

As Bitcoin's Price Moves Dramatically, ETF Proposals Remain at a Standstill

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On June 26, the price of bitcoin surged to a 12-month high of nearly \$13,900 (up about 35% on the month) before losing more than \$1,700 in a span of 15 minutes, then rebounding slightly and closing the day at around \$12,800. All the while, retail and institutional investors seeking to gain exposure to this volatile asset class through an exchange traded product continued their wait. The Securities and Exchange Commission's ("SEC") evaluation of the listing proposals filed by CBOE BZX Exchange, Inc. ("CBOE") and NYSE Arca, Inc. ("NYSE Arca") – first covered [here](#) – remains ongoing and could continue through September.

Initially, the SEC had 45 days from each proposals' publication in the Federal Register to issue a decision or request an extension. The agency may extend this deadline up to a total of 240 days.

The SEC has extended its deadline twice since the proposals were filed in January, citing the need for further analysis of the proposals' conformity with the anti-fraud and anti-manipulation provisions of Section 6(b)(5) of the Securities Exchange Act of 1934. In March, the SEC requested public comment on several additional policy questions under consideration for what, if approved, would be the first bitcoin exchange traded product. So far, the SEC has received [49](#) comment letters for the NYSE Arca proposal and [35](#) for the CBOE proposal.

On May 1, 2019, NYSE Arca [amended](#) its proposal in response to SEC concerns. Such information includes evidence regarding the maturation of the bitcoin market in recent years, the product's resistance to market manipulation, and how the structure and operation of the proposed Bitwise Bitcoin ETF Trust would protect investors.

A registered bitcoin exchange traded product would open up bitcoin investing to a broader segment of the population by making it possible for investors to get exposure to bitcoin without the sometimes perilous processes of purchasing bitcoin on the open market and managing the public-private key pairs associated with direct bitcoin ownership. It remains unclear if or when exchange traded products will be available. For now, all we know for certain is that the SEC will continue their evaluation, and that bitcoin's price will continue to move.

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