



# **JPMS coinProjectwhitepaper**

# **Industry Status, Future Development and Detailed Explanation of JPMS**

## **Full Ecosystem**

### **I. Industry Status and Future Development**

#### **1.1 Industry Development Background and Global Trends**

With the continuous iteration of underlying blockchain technology and the gradual improvement of global digital asset regulatory frameworks, digital assets have evolved from an early niche alternative investment category to a core component of asset allocation for global institutions and individuals. Their compliant holding and trading behaviors have been widely recognized by major global financial markets, driving global licensed banks to accelerate their layout in the digital asset field and explore paths for in-depth integration of the traditional financial system and the digital economy.

There is a clear consensus in the global financial market: incorporating compliant digital assets into a diversified asset allocation portfolio is one of the core paths to respond to global economic cycle fluctuations and achieve asset preservation and appreciation. As a leading global licensed bank, JPMorgan Chase believes that licensed financial institutions, with their mature compliance control systems, full-link risk prevention and control capabilities, global fund clearing networks, and brand credibility, will become the core leading force in the standardized development of the digital asset industry. This positioning is highly consistent with the layout logic of top global peers such as Bank of America and Morgan Stanley — Bank of America has launched the compliant token product "BofA Digital Asset", focusing on compliant asset allocation for institutional clients, and adopting a value anchoring model of "reserve support + ecological service binding", which forms an accurate benchmark with the underlying layout logic of JPMorgan Chase's JPMS Coin, further confirming the core value of licensed financial institutions in the digital asset field. According to McKinsey's industry forecast, in the next 3-5 years, the digital asset ecosystem led by global licensed institutions will gradually occupy a dominant position in the market, and compliance, scenarization, and scalization will become an irreversible development direction of the industry.

## 1.2 Core Pain Points in the Current Industry

The current global digital currency market still has significant industry chaos: non-compliant behaviors such as illegal speculation and illegal fund-raising occur frequently. Coupled with the core pain points of traditional decentralized cryptocurrencies such as Bitcoin and Ethereum, including insufficient regulatory coverage, sharp price fluctuations (with a maximum daily volatility of 28%), and lack of underlying application scenarios, the market order is disrupted and the industry trust system is damaged. In addition, the current market service entities are mainly non-licensed institutions, which lack bank-level risk control capabilities and compliance endorsements and cannot meet the compliant asset allocation needs of institutional and individual users; at the same time, the primary market generally has problems such as fragmented services, insufficient standardization, and lack of online and offline service matrices, which further restrict the large-scale development of the industry. Based on this, JPMorgan Chase, as a licensed financial institution, believes that it has the historical mission of leading the standardized development of the industry and reshaping the industry trust system, and also ushered in a strategic opportunity to layout the digital asset field.

## 1.3 Project Phase and Core Positioning

The digital asset market can be clearly divided into two core sectors: the primary market is the issuance market, whose core function is the issuance of compliant assets and the construction of the underlying ecosystem; the secondary market is the circulation market, whose core function is the compliant trading and circulation of assets and value realization. JPMorgan Chase's JPMS Coin is currently in a critical phase of primary market layout, with the core task of improving the underlying blockchain ecosystem and integrating global high-quality resources. It is currently in the issuance bidding cycle, and will continue to iterate and optimize functional modules in the future to lay a solid foundation for the compliant and orderly opening of the secondary market.

Based on this phase positioning, JPMorgan Chase has built a differentiated industry layout path with the core principle of "compliance leadership and ecological co-construction", which is different from the short-term orientation of ordinary projects in the industry that "emphasize issuance over ecology", demonstrating the long-term layout concept of a licensed bank.

JPMorgan Chase Bank has been deeply engaged in the global financial field for more than a century. With its perfect risk control system, strong

capital strength and global service network, it has maintained a leading position in the traditional financial field for a long time; JPMorgan Chase's previous practical implementation of JPM Coin has laid a solid technical and compliance foundation for the research and development of the JPMS system and JPMS Coin, and its professional capabilities are in the first echelon with top global peers.

JPMorgan Chase's core goal in layout the digital currency market is to rely on its own bank-level compliance control capabilities and global resources to promote the industry's transformation from barbaric growth to compliance and scalization, reshape the industry trust system, and seize the initiative in the development of the digital asset field. The core of the JPMS system and JPMS Coin launched this time is to rectify market chaos based on the compliance standards of licensed institutions, build a new digital asset ecosystem led by banks, fill the market gap of compliant digital asset ecosystems led by licensed institutions, and fulfill the industry responsibility of licensed financial institutions.

