



## **SEC open for comments prior to action on crypto ETF**

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The U.S. Securities and Exchange Commission (SEC), refraining from any action on the Vaneck Solidx BTC exchanged-traded fund (ETF) application, is now receiving comments from the public on the issues discussed.

In a release, the SEC said that it “seeks and encourages interested persons to provide comments on the proposed rule change” that would permit the Cboe BZX Exchange, Inc. (BZX) to list and trade SolidX shares. As of September 19, the commission said, it has received more than 1,400 comment letters regarding the matter.

“The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal,” it said.

The questions provided by the SEC seek, for the most part, to determine the transparency of the BTC markets, and the degree to which prices are subject to manipulation.

BZX had told the SEC that BTC would be less susceptible to manipulation than commodities that underlie existing exchange-traded products. The SEC also quoted BZX as saying that insurance coverage “eliminates exposure to the risk of loss to investors through fraud or theft, which in turn eliminates most of the custodial issues associated with a series of Commodity-Based Trust Shares based on [BTC].”

The SEC has said it would arrive at a decision by September 30. Aside from this application, the SEC has yet to decide on applications by ProShares, Direxion and GraniteShares, which were earlier rejected but placed under review a day after. Another application, by the Winklevoss Bitcoin Trust, was denied last July.

Among SEC commissioners, Hester Peirce has been outspoken in her dissent over the rejection of the ETF applications, as well as critical of the SEC’s suspension of cryptocurrency-related products. In a recent conference of think tank Cato Institute, she said that the SEC mandate did not involve preventing people from engaging in high-risk investments. “We are directed to

protect investors, facilitate capital formation, and maintain fair, orderly, and efficient markets,” she said.