

SEC Disapproves Bitcoin Exchange-Traded Products

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The Securities and Exchange Commission, acting through authority delegated to the Division of Trading and Markets (Division), disapproved proposals by the New York Stock Exchange Arca Exchange and the Chicago Board Options Exchange (Cboe) BZX Exchange to list bitcoin exchange-traded products (ETPs) for trading. Both exchanges previously filed proposals to list ETPs that invest in bitcoin futures and/or related derivative instruments.

In rejecting the proposals, the Division emphasized that the disapprovals do not “rest on an evaluation of whether bitcoin, or blockchain technology more generally, has utility or value as an innovation or an investment.” Rather, the Division noted that the exchanges had not entered into a surveillance-sharing agreement with a “regulated market of significant size.” The bitcoin futures markets at the Chicago Mercantile Exchange and the Cboe Future Exchange were deemed to be insufficient for these purposes due to limited trading volume in the relevant products.

The SEC subsequently issued a stay of the Division’s actions to allow it to review the delegated actions. During the review period, the exchanges will not be able to list the bitcoin ETPs.

The Cboe BZX Exchange order is available [here](#). The NYSE Arca Exchange orders are available [here](#) and [here](#). The stay letters are available [here](#), [here](#) and [here](#).

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