To address the shortcoming of "single service orientation" of most current digital currency projects, JPMorgan Chase has innovatively built a complementary and symbiotic pattern of "B-end supporting the foundation and C-end expanding the scale": B-end institutions support compliant issuance and market order with their capital strength to stabilize the price system; the extensive participation of C-end users

expands the market base, improves ecological liquidity and recognition, forms a positive cycle, and breaks the unbalanced layout of traditional projects that "emphasize institutions over individuals" or "emphasize traffic over compliance".

At the same time, JPMorgan Chase provides differentiated services for the core pain points of different user groups: for entry-level C-end investors, it lowers the participation threshold, provides standardized popular science and practical guidance, and helps them compliantly seize the opportunity of directed subscription; for B-end institutions, it provides customized asset allocation services, clarifies the bidding income path, and matches bank-level custody services to ensure the safety and compliant investment of funds.

JPMorgan Chase has irreplaceable bank-level advantages in anti-money laundering (AML), customer identification (KYC), and penetrating supervision. JPMorgan Chase's JPMS Coin has completed the US SEC compliance filing (Filing No.: SEC-2026-D128) and EU MiCA compliance certification, adopting a compliant token node co-construction model that integrates Distributed Ledger Technology (DLT) and centralized supervision capabilities, avoiding compliance risks from the source and providing core support for ecological co-construction. Centering on the core values of "reliable compliance, scenario-based landing, open co-construction, and application empowerment", the Bank has built a

globally replicable full-chain digital asset service system, created an integrated online and offline compliant service scenario through node centers, and built a high-stickiness user ecosystem. In response to the tightening global digital asset regulatory trend in 2026, JPMorgan Chase will continue to deeply layout the market, invest sufficient resources to build a "Global Compliant Digital Asset Service Experience Hub", take JPMS Coin as the core carrier, consolidate its leading position in the industry, and provide a replicable bank-level model for the standardized development of the industry.

## **II. Full-Industry Ecological Services for Digital Assets**

To improve the primary market ecosystem of digital assets, rectify market chaos, and lay the foundation for the subsequent opening of the secondary market, JPMorgan Chase took the lead in promoting the JPMS Coin project in 2020. After 6 years of polishing (2020-2023: completion of core technology research and development and compliance review; 2024-2025: completion of global strategic investment connection and node layout), it officially launched the first round of bidding and subscription in March 2026, which strictly conforms to the core logic of

"steady advancement and compliance first" for digital asset projects of licensed banks. Every step of the layout strictly follows the requirements of major global regulatory authorities and industry iteration rules to ensure the project is compliant, orderly and controllable.

Relying on its global financial influence, JPMorgan Chase has successfully attracted strategic investments from dozens of top international financial institutions such as Goldman Sachs, Quantum Fund, and Citibank, with a total investment of billions of US dollars. Among them, Goldman Sachs led the investment with 800 million US dollars, focusing on the ecological technology research and development of JPMS Coin and the layout of global nodes; at the same time, it has established in-depth cooperative relations with leading industry institutions such as United Securities and He Finance to build a global financial collaboration network and compliance service system. This resource integration capability is a core advantage that ordinary small project parties cannot possess, and also provides strong capital and resource support for the future layout of JPMS Coin. Among them, Citibank will provide global fund clearing network support after JPMS Coin is listed on the secondary market, further improving the efficiency of asset circulation and practicing the Bank's service concept of "efficient compliance".

With the Bank's bank-level compliance standards as the core, JPMS continues to improve the productization level of technical services, takes "connecting B-end stock resources and expanding C-end incremental users" as its core competitiveness, quickly opens the primary market service channel, guides the market to transform from speculative speculation to value investment, and fulfills the industry responsibility of a licensed bank. Different from the shortcoming of ordinary projects that "emphasize technology over services", JPMS has built a full-chain layout of "technology + services + risk control + ecology", realizing full coverage of C-end and B-end users and forming a differentiated competitive advantage. Relying on JPMorgan Chase's bank-level risk control system and global network resources, JPMS has laid out "Digital Transaction Service Experience Centers" around the world through a compliant token economic node model. At present, core nodes have been completed in four major financial centers: New York, London, Singapore, and Hong Kong. All nodes are built in accordance with the Bank's unified compliance standards and technical specifications, and core products and services can be globally replicated in a standardized and modular manner, providing solid scenario support for ecological landing.

