

Hyperliquid (core)

Hyperliquid is a layer-one blockchain built around an onchain exchange.

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AT A GLANCE

- 1 Hyperliquid is a layer-one blockchain whose order books for perpetual futures and spot trading are built into the chain ^{[1][2]}.
- 2 It has two parts, HyperCore for the exchange and HyperEVM for smart contracts, sharing one state and consensus ^{[1][3]}.
- 3 The active validator set is the top 27 validators by stake, and there is currently no automatic slashing ^{[6][7]}.
- 4 If an account goes negative, auto-deleveraging can close profitable traders' positions to keep the platform solvent ^[12].
- 5 USDC arrives natively through Circle's CCTP, and the older Arbitrum bridge is deprecated ^{[20][21]}.

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- v0.2.2 (2026-10-14; replaces v0.2.1, publish hash 35bca6ddce49a756a2f6f9e1c694acd017d3649e972d72a314818bd482dc3f79): the page record now shows the published status, version, publish date and proof; removes the line "All dates on this page are UTC." Body wording: the policy line now names the Learning Hub. No claim changes.
- v0.2.1 (2026-10-06; replaces v0.2, sha256 05684036bb89252b7afe58a2f5d45213eb7a7a6b01fbd9ba28738589ad8886d4): reworded the September 8, 2026 timeline row to say manual borrowing was reported live on mainnet by that date, rather than reading as its launch date.
- v0.2 (2026-10-06; replaces v0.1, sha256 18d9fe20376cc39acc46805b0beaaf746787a9e3c2d6e6f36fc2617caf24783c): removed the legacy bridge's share of HyperCore USDC (a usage figure) and reworded the legacy-bridge risk line without it; dated manual borrowing to September 8, 2026, from Hyperliquid's weekly update on its official Telegram channel; reworded the May 14, 2026 row to say Hyperliquid announced AQA v2, Coinbase announced a plan to activate it on USDC, and USDH would "sunset over time," citing Hyperliquid's Telegram announcement; replaced an uncited judgment on Singapore with Hyperliquid's statement that it "is not, and has never claimed to be, licensed or authorised by MAS"; updated the redirecting docs URL for "About Hyperliquid"; added "All dates on this page are UTC."; updated the Learning Hub label.

1. What it is

An exchange built into a chain

Hyperliquid is a layer-one blockchain built around an onchain exchange ^[1]. Order books for perpetual futures ("perps") and spot trading are part of the chain itself, not separate smart contracts ^{[1][2]}. An order book is the list of open buy and sell orders at each price. A perpetual future is a contract that tracks an asset's price with no expiry date, so traders can hold a leveraged position for as long as they keep enough margin. Every order, cancel, trade and liquidation is processed onchain ^[1].

Analogy, not the mechanism itself: most chains are like a city where exchanges rent office space; on Hyperliquid, the trading floor is part of the city's own building code.

HyperCore and HyperEVM

The chain has two parts that share one state and one consensus ^{[1][3]}:

- **HyperCore** holds the exchange: margin accounts, order books and matching ^[2].
- **HyperEVM** is a general-purpose smart-contract environment compatible with Ethereum tools ^[3].

Who is behind it

Hyperliquid Labs is described in the docs as a "core contributor" and as self-funded ^[4]. The Hyper Foundation runs a validator delegation program ^[5].

What this dive covers

This page covers the base chain and exchange. Outcome markets (HIP-4), the USDH stablecoin wind-down and portfolio margin are covered in the [HIP-4 dive](#). The USDC side is covered in the [USDC dive](#).

2. How it works

HyperBFT and validators

Hyperliquid runs on HyperBFT, a proof-of-stake consensus algorithm based on HotStuff ^{[1][2]}. HotStuff is a published consensus design that HyperBFT builds on. The validator set works like this:

- **Stake-weighted blocks.** Validators produce blocks in proportion to the HYPE staked with them ^[2].
- **Quorum.** Consensus needs more than two-thirds of stake to be honest ^[6].
- **Active set.** Anyone can run a node, but the active set is the top 27 validators by stake ^[7].
- **Self-stake.** A validator needs 10,000 HYPE of self-delegation, locked for one year ^[6].
- **Epochs.** The validator set updates in epochs of 100,000 rounds, about 90 minutes ^[6].

