Bitcoin ETF (Exchange Traded Fund) review and approval report

I thank my parents for writing this article and Satoshi Nakamoto revolutionary creator of bitcoin.

To the Honorable SEC Commissioners:

Chairman Jay Clayton

Elaid L. Roisman

Hester M. Peirce

Allison Herren Lee

“The first generation of the digital revolution brought us the internet of information. The second generation, driven by Blockchain technology, is bringing us the internet of value: new distributed platforms that can help us reshape the business world and transform the old order of human affairs for the better.”

Don Tapscott & Alex Tapscott Blockchain Revolution

Summary

Bitcoin and its origin

Bitcoin is a decentralized currency that does not have a central controller like fiat currencies, and exchange currencies like Dollar, Euro, Yen or Real etc. are equivalent.
Created in October 2008 by Satoshi Nakamoto (pseudonym) in order to pass transparency to the payment book ecosystem (Blockchain) for payment processing:
For bitcoin came to supply shortages that previously persisted in the banking system such as:

- Cost: account maintenance fees, transfer fees, etc.
- Limitations: maximum daily transfer limit, prior notice, working only on working days, etc.
- Economic control: potential to cause greed crises and monetary expansion policies linked to governments.
- Expansion of paper money through central banks causing inflation and the downturn in the economy and unemployment.

Bitcoin features and advantages:

- It is decentralized. That is, it is not controlled by any institution; the validations of the transactions and the records of all the operations of the system are performed by the users themselves according to specific rules, which results in thousands of computers spread all over the world working for the network. Understand better how this works in the article what is blockchain.
- It is open source. Anyone with technical knowledge can analyze and understand exactly how the system works, unlike banks that do not reveal their systems.
- Transactions are public. To allow system security, all transactions are verified and validated and can be consulted at any time by anyone, creating a 100% transparent environment.
- Transactions are fast. Unlike bank transactions, which take place during business hours and usually take days to process, the Bitcoin system works 24 hours a day, 7 days a week, and a transaction takes about 10 minutes on average to be processed.

- There are no continental barriers. Sending bitcoins to a neighbor or a person on the other side of the world has no difference in time or fees.
- Fees are low. While banks can monopolize and create high fees for carrying out transactions (especially in the case of transactions to another country), fees on the Bitcoin network are very low by definition.

How the bitcoin network works:

In the bitcoin network ecosystem (Blockchain) there are two main components that act in the functioning of the network: the full node and miners. Full nodes are like a data filing office, that is, they are copies of all network transactions on the bitcoin blockchain. Accounting is done based on full nodes.

If Peter has 4 BTC and transfers 2 BTC to John, it is possible to know that Peter did in fact have 4 BTC thanks to the work of the full nodes.

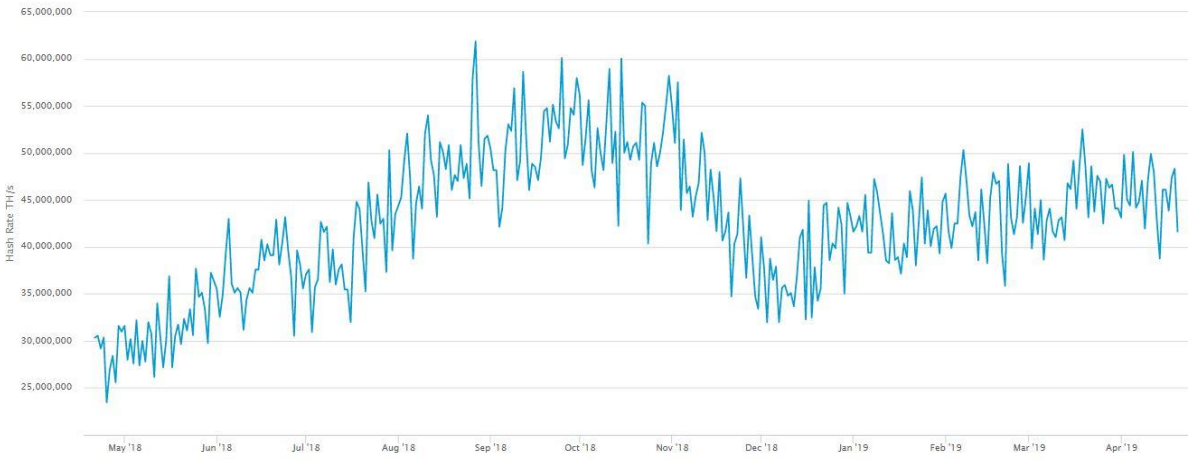
Bitcoin has perfect accounting divisibility because it is fractional and has aspects of fungibility and, especially if divisibility of eight decimal places BTC 0.00000001, that is, 100 million satoshis that completes 1 entire BTC.