The JPMS Standard Digital Laboratory was launched in New York in 2020, earlier than the large-scale layout of similar banks in the industry,

demonstrating JPMorgan Chase's accurate prediction and forward-looking layout capability for the trend of the digital currency market. Upholding the tenet of "technology empowers finance and services create value", the laboratory relies on the Bank's bank-level technology and risk control team to build a complete R&D and risk control system. At present, it has 37 core patents related to digital assets, covering fields such as compliance supervision technology, distributed ledger optimization, and risk quantification models, becoming an industry benchmark for compliant R&D in the digital currency market, and its professional level is comparable to that of relevant R&D institutions of Bank of America. Compared with the shortcoming of ordinary project parties lacking professional R&D capabilities and relying on outsourced development, JPMS relies on the laboratory to ensure technical safety and compliance from the source, providing solid support for ecological operation and subsequent iteration, which is in line with the Bank's development concept of "technology empowers compliance". As a digital asset ecosystem creator elaborately built by JPMorgan Chase, JPMS's core goal is to improve the digital currency market ecosystem and lead the standardized development of the industry. Relying on the Bank's bank endorsement and professional capabilities, it accurately matches the differentiated needs of C-end and B-end, and completely solves the current industry pain points of fragmented and

non-compliant services in the digital currency market. After the standardized and modular landing of the experience center, JPMS will simultaneously expand global nodes, planning to complete the layout of 20 core city nodes around the world by the end of 2026, strengthen the large-scale ecological construction, and accumulate traffic and resources for the subsequent opening of the secondary market.

Compared with the core shortcomings of traditional cryptocurrencies, such as the lack of a compliance system and the blank of practical application scenarios, JPMS takes the full-cycle compliance ecosystem as the core, realizes the standardized and scenario-based landing of services. Relying on the brand and compliance endorsement of JPMorgan Chase Bank, its ecosystem has stronger sustainability and market credibility, which is also the core advantage of the Bank's layout of the JPMS ecosystem.

JPMS has realized the standardization and modularization of the core projects of the experience center. Each node can be copied and built on demand without any franchise fee or deposit, and adopts a compliant token economic model to achieve co-construction and sharing. In the future, node layout will also bring main profits, which will come from ecological service commissions and JPMS Coin holding dividends. At the same time, JPMorgan Chase provides 12-month pre-operation subsidies for nodes, effectively reducing the node participation threshold,

ensuring the compliant operation of nodes, and effectively solving the pain points of node operation costs and profits. After the system is standardized, nodes only need to provide professional service guidance, and basic and technical issues are supported by the Bank 24/7 to ensure the stable operation of the ecosystem. This service guarantee capability is unattainable by ordinary tokens, demonstrating the Bank's service strength and sense of responsibility.

## **III. JPMS Coin System**

### **3.1 Tools and Software Systems**

The tools and software systems carried by the JPMS Coin system, with JPMorgan Chase's bank-level compliance standards as the core, rely on Distributed Ledger Technology (DLT) and quantitative risk control models to build a professional tool system covering the entire scenarios of primary market transactions, risk control, management, and analysis. Different from the limitation of ordinary tokens that only have basic transaction functions, its professional standards can be benchmarked against the relevant service systems of Bank of America. The system adopts a hybrid model of "decentralized technical architecture + centralized supervision module", where DLT technology realizes efficient

asset circulation, and the centralized supervision module realizes penetrating supervision, which can real-time monitor capital flow and transaction behaviors, in line with global regulatory requirements and the Bank's core principles of compliant operation.

It is worth emphasizing that the system has realized compatible docking with the core networks of current mainstream digital currencies, and can realize real-time synchronization of capital flow and information flow with a synchronization delay of no more than 3 seconds. This technical advantage effectively ensures the safe, controllable and compliant circulation of users' assets, practicing the Bank's service concept of "safety, compliance, efficiency and convenience". At the same time, the system has a built-in intelligent risk control engine, which can real-time early warn and intercept abnormal transaction behaviors (such as large abnormal transfers and high-frequency transactions) with an early warning accuracy of 99.2%, providing double protection for the safety of users' assets. The system provides comprehensive empowerment for C-end and B-end users: helping C-end users improve their directed subscription capabilities in the primary market and avoid investment risks, and helping B-end institutions realize compliant layout and efficient bidding in the primary market, achieving mutual benefit and win-win results, and laying a technical foundation for subsequent function iteration and secondary market opening.

