUE. Investors should perform their own assessment to determine the appropriate level of risk for their personal circumstances. Be sure to do your own research and due diligence while taking into account your own financial situation and risk tolerance. Please review the [Risk Summary](#) for additional discussion of general risks associated with the assets made available in the platform. These materials are for general information purposes only and are not investment advice or a recommendation or solicitation to buy, sell or hold any crypto asset or to engage in any specific trading strategy. The information contained in this risk disclosure is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is Blue and how does it work?

Bluefin is a decentralized exchange (DEX) that focuses on perpetual contract trading. It aims to combine the liquidity and performance of centralized exchanges with the security and transparency of decentralized finance (DeFi). Built on the Sui blockchain, Bluefin leverages its infrastructure to offer low-latency and high-throughput trading, providing users with an institutional-grade trading experience while maintaining self-custody of assets.

The BLUE token is the native utility token of Bluefin. It is used within the ecosystem for staking and rewards, incentivizing participation from traders and liquidity providers. BLUE holders can stake their tokens to support the security and long-term growth of the protocol, while also earning rewards through various incentive programs.

Who is behind the project?

Bluefin is developed and operated by Bluefin Labs Inc., a company based in the British Virgin Islands.

Tokenomics of BLUE

The total supply of BLUE is 1 billion tokens which is distributed as follows:

BLUE Allocation	BLUE tokens	% of Total supply
User Incentives	325 million	32.5%
Protocol Development	85 million	8.5%
Treasury	65 million	6.5%
Liquidity Reserve	45 million	4.5%

Strategic Participants	280 million	28%
Core Contributors	200 million	20%
Total	1 billion	100%

General Risks

Like all other digital assets, there are some general risks to investing in BLUE. These include short history risk, volatility risk, liquidity risk, demand risk, forking risk, code defects, cryptography risk, regulatory risk, concentration risk, electronic trading risk and cyber security risk. For more information on general risks associated with smart contracts and digital assets, see Kraken's Risk Statement.

Risks specific to BLUE

Competition

The Bluefin protocol faces competition from other decentralized perpetual exchanges, such as dYdX, GMX, and other similar platforms. Bluefin's value depends on its adoption within the market. If Bluefin fails to attract enough users compared to other options, this could negatively impact the value of BLUE.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on BLUE and determined that BLUE is unlikely to be a security or derivative under UK securities legislation. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

- The creation, governance, usage and design of BLUE, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created BLUE;
- The supply, demand, maturity, utility and liquidity of BLUE;
- Material technical risks associated with BLUE, including any code defects, security breaches and other threats concerning BLUE and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and
- Legal and regulatory risks associated with BLUE, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of BLUE, and (ii) consideration of statements made by any regulators or securities regulatory authorities in the UK, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to BLUE about whether BLUE, or generally about whether the type of crypto asset, is a security and/or derivative.

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong. [Take 2 mins to learn more.](#)

Payward Ltd (trading as Kraken) is registered as a cryptoasset firm with the Financial Conduct Authority (FRN: 928768) registered office at 6th Floor, One London Wall, London, EC2Y 5EB. Cryptoasset services offered by Payward Ltd are unregulated and not covered by the Financial Services Compensation Scheme

as well as the FCA's consumer protection regulations. Note the value of cryptoassets can go down as well as up, gains may be subject to Capital Gains Tax and there may be extra charges when paying via credit card from your provider.