The bitcoin network currently has more than 10,000 full nodes around the world. Everyone is responsible for validating each transaction. This ensures a lot of security for the system.

Miners, in turn, are responsible for creating the transaction blocks on the blockchain network. And it consolidates the immutability of the system. First, miners create a block, and then full nodes validate that block and introduce it into the blockchain network. A block consists of a collection of thousands of transactions.

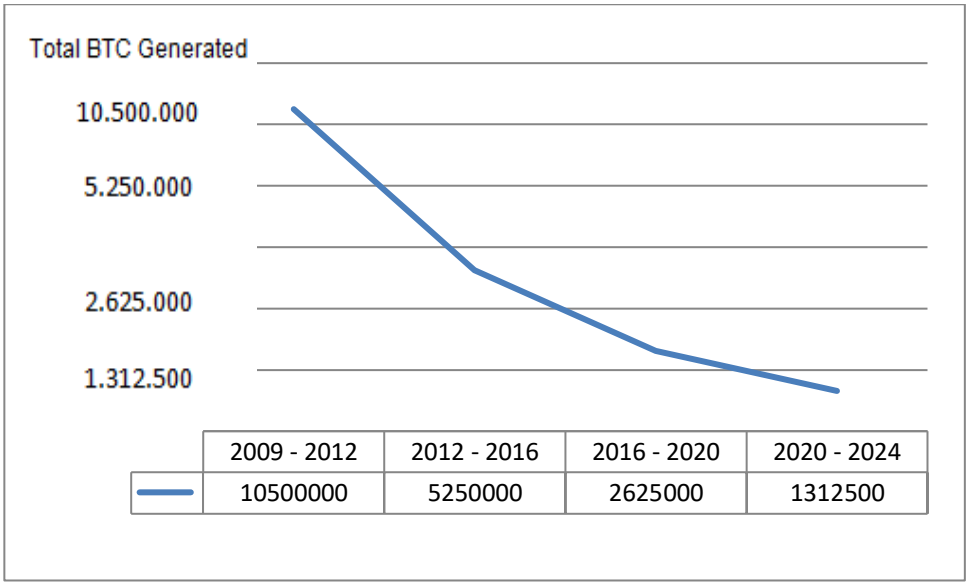
To compile thousands of transactions and form a block in the blockchain's ledger, it is necessary to have a lot of computational power (Hash Rate). The greater the computational power, the greater the probability of being able to form the block before the other miners. Thus, miners are rewarded for each block mined and a reward is given for this workforce, currently 12 BTC as shown in the graph:

Computational power in transaction processing (Hash Rate), currently of TH / s 51,161,360



https://www.blockchain.com/charts/hash-rate (date 04/19/2019).

As the bitcoin is mined, the reward for generated block retracts, in other words, the generation of new bitcoin declines more and more, which at this moment on 07/05/2020 is 18.375 million BTC (https://coinlib.io/coin/BTC/Bitcoin)



Year	Amount of bitcoin generated	Reward per generation per block
2009	10500000	50 BTC
2010		
2011		
2012		
2013	5250000	25 BTC
2014		
2015		
2016		
2017	2625000	12.5 BTC
2018		
2019		
2020		
2021	1312500	6.25 BTC
2022		
2023		
2024		

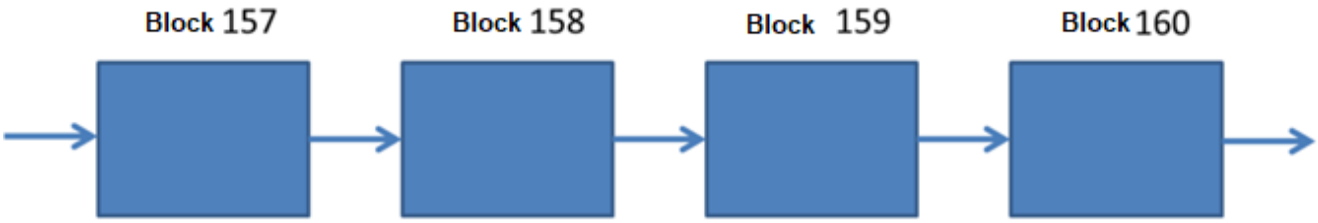
Blockchain, how it works in practice!