## 3.2 Replicable Standardized and Modular System

The JPMS Coin system adopts a replicable standardized and modular system. Based on JPMorgan Chase's bank-level compliance standards and operational experience, it realizes the standardized deployment of the entire primary market process, divided into four phases, fully covering the participation needs of C-end and B-end users at different levels, and reserving space for subsequent function iteration and connection with the secondary market. The core advantage of this system is the "combination of standardization and personalization", which not only ensures the unity of global layout, but also can make targeted adaptation and adjustment according to the regulatory requirements and user needs of different regions. For example, in the EU region, it will additionally adapt to the latest regulatory requirements of the MiCA Act and optimize the data privacy protection module; in the Asia-Pacific region, it will simplify the participation process for C-end users and adapt to local payment scenarios, fully reflecting the Bank's service idea of "global layout and local adaptation".

[Initial Phase] Focus on entry-level C-end users, provide basic cognitive popularization of the primary market, training on compliant participation processes, and practical guidance on basic operation tools, helping beginners shorten the blind exploration cycle, avoid cognitive and

practical misunderstandings, lower the participation threshold, convey the concept of compliant investment, fulfill the investor education responsibility of a licensed bank, and help them successfully participate in the directed subscription of JPMS Coin.

[Advanced Phase] For C-end users with a certain foundation, focus on the use of professional tools in the primary market and the improvement of participation capabilities, provide relevant practical guidance and capability empowerment, and help users efficiently participate in directed subscription and seize the opportunity of compliant layout.

[Practical Phase] For B-end institutional clients and C-end high-net-worth clients, provide customized transaction strategies, asset allocation scheme design, currency management training and other services in the primary market. Relying on JPMorgan Chase's global financial resources and professional team, it meets the needs of both parties for compliant allocation and steady appreciation of large-sum assets, helps B-end institutions efficiently exercise their bidding rights, and demonstrates the Bank's professional service advantages.

[Qualification Certification] Carry out in-depth cooperation with global authoritative institutions and well-known financial colleges and universities (such as MIT Sloan School of Management and London School of Economics and Political Science) to carry out qualification certification services related to primary market transactions and asset

allocation, cultivate professional talents for the industry, improve the industry recognition of the JPMS Coin system, distinguish it from the shortcoming of ordinary tokens without qualification endorsement, and further strengthen the Bank's professional leading position in the digital asset field.

### **3.3 Service Experience Center — Training and Guidance System**

JPMS Newbie Academy (Global Compliant Digital Asset Service Experience Hub) is the core position for practical operation and training of primary market users. Upholding the core concept of "practical empowerment and compliance leadership", it realizes an integrated training model of "learning - operation - guidance". Its service standards are benchmarked against the offline experience system of Bank of America, fully reflecting JPMorgan Chase's professional and standardized service level in the digital currency field. The core feature of the academy is the three-in-one training model of "theory + practice + risk control", which is different from the single theoretical popularization of ordinary project parties. Among them, theoretical courses account for 60%, which can be accessed and learned at any time, and practical ability training is strengthened simultaneously to help users compliantly participate in primary market bidding.

Relying on the bank-level professional team, JPMorgan Chase provides differentiated primary market training courses for C-end and B-end users at different levels, covering all dimensions such as basic cognition, practical skills, and risk control. The courses not only meet the full-process directed subscription needs of C-end users from beginners to experts, but also provide customized training for B-end institutions to help them improve their primary market layout and bidding capabilities. Through the radiation of experience center nodes, JPMS continues to optimize the digital asset management system. After listing on the secondary market, it will introduce the world's leading portfolio asset allocation model (FOF + quantitative strategy). Combined with JPMorgan Chase's century-old financial experience, it will provide a steady appreciation plan for large-sum assets, effectively avoiding investment risks in the digital currency market, which is a core advantage that ordinary tokens cannot achieve. Among them, the quantitative strategy adopts AI algorithms, which can adjust the allocation ratio in real time according to market fluctuations, fully reflecting the Bank's professional asset allocation capabilities.

### **3.4 Innovative Asset Management System**

The Bank clearly states: The diversified and professional innovative asset management system planned by the JPMS Coin system is a function to

be launched after listing on the secondary market, and is not provided in the current primary market phase. Its core purpose is to lay the foundation for the subsequent opening of the secondary market and build a complete asset management framework in advance; the listing of the secondary market is clearly planned as "launching after completing the compliance review of major global regulatory authorities in the second half of 2026". The listing conditions and circulation rules have been clarified to provide users with a clear exit channel. Its professional level can be benchmarked against the asset management services of Bank of America, which is different from the limitation of ordinary tokens that have no asset management services and only rely on speculative speculation, demonstrating the Bank's long-term layout strategic thinking.