Hyperliquid says end-to-end latency for a co-located client has a median of 0.2 seconds ^[2]. A co-located client is a trading system running physically close to the network's servers. It puts mainnet capacity at about 200,000 orders per second, with execution as the bottleneck ^[2].

Jailing and slashing

Validators can vote to "jail" peers that respond too slowly, which stops them from taking part in consensus ^[6]. The docs say slashing is "reserved for provably malicious behavior such as double-signing," and that "there is currently no automatic slashing implemented" ^[6]. Unstaking takes seven days ^[6].

Analogy, not the mechanism itself: jailing is like benching a slow player, not fining them.

Margin and funding

The perps clearinghouse tracks each address's margin, balances and positions ^[8]. Margin is the collateral a trader posts to back a leveraged position. Deposits go to cross margin by default; isolated margin is optional ^[8]. With cross margin, one pool of collateral backs all of a trader's positions; with isolated margin, each position has its own.

Funding is paid peer-to-peer every hour, with no fee taken by the protocol ^[10]. Funding is a regular payment between traders on opposite sides of a perp that keeps its price near the underlying asset.

Oracle prices

Validators publish an oracle price for each perp asset every three seconds ^[9]. Each validator's price is a weighted median of prices from several centralized exchanges and Hyperliquid's own spot market ^[9]. The final price is the stake-weighted median of the validators' submissions ^[9]. Oracle prices feed funding and the "mark price" used for liquidations ^[9]. The mark price is the reference price used to value open positions.

Analogy, not the mechanism itself: it is like several judges each reporting a score from several sources, with the middle score, weighted by each judge's stake, becoming the result.

Liquidations and ADL

When an account's equity falls below maintenance margin, its positions are first sent to the order book as market orders ^[11]. Maintenance margin is the minimum collateral needed to keep a position open. If equity falls below two-thirds of maintenance margin, a backstop liquidation passes the position to a liquidator vault ^[11]. The trader loses the maintenance margin ^[11].

Auto-deleveraging (ADL). If an account goes negative, profitable traders on the other side can have their positions closed automatically ^[12]. They are ranked by profit and leverage ^[12]. Hyperliquid calls this "an important final safeguard on the solvency of the platform" ^[12].

HLP and fees

HLP. The Hyperliquidity Provider is a protocol vault that makes markets, performs liquidations and earns part of trading fees ^[13]. Anyone can deposit into it, with a four-day lock-up ^[13].

Fees. The docs say fees go "entirely" to the community ^[14]: HLP, the assistance fund and market deployers ^[14]. The assistance fund converts its share of fees to HYPE and burns it ^[14]. Optional "priority fees," which buy lower latency, are also burned ^[15].

Listing assets: HIP-1 to HIP-3

- **HIP-1** is the native token standard ^[16]. It covers capped-supply tokens with onchain spot order books ^[16].
- **HIP-2 ("Hyperliquidity")** is an automated market-making strategy for new HIP-1 tokens ^[17]. It is built into block processing, with no operator ^[17].
- **HIP-3** lets outside "deployers" launch their own perp markets ^[18]. Deployers must stake 500,000 HYPE, and validators can slash that stake ^[18].

Deploying a spot token costs HYPE, set by a 31-hour Dutch auction ^[16]. In a Dutch auction the price starts high and falls until someone buys.

HyperEVM

HyperEVM is "not a separate chain," but is secured by the same consensus as HyperCore ^[3]. Contracts can read HyperCore order-book prices through built-in precompiles ^[3]. A precompile is a built-in function contracts can call. The docs describe HyperEVM as in "alpha" ^[3]. They say "higher throughput and write system contracts are not live on mainnet yet" ^[3]. Throughput is split between small blocks every second and large blocks every minute ^[19].

USDC deposits

USDC is minted natively on Hyperliquid through Circle's Cross-Chain Transfer Protocol (CCTP), which the docs call the "preferred method" ^{[20][21]}. CCTP moves USDC between chains by burning it on one and minting it on the other. The older bridge on Arbitrum is deprecated ^[21]. Withdrawals through it are handled "entirely by validators" ^[21]. Circle notes that HyperCore balances are "protocol-level credits"; the actual USDC stays in a contract on HyperEVM ^[22].