Blockchain is a record of information formed in the block chain, where encryption is the main source of data security.

In the bitcoin transaction process, each block is formed so that the transaction is carried out on the network, every 10 minutes a new block is formed where the transactions are made by each user.

In addition to containing transaction records, blocks also have two hashes. Hash is like an identity, it is a code that represents information. In each block of the Bitcoin network, one hash is responsible for identifying the information that is in that block, and the other hash is responsible for identifying all the information in the previous blocks.

Each block in the blockchain network is interconnected with other blocks:



* Each block contains 1 Mb of information data

Creation of blocks and operation of transactions;

For each transaction block formation it is approximately 10 minutes on the blockchain using the Bitcoin cryptocurrency. During this period, other computers around the world (with the help of miners) solve mathematical problems that in this case (the hash) to give reliability to the transactions to be successfully completed.

When a computer can find the solution to the mathematical problem, it informs the solution to the others, who validate it to see if it is correct. Once validated, this new block is created and added to the network.

As each block contains not only a hash referring to its transactions, but also a hash referring to old transactions carried out on the network, each new block added validates all previous blocks again. This means that the older a block, the more confirmations it has obtained, and consequently the more difficult it is to tamper with that block.

In terms of storage, Full-nodes play an important role in the complete historical set of transactions on the blockchain. The more full nodes, the more copies the network has which strengthens and makes the network more secure.

In practice, therefore, the blocks of the Bitcoin blockchain are stored on several computers around the world.

Tampering transactions on the blockchain is possible?

As stated in the previous paragraphs, anyone can run a Full-node, in theory it could tamper with the transactions, but this record would not be validated by the other network nodes, who would consider this transaction invalid by the network miners (consensus).

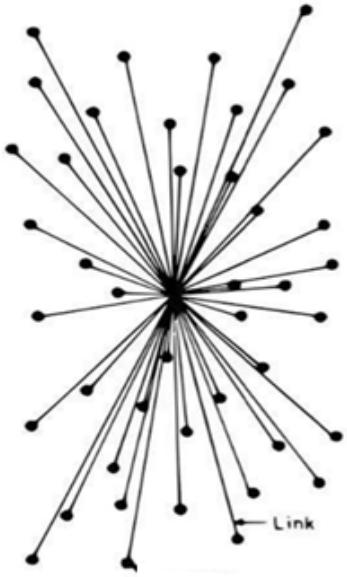
A single way to execute a network attack is to have more than 50% of all the computational power (hash power) on the network. Being that, it would be very unlikely because it is a decentralized system and, in theory, there would have to be an attack on thousands of computers around the world, being a fact relevant to the bitcoin blockchain system.

In addition, all transactions that occur on the network are public and can be easily accessed by anyone, ensuring maximum transparency.

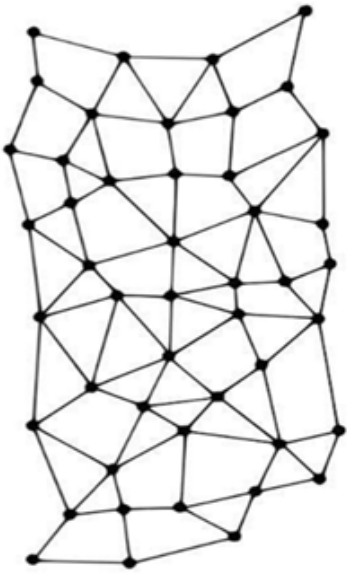
This intrinsic characteristic of the blockchain of securely recording information is not limited to financial transactions, but can be used for any application, from medical records to the food supply chain.

Currently, several companies, banks, universities and governments are studying blockchain technology to take advantage of their applications in the most diverse branches.

Finally, a centralized system like traditional banks, are increasingly susceptible to hacker attacks because they are mainly storing data in just one location. And for economy, a distributed ledger generates greater profitability and agility for large institutions as seen today.