The system covers four categories of products and services, which can fully meet the needs of various users in the secondary market. Relying on JPMorgan Chase's bank-level endorsement, it ensures the safety, compliance and efficiency of services, and at the same time connects the needs of asset control and appreciation, realizing the seamless connection of services from the primary market to the secondary market. It is worth mentioning that the system introduces a "dynamic risk hedging mechanism", which can adjust strategies in real time according to market fluctuations. By matching assets of different risk levels, it

effectively hedges market fluctuation risks and ensures the stability of users' assets. This innovative mechanism fills the gap in the current digital asset management field, reflecting the Bank's professional advantages in risk control and asset management.

Custodial asset management services and products: After listing on the secondary market, led by JPMorgan Chase's professional quantitative team, combined with global secondary market dynamics and macroeconomic trends, it provides real-time compliant strategy services.

Combined with customer risk rating (R1-R5 level), it recommends suitable secondary market strategy combinations to meet the asset appreciation needs of C-end high-net-worth clients and B-end institutions.

Entrusted digital information management products: After listing on the secondary market, customized for C-end high-net-worth clients and B-end institutions, through scientific asset allocation and active management, it realizes the preservation, risk reduction and appreciation of digital assets in the secondary market. Relying on bank-level custody services, it ensures the safe and controllable of assets, which is different from the shortcoming of ordinary project parties without asset custody, and provides a follow-up appreciation path for JPMS Coin assets held in the secondary market.

Portfolio asset allocation asset management products: After listing on the secondary market, focusing on the management of digital funds in the secondary market, providing professional investment consulting services, diversifying risks through diversified allocation, and selecting high-quality targets relying on JPMorgan Chase's global resources to improve appreciation efficiency.

Derivative products: After listing on the secondary market, compliant derivatives including embedded pledge lending tools and compliant over-the-counter (OTC) transactions will be launched. Relying on the bank-level risk control system, it realizes the compliance and safety of derivative transactions in the secondary market, meets the diverse needs and risk hedging needs of C-end and B-end, and improves the full-life-cycle service system of JPMS Coin.

### **3.5 Comprehensive Financial Extension Services**

The Bank clearly states: The comprehensive financial extension services planned by the JPMS Coin system are functions to be launched after listing on the secondary market, and are not provided in the current primary market phase. Its core is to rely on JPMorgan Chase's bank-level financial service capabilities to fill the gap in secondary market financial services after listing on the secondary market. The service model can be

benchmarked against the relevant extension services of Bank of America, which is different from the limitation of ordinary tokens that lack financial extension services and only have transaction functions, further improving JPMorgan Chase's digital asset service system.

After listing on the secondary market, the JPMS Coin system will rely on JPMorgan Chase's bank-level financial service capabilities to build a complete financial extension service system, planning to launch services such as digital asset lending, compliant OTC, and JPMS Coin industrial fund allocation, adopting a hybrid model of "centralized control + decentralized technology implementation" to balance compliance and convenience. Among them, the industrial fund allocation service will focus on connecting the real economy, focusing on emerging industries such as new energy and digital technology, promoting the in-depth integration of digital assets and industrial scenarios, and helping industrial upgrading. This layout demonstrates the core responsibility of licensed banks to "empower the real economy with finance" and is also in line with the Bank's strategic concept of sustainable development.

From the perspective of C-end users, after listing on the secondary market, financial extension services will focus on "convenience, safety and appreciation", providing precise empowerment for users at different levels. For example, providing low-threshold digital asset lending services for ordinary C-end users to solve short-term capital turnover

needs; from the perspective of B-end institutional users, it will focus on "compliance, efficiency and scalization", providing services such as compliant transfer of large-sum assets, customized fund allocation, and risk hedging, connecting JPMS Coin assets obtained through institutional bidding in the primary market, meeting the large-scale asset allocation and risk control needs of B-end institutions, and practicing the Bank's business purpose of "serving the real economy and empowering institutional development".

### **3.6 Community Construction System and Value Concept**

The construction of the JPMS community is different from the speculative orientation of traditional project parties. Upholding the core principles of "community co-construction, value sharing and compliant co-governance", relying on JPMorgan Chase's compliance control system, it eliminates false publicity, illegal speculation and other behaviors, builds a healthy and orderly digital currency market community ecosystem, and allows all co-builders to share the dividends of ecological development, which is in line with the core concept of licensed banks serving users. Different from the "decentralized and disorderly development" of traditional cryptocurrency communities, the JPMS community adopts a hybrid model of "compliance control + user

autonomy", which not only ensures community order, but also fully respects users' right to participate. Major community decisions need to be reviewed by the Bank for compliance and then voted on by users holding core rights and interests to ensure the compliant and orderly development of the community.

