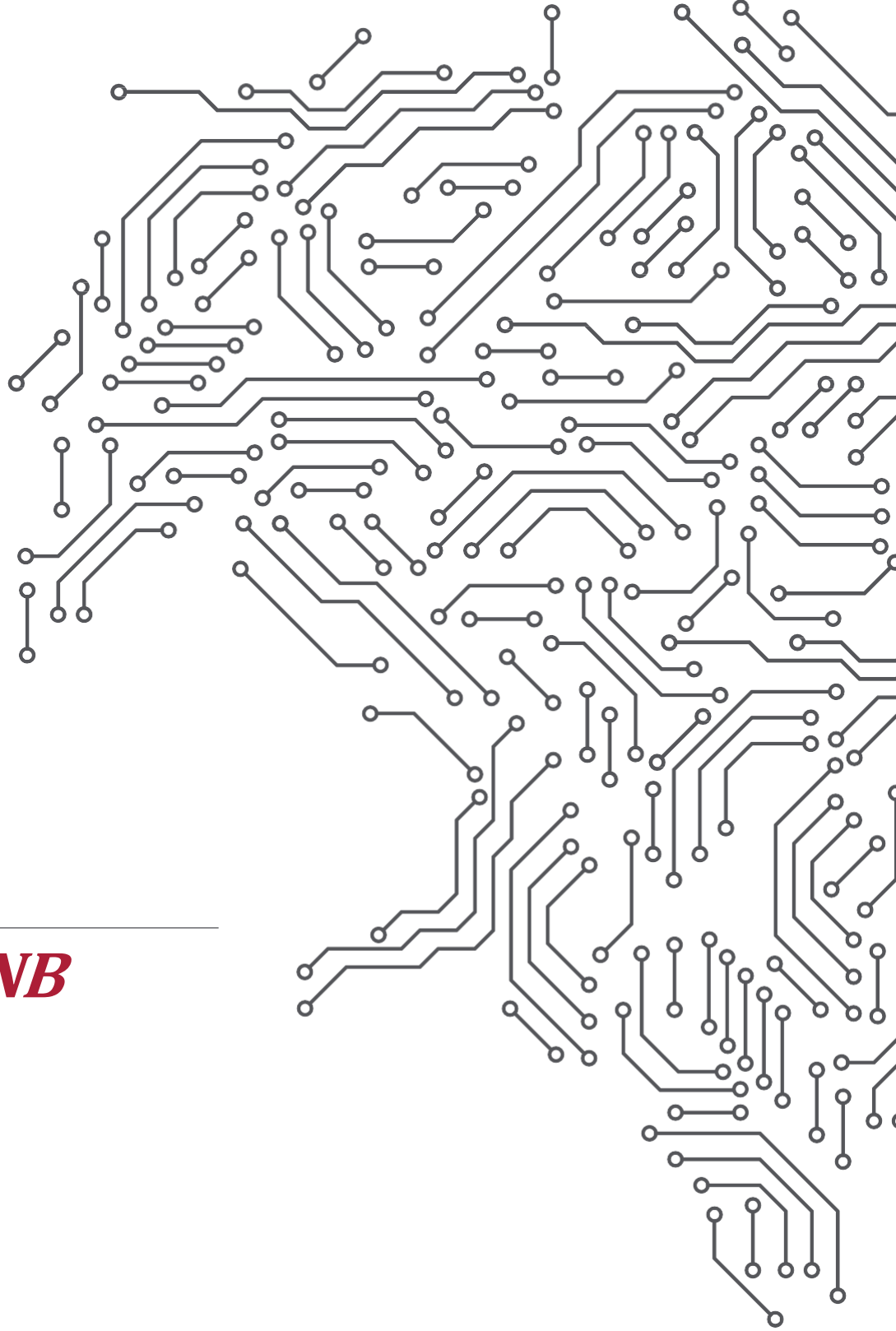




SHARIYAH
REVIEW BUREAU



SHARIA ANALYSIS

Binance BNB

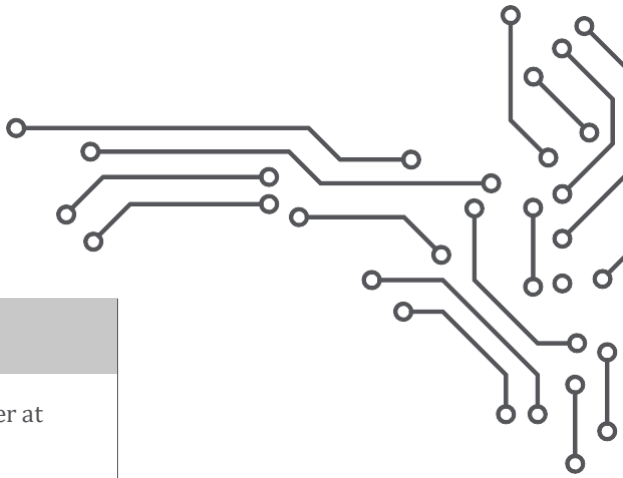


Property of Shariyah Review
Bureau W.L.L.

SHARIA ADVISOR LICENSED BY THE
CENTRAL BANK OF BAHRAIN

INTRODUCTION

BNB is a cryptocurrency (token) that was created by Binance back in 2017. BNB powers the Binance Ecosystem and is the native coin of the Binance Chain and the Binance Smart Chain.



Ticker	BNB
Consensus mechanism	None. Tether Corporation prints Tether at will.
Maximum Supply of Tokens	200M
Token Function	Utility Token
Use Cases	<ul style="list-style-type: none"> • Pay fees on Binance exchange including exchange fees, withdraw fees, listing fees etc. • Stake BNB in BNB Vault • Lending through Binance Launchpool • Integrated into payment, travel, entertainment, and financial services.

BNB TOKEN UTILITY

BNB has several use cases:

- Pay for trading fees on the Binance exchange;
- Pay for trading fees on Binance DEX (Decentralized Exchange);
- Pay for transaction fees on the Binance Chain;
- Pay for transaction fees on the Binance Smart Chain;
- Pay for goods and services for both online and in-store purchases (e.g., using Binance Card or Binance Pay);
- Book hotels, flights and more at Travala.com;
- Community utility token on the Binance Smart Chain ecosystem (such as games and DApps);
- Participate in token sales hosted on the Binance Launchpad;
- Donate on Binance Charity;
- Provide liquidity on Binance Liquid Swap.

TOKEN ISSUANCE & BURNING

BNB was originally issued as an ERC-20 token, running on the Ethereum network, with a total supply of 200 million coins. 100 million BNBs were offered in the ICO, but the current total supply is lower due to periodic burning events. Their repurchase aim (similar to traditional share buy-backs) is to destroy almost 50% of these issued tokens.

Although initially based on the Ethereum network, the ERC-20 BNB tokens were later swapped with BEP-2 BNB on a 1:1 ratio. The BEP-2 BNB is the native coin of the Binance Chain, and the mainnet launch was announced on April 18th, 2019.

In September 2020, Binance launched the Binance Smart Chain (BSC), a blockchain network that runs in parallel with the Binance Chain. This means that you can now find BNB in three different forms:

- BNB BEP-2 on the Binance Chain.
- BNB BEP-20 on the Binance Smart Chain.
- BNB ERC-20 on the Ethereum network.

WHAT BNB HOLDERS USE THE TOKEN FOR?