3. What changed

Timeline

Date	Event	Source
Sep 16, 2025	Native USDC and CCTP V2 launch on HyperEVM	[23]
Oct 2025	HIP-3 builder-deployed perps launch	[24]
May 14, 2026	Hyperliquid announces AQAv2; Coinbase announces plan to activate it on USDC; USDH to "sunset over time"	[25] [32]
Jun 20, 2026	All USDH markets on HyperCore settled	[26]
Jun 26, 2026	Hyperliquid added to MAS Investor Alert List	[27]
Jul 2, 2026	VALR integrates Hyperliquid for perps	[28]
Sep 8, 2026	Manual borrowing reported live on mainnet by this date, in Hyperliquid's weekly update	[31]

USDC replaces the bridge

What changed. Circle launched native USDC on HyperEVM on September 16, 2025, and said HyperCore support would follow [\[23\]](#). Circle also said it had made its first HYPE investments and was evaluating becoming a validator [\[23\]](#).

Why it mattered. Users gained a native route for USDC, which the docs now call the "preferred method," in place of the deprecated Arbitrum bridge [\[21\]](#)[\[23\]](#).

HIP-3 builder-deployed perps

What changed. Builder-deployed perps launched in October 2025, per Hyperliquid's own account [\[24\]](#). Fee rules for HIP-3 markets now include a "growth mode," in which protocol fees are cut by 90% or more [\[14\]](#).

Why it mattered. Outside deployers who stake 500,000 HYPE can launch their own perp markets [\[18\]](#)[\[24\]](#).

Quote assets (AQAv2)

What changed. Under "AQAv2," stablecoin issuers can apply to become aligned quote assets [\[30\]](#). A quote asset is the currency that prices in a market are stated in. In return they share reserve income with the protocol, and their deployers must stake HYPE [\[30\]](#). The docs say AQAv2 will be required for quote assets on HIP-4 and validator-operated perp markets "on a future network upgrade" [\[30\]](#). The USDH wind-down that followed is covered in the [HIP-4 dive](#).

Why it mattered. Stablecoin issuers that want to be quote assets face reserve-income sharing and staking terms [\[30\]](#).

| Distribution and borrowing

What changed. Hyperliquid says VALR is the first centralized exchange to integrate Hyperliquid directly ^[28]. On September 18, 2026, Hyperliquid said manual borrowing was live on the same infrastructure as portfolio margin ^[29].

Why it mattered. VALR users can reach Hyperliquid perps through that exchange, by Hyperliquid's account ^[28].

| Singapore investor alert

What changed. On June 26, 2026, Hyperliquid said Singapore's Monetary Authority (MAS) had added it to the Investor Alert List ^[27]. Hyperliquid said this "does not constitute a ban, an enforcement action, or a finding of wrongdoing" ^[27].

4. What is open

| A small validator set

The active set is capped at 27 by stake ^[7]. The Foundation delegates to validators and can "cease delegation at any time" ^[5]. This dive does not report how stake is spread across validators, because Le Coin has not measured it.

| No automatic slashing

Slashing is described but "currently" not automatic ^[6]. Validators also set oracle prices and decide HIP-3 slashing ^{[9][18]}.

| Oracle inputs

The oracle depends on prices from outside exchanges, weighted by validators ^[9]. Mark prices drive liquidations, so a bad input could trigger liquidations ^{[9][11]}.

| Loss sharing

ADL can close profitable positions to keep the platform solvent ^[12]. Traders on the winning side carry this risk, not only HLP ^{[12][13]}.

| HyperEVM maturity

HyperEVM is labeled alpha, and some planned features are not live ^[3].

| Legacy bridge

The Arbitrum bridge is deprecated but still runs, and withdrawals through it are handled entirely by validators ^[21].

| Regulatory status

Singapore's alert listing is not a finding of wrongdoing, by Hyperliquid's own account ^[27]. Hyperliquid says it "is not, and has never claimed to be, licensed or authorised by MAS" ^[27]. The docs we reviewed do not describe licensing.

What this page leaves out

By Learning Hub policy, this dive carries no price, open interest, market value or usage-volume figures, including those in Hyperliquid's posts. Those go stale, and News covers them.

Sources

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Holding the Corner.

Not financial advice.