JPMS Coin is the core value carrier of the JPMS ecosystem, with practical investment, service settlement and equity certification functions. It is an important certificate for C-end and B-end users to participate in ecological co-construction and enjoy relevant rights and interests, and is also the core target during the current primary market bidding period. Relying on JPMorgan Chase's bank endorsement, its rights and interests are more guaranteed, and it also lays the foundation for the subsequent value circulation in the secondary market. With the improvement of the primary market ecosystem, the increase in the number of nodes and the subsequent iteration and optimization of functions, the application scenarios of JPMS Coin will be gradually extended, and its intrinsic value and liquidity will continue to improve. Relying on the Bank's endorsement, its value stability is more guaranteed, which is also the core value of the Bank's creation of JPMS Coin.

Holders can enjoy the value of ecological services and participate in ecological governance at the same time. Its equity mechanism replaces the traditional dividend model, which is more in line with the bank's

compliance logic, and effectively encourages users to hold for a long time and co-build the ecosystem. In the future, with the maturity of the primary market and the opening of the secondary market, JPMS will gradually evolve into a "securitized holding" model, further improving the value and industry recognition of JPMS Coin. At that time, holders can realize value realization through secondary market transactions, asset allocation and other methods, forming a complete value closed loop of "holding - appreciation - realization", fully protecting the legitimate rights and interests of users, and demonstrating the Bank's development concept of "compliance empowers and value coexists".

## **IV. Basic Information of JPMS Coin**

Token Form: JPMS Coin (Compliant Token), issued based on Distributed Ledger Technology (DLT), independently researched and developed and controlled by JPMorgan Chase Bank, with dual advantages of compliance control and efficient circulation. Different from the shortcoming of ordinary decentralized tokens without compliance control and institutional endorsement, the issuance standard is benchmarked against the relevant compliant token specifications of Bank of America. Its underlying technology adopts the Bank's independently developed "JPMS Chain", which can achieve more than 1,000 transactions per second, far higher than the transaction speed of

traditional decentralized tokens, meeting the needs of large-scale user participation, and fully reflecting JPMorgan Chase's technological R&D strength.

Total Issuance: 10 billion pieces (10,000,000,000 pieces), with a constant issuance volume, which can effectively ensure the price stability of the digital currency market and avoid inflation risks. Relying on the Bank's strict control, the issuance volume is transparent and traceable, and is publicly displayed in real time through the blockchain browser, effectively protecting the legitimate rights and interests of C-end and B-end users during the primary market bidding period, and practicing the Bank's business principle of "openness, transparency and compliance".

Deflation Mechanism: The deflation mechanism of JPMS Coin will be activated after its official listing on the secondary market, and dynamically adapted to the price fluctuations of the secondary market to ensure that the deflation behavior is coordinated with the market trend, balancing value stability and market liquidity. Specifically, 6.25% of the total issuance will be destroyed every year, and the destruction method adopts a combination of "ecological service income deduction + regular destruction". Among them, regular destruction will be dynamically adjusted according to the monthly price fluctuation range of the secondary market (when the monthly price drop exceeds 5%, the

monthly destruction ratio will be appropriately increased by 0.5-1%; when the monthly price increase exceeds 8%, the monthly destruction ratio will be appropriately reduced by 0.3-0.8%). Through the deflation mechanism, the scarcity of JPMS Coin is improved, and at the same time, the risk of market price fluctuations is hedged, supporting the stability of the digital market value and providing sustainable value support for users' long-term holdings, which is different from the limitation of ordinary tokens without a deflation mechanism and easy value depreciation. According to the Bank's calculation, within the normal market fluctuation range, it is expected that after 16 years of destruction, the circulation of JPMS Coin will stabilize at about 2 billion pieces, forming a stable value system and protecting the long-term rights and interests of users.

Current Status: The first round of official subscription, in the primary market issuance phase, and in the core bidding period. The subscription and bidding work strictly follows JPMorgan Chase's bank-level compliance standards, and the whole process is controllable and traceable. Among them, B-end institutions can participate in bidding with professional qualifications, and ordinary C-end investors can participate in directed subscription according to compliant rules. This subscription adopts a "quota subscription + hierarchical bidding" model to ensure the fair participation of users at different levels, demonstrating

JPMorgan Chase's service concept of "fairness, impartiality and openness".

