

US corporate law weekly news: SEC rejects another proposed bitcoin ETF listing

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On March 28, 2017, the SEC rejected a proposed listing of a bitcoin ETF for a second time in a one-month period. The bitcoin ETF, SolidX Bitcoin Trust, was seeking to list as commodity-based trust shares under NYSE Arca Equities Rule 8.201.

The SEC rejected the listing on the grounds that bitcoin exchanges are unregulated, making it impossible for the New York Stock Exchange to enter into appropriate surveillance agreements with the Arca platform, since such agreements are required to monitor the trading of the underlying assets so as to provide regulatory safeguards to consumers.

Most bitcoin trading takes place outside of the United States, and virtually all is unregulated. For more information, see <https://www.sec.gov/rules/sro/nysearca/2017/34-80319.pdf>.