

Bybit Enables Merkle Tree Verification for Proof of Reserves



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Bybit, the world's third most visited crypto exchange, has implemented a **Proof of Reserves system** that allows users to verify the company's holdings directly. The system uses Merkle Tree to enable users to quickly verify their assets deposited in Bybit and authenticates that Bybit holds all the users assets 1:1.

With the release of the Merkle Tree, Bybit has further demonstrated its robust finances and commitment to full transparency. Users can use their Merkle Leaf code to check that their assets are recorded as liabilities in Bybit's reserves. They can also verify Bybit's ownership of the wallets and check that assets are held in a 1:1 ratio.

Direct Proof of Reserves verification is available to all users with equity in the following:

- Trading accounts, which include spot, futures, options, and unified margin accounts
- Funding accounts, which include crypto holdings and balances held in "Bybit Earn" products.

The verification is available for assets on several blockchains including Ethereum, Arbitrum, BNB Smart Chain, Optimism, Polygon, Avalanche and TRON. Bybit conducts regular snapshots to ensure equilibrium and the highly liquid nature of their holdings.

"At Bybit, we believe that transparency and accountability are crucial to building trust in the cryptocurrency industry," said Ben Zhou, co-founder and CEO of Bybit. "Our Proof of Reserves system uses a purpose-built Merkle Tree. The cryptographic solution brings forth a crypto-native, trustless model of providing verifiable evidence of our on-chain holdings and liabilities, and gives our users the reassurance that their funds are safe with us."

The Merkle Tree, built from the ground up by Bybit, can securely verify the contents of Bybit's reserves down to the granular details with the clarity and accessibility blockchain has to offer. Bybit has also completed wallet ownership verification and published detailed guides on how to conduct **self-verification of user assets** and **verification of Bybit's ownership of its wallets**.

"The general adoption of Proof of Reserves by crypto exchanges is a positive development for the blockchain industry as we come together to rebuild trust using the very technology we are

advocating for,” Zhou said. “We want to normalize transparency and accountability in the digital asset space.”

To demonstrate its commitment to ethical practices, Bybit has recently implemented a number of initiatives, including:

- Publishing the contents of its **Bitcoin and Ethereum wallets** as an initial step, viewable via a **Nansen dashboard**;
- Ensuring flawless withdrawals in parallel to investing in building a vigorous Proof of Reserves mechanism;
- Enhancing its risk management controls to more closely comply with KYC and AML requirements and regulations; and
- Carrying out regular attestations.

“Our mission is to be a ‘crypto ark’ for the world. It is therefore critical for us to demonstrate the highest standards of accountability and responsibility,” Zhou said. “This past year has been challenging, but the crypto industry has matured as a result and leading players have risen to the challenge and demonstrated true resilience. We remain determined to continue to democratize financial services and provide access to the incredible opportunities of Web3.”

#Bybit / #TheCryptoArk

Bybit is a cryptocurrency exchange established in March 2018 that offers a professional platform where crypto traders can find an ultra-fast matching engine, excellent customer service and multilingual community support. Bybit is a proud partner of Formula One racing team, Oracle Red Bull Racing, esports teams NAVI, Astralis, Alliance, Virtus.pro, Made in Brazil (MIBR) and Oracle Red Bull Racing Esports, and association football (soccer) teams Borussia Dortmund and Avispa Fukuoka.

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