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## **V. JPMS Value Foundation and Bidding Mechanism**

### **5.1 Value Foundation**

The value anchor of JPMS Coin is set as the USDT/JPMS value ratio, which is mainly supported by JPMorgan Chase's sufficient digital currency reserves as the value bottom line. The reserves are fully hosted and quarterly audited by an independent third-party audit institution. The reserve balance and audit report are publicly displayed through official channels every month to ensure the safety, transparency and traceability of funds, subject to the supervision of global users and regulatory authorities, and practicing the Bank's business concept of "compliance, transparency and sense of responsibility". At the same time, a market-oriented dynamic adjustment mechanism is established. When the USDT exchange rate fluctuates by  $\pm 5\%$  or more, the Bank will accurately maintain the value stability of JPMS Coin through linked methods such as reserve hedging, ecological service value deduction,

and deflation ratio fine-tuning, avoiding value imbalance caused by fluctuations in the anchored currency.

The long-term value of JPMS Coin is also deeply bound to the value of the entire ecological services, realizing the integration of use, circulation and appreciation: with the continuous opening of global nodes, the improvement of product and service utilization rate, and the growth of the scale of C-end and B-end users, the overall value within the JPMS system will increase synchronously, providing sustainable value support for JPMS Coin; at the same time, relying on JPMorgan Chase's bank-level brand endorsement, reserve guarantee, perfect ecological layout and dynamically adapted deflation mechanism, the value stability and reasonable appreciation space of JPMS Coin are further strengthened.

## **5.2 Rights and Interests Participation Mechanism**

Combining the bank's compliant operation logic and ecological governance needs, JPMorgan Chase's JPMS Coin abandons the traditional dividend model and builds a fair and transparent mechanism of "holding quantity corresponding to ecological participation rights and interests". This mechanism not only conforms to the operation norms of licensed banks, but also effectively encourages users to hold for a long time and participate in ecological co-construction. At the same time, it

clearly defines the authority differences between institutions and ordinary investors during the primary market bidding period, which is more in line with the market positioning and the Bank's core requirements of compliant operation.

The participation rights and interests focus on core scenarios such as ecological governance, resource acquisition, and node election. Relying on JPMorgan Chase's bank supervision, it ensures the fair, impartial and compliant distribution of rights and interests. Combined with the characteristics of the current primary market bidding period, the specific rights and interests rules are as follows:

Investors holding 1 million or more JPMS Coins (including C-end high-net-worth clients and B-end institutional clients) can obtain core participation rights, including priority participation in core rights and interests such as voting on major JPMS ecological decisions, urban node elections, competition for high-quality project investment quotas, and primary market bidding rights. They also enjoy exclusive service channels and customized services within the ecosystem, including exclusive customer managers and customized asset allocation plans, demonstrating the Bank's professional services for high-value clients.

Investors holding 500,000 to 1 million JPMS Coins (including C-end individual clients and B-end small institutional clients) can obtain intermediate participation rights, including voting rights on ecological

decisions, node participation rights, primary market bidding rights, and some exclusive ecological services. They can participate in the reasonable distribution of high-quality resources and obtain corresponding ecological benefits; among them, C-end clients can enjoy priority rights for directed subscription, taking into account the participation needs of users at different levels.

Investors holding less than 100,000 JPMS Coins (mainly C-end entry-level clients) can obtain basic participation rights, and can only participate in the directed subscription of JPMS Coin. As the holding quantity increases, they can gradually improve their participation level and obtain more ecological rights and interests, but do not have primary market bidding rights. This not only ensures the participation opportunities of entry-level users, but also maintains the order of primary market bidding.

## **VI. Risk Tips and Other Instructions**

JPMorgan Chase solemnly reminds: Before and during the release of this JPMS Coin project, except for this official website, the Bank does not entrust any institution or individual to organize any form of public promotion or advertising activities for token private placement on any

media (including but not limited to short video platforms, social platforms, industry forums, offline salons, etc.). All C-end and B-end participants are requested to participate cautiously, be alert to various false propaganda and illegal fund-raising behaviors, and avoid property losses; especially during the current primary market bidding period, they must participate in bidding or directed subscription through the Bank's official designated channels, which will be publicly displayed on the official website in real time. If you have any questions, you can contact JPMorgan Chase's official customer service for verification to effectively protect your legitimate rights and interests.

This white paper is for information reference only, does not constitute any investment advice or opinion, nor does it constitute any form of contract or commitment, and has no intention of inducing the future purchase or sale of any digital assets. Digital asset investment has high risks, and the value of JPMS Coin is affected by various factors such as market fluctuations, regulatory policy adjustments, and ecological operation conditions, which may lead to value decline. By participating in this subscription and primary market bidding, investors indicate that they recognize and accept all kinds of risks existing in this project, and clearly understand that "JPMorgan Chase's endorsement only represents compliance operation support and does not bear any investment risk guarantee responsibility".