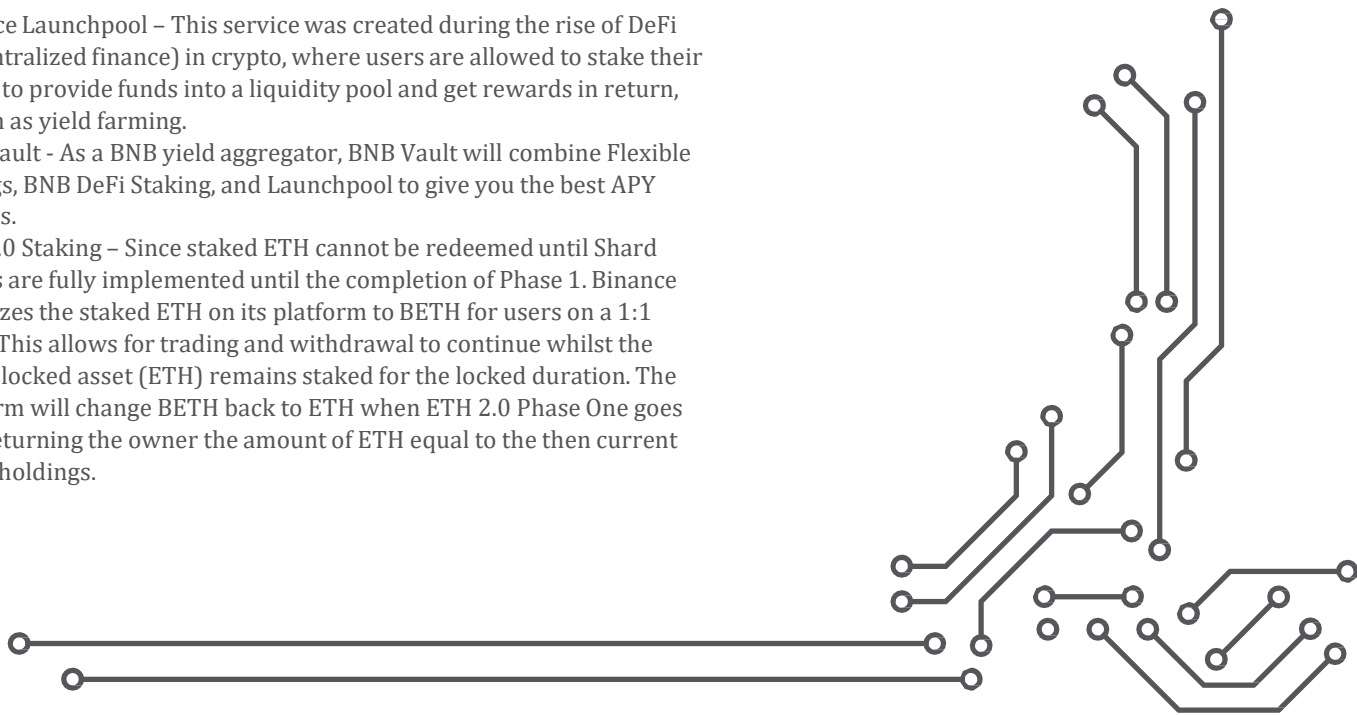
- Trading: The BNB coin can be bought, sold or held through trading platforms, depending on the restrictions set by the exchange.
- Transaction Fees on the Binance Exchange: The Binance exchange permits users to pay for the transaction fees in BNB tokens. These discounts act as incentive and means to save on trading/transactional fees.
- Credit card Payment: thought limited use, but the BNB token can be used as a form of payment for Credit card bills on Crypto.com
- Booking Travel Arrangements: On selected sites, the BNB token can be used to book for hotels and flights.
- Investment: Several platforms allow investors to invest in stocks, ETFs and other assets using the Binance Coin.
- Loan and Transfers: The Binance exchange, allow users to borrow other cryptos by keeping BNB as collateral for loans. Like traditional banks, depending on the loan term, the user is obliged to pay interest on the crypto-loan calculated as per LTV i.e. value of the loan to the value of the collateral held.
- Exposure to Crypto Derivatives: The Binance platform permits cryptocurrencies as deposit funds for future contracts allowing transactional fee to be deducted in BNB tokens.
- Charity: The Binance Charity Foundation (BCF) engages in several charity campaigns to help the 'bottom billions' through its blockchain-enabled philanthropy. As a medium of donation, it accepts fiat, BNB and other cryptocurrencies for its projects.

