

US Corporate Law News: SEC rejects Bitcoin EFT proposal

05 AUGUST 2018

CATEGORY:

ARTICLE

CLIENT TYPES:

HIGH-NET-WORTH INDIVIDUALS

FAMILIES AND FAMILY OFFICES

PRIVATE COMPANIES

OWNERS AND ENTREPRENEURS



The Securities and Exchange Commission rejected for the second time a proposal to create a Bitcoin Exchange Traded Fund, but its decision includes sufficiently detailed concerns to create a roadmap for approval in the future. In the main, the proposal was rejected for failure to meet its burden under Exchange Act Section 6(b)(5) (“Standard”), as it did not enter into a surveillance-sharing agreement with a regulated bitcoin-related market of significant size or demonstrate an alternative means to comply with the Standard. The Standard emphasizes that the rules of a national securities exchange are designed to prevent fraudulent and manipulative acts and practices and to protect investors and the public interest. For more information, visit: <https://www.law.com/newyorklawjournal/2018/07/27/072618bitcoinetf-389-38629/>

This article was written with contributions from Nabeela Latif.