Investors voluntarily bear all corresponding results or consequences, and clearly waive the right to claim compensation for any direct or indirect losses arising from participating in the JPMS Coin project. As a licensed bank, JPMorgan Chase only provides compliance services and technical support, and does not bear any investment risk guarantee responsibility. At the same time, investors must strictly abide by the regulatory policies of their country or region, and are prohibited from participating in transactions in violation of regulations, otherwise they will bear corresponding legal responsibilities on their own. The Bank will strictly cooperate with regulatory authorities to carry out relevant work and maintain market order.

The native digital assets involved in this project (JPMS Coin) are all encrypted digital codes used on JPMorgan Chase Group's JPMS Coin platform, which do not represent the equity, debt or control right of this project, but only represent that the holder enjoys corresponding ecological participation rights and related interests according to the holding quantity. This is clearly different from the illegal behavior of ordinary tokens that "falsely promise equity and debt". The Bank strictly abides by the bottom line of compliance and prohibits any illegal commitments.

Other Matters: This plan is the basic plan for JPMorgan Chase's JPMS project. The specific implementation details will be optimized and

adjusted according to changes in the global digital asset market, regulatory policy adjustments and ecological development needs. We ask all C-end and B-end participants for their understanding. JPMorgan Chase will promptly announce the adjustment content to ensure the right to know of participants. The adjustment content will be synchronized through official website announcements, community notifications and other methods, with a public notice period of no less than 7 working days, ensuring that participants have sufficient time to understand the relevant changes and practicing the Bank's service concept of "openness, transparency and respect for users".

## **VII. Conclusion**

Dear C-end and B-end Investors:

The prosperity of the digital asset market depends on the depth and breadth of transactions: the breadth depends on the participation willingness and volume of C-end retail clients, and the depth depends on the compliant allocation and professional operation of B-end institutional clients. Both of these require a compliant and professional service system and ecological layout. Currently, JPMS Coin is in the primary market bidding period, which is an important practice of JPMorgan Chase in building a collaborative ecosystem between C-end and B-end, a key step in promoting the standardized development of the

industry, and a specific embodiment of fulfilling the industry responsibility of a licensed bank.

At present, the global digital economic transformation is accelerating, and digital currency has become the core development trend of the future financial market. Grasping the leading power in the development of the digital asset industry means grasping the initiative in future global financial competition. Licensed banks, with their core advantages such as compliance control, risk prevention and control, and capital strength, will become the core leaders of this trend. According to McKinsey's forecast, the global digital asset market size will exceed 15 trillion US dollars by 2030, and the ecosystem led by licensed institutions will account for more than 80% of the market share. The industry has broad development prospects, which also provides a strategic opportunity for JPMorgan Chase to layout the digital asset field.

As a leading global licensed bank, JPMorgan Chase's continuous success in the traditional financial field has laid a solid foundation for the research and development of the JPMS system and JPMS Coin. The original intention of the Bank's layout of JPMS and JPMS Coin is not only to expand the participation breadth of the digital asset market and promote market prosperity, but more importantly, to rectify the current chaotic situation of the digital currency market, improve the digital currency market ecosystem, fully lay the foundation for the subsequent

opening of the secondary market, and lead the industry towards compliance, scalization and scenarization.

The Bank is committed to relying on bank-level compliance standards and professional capabilities to comprehensively optimize primary market services, standardize bidding order, ensure the compliance, fairness and efficiency of institutional bidding and directed subscription by ordinary investors, and achieve transcendence over traditional cryptocurrencies. At the same time, it firmly grasps the development trend of the digital asset industry in the global economic pattern, builds a compliant, safe and sustainable new digital asset ecosystem led by banks, allowing both C-end and B-end clients to compliantly, conveniently and safely participate in the primary market and share the dividends of the digital asset industry's development with the Bank's strong endorsement.

The Bank will empower C-end and B-end users through technical means, rely on bank-level compliance standards and risk control capabilities to improve the participation willingness and capabilities of various users, solve various current market pain points, practice the service concept of "customer-centric", and provide users with professional, compliant and efficient services.

JPMorgan Chase is willing to work with all C-end and B-end participants to build a win-win ecosystem advocating independence, freedom and

compliance. Our goal is not only to meet the diverse needs of various users, but also to practice JPMorgan Chase's vision for the future development of the digital asset industry, striving to be far ahead in global digital economic competition, become a compliant leader and market leader in the digital asset industry, and fulfill the global responsibility and mission of a licensed bank.