BENEFITS

As a utility token of Binance, BNB acts a fuel for the platform's ecosystem. It offers many functions and benefits to its holders. Some of the benefits and specific functions are given below:

- BNB Price – the platform is the number one exchange for crypto trading volume and with the consistent 'Token burning' exercise, it creates a reduction in coin-supply and with the demand on the rise, the holders of BNB benefit from the price increase.
- Flexible/Locked Savings – By subscribing the token to a flexible or locked plan the owner is able to earn interest on its assets
- Binance Launchpad – this platform aims to work as 'Crypto crowdfunding' facilitating, helping and advising project teams in launching their crypto projects and raise capital. Similar to angle-investors, it gives the BNB holders opportunity to invest early on in potential projects and its subsequent tokens; benefiting both parties by providing exposure, liquidity and returns.

- Binance Launchpool – This service was created during the rise of DeFi (decentralized finance) in crypto, where users are allowed to stake their assets to provide funds into a liquidity pool and get rewards in return, known as yield farming.
- BNB Vault - As a BNB yield aggregator, BNB Vault will combine Flexible Savings, BNB DeFi Staking, and Launchpool to give you the best APY returns.
- ETH 2.0 Staking – Since staked ETH cannot be redeemed until Shard Chains are fully implemented until the completion of Phase 1. Binance tokenizes the staked ETH on its platform to BETH for users on a 1:1 basis. This allows for trading and withdrawal to continue whilst the actual locked asset (ETH) remains staked for the locked duration. The platform will change BETH back to ETH when ETH 2.0 Phase One goes live, returning the owner the amount of ETH equal to the then current BETH holdings.



CONCLUSION

BNB is part of the Binance exchange and is also used in the Binance Smart Chain. The BNB token serves multiple use cases such as transaction fees, means of payment and more. As such, the utility of BNB does not infringe Shariah principles.

RESOURCES

Website: <https://www.binance.com/en/bnb>
Binformation: <https://academy.binance.comNB/en/glossary/bnb>

ABOUT SRB

Since our humble beginnings 17 years ago in the Kingdom of Saudi Arabia we've grown to include +100 companies across a host of industries, 5,000 transactional programs, 5 interdisciplinary teams and a combined scholarly workforce of 31 Sharia Scholars from 16 countries. And we're not done yet: our Sharia Audit and Sharia Advisory services will continue to improve—serving local and international businesses to help them maintain and manage Shari'a compliance.

Our combination of international and local market knowledge and multi-disciplinary perspective of Sharia give us an edge in the professional Sharia Advisory and Sharia Audit services industry in the GCC. The scope and value of our services, and the help they offer in building a thriving economy, keeps us excited.

The future of Sharia Advisory and Audit is exciting, and we are very lucky to be a part of this business!

DISCLAIMER: This publication contains general information only and has been written in general terms. Shariyah Review Bureau W.L.L. is not, by means of this publication, rendering Shariyah compliance, accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect you or your business. Before making any decision or taking any action that may affect you or your business, you should consult a qualified professional and/or Shariyah adviser. Shariyah Review Bureau W.L.L. does not endorse or sponsor any vendor or product mentioned in this document.

Vendor and product names mentioned in this document are the trademarks or registered trademarks of their respective owners and are mentioned for identification purposes only. Shariyah Review Bureau W.L.L. is not responsible for the functionality or technology related to the vendor or other systems or technologies as mentioned in this document. A vendor or product mentioned in this report may not be regulated by an appropriate regulator, such as the Central Bank of Bahrain (CBB). Shariyah Review Bureau W.L.L. shall not be responsible for any loss sustained by any person who relies on this publication.

In Bahrain, you should be aware of the CBB regulations regarding crypto-assets, including those set out in the CBB Rulebook-Volume 6. The CBB has the authority to approve or reject, from time to time, crypto-assets offered or to be offered by its licensees. For the avoidance of doubt, nothing set out in this publication should be read or construed as indicative of or affecting such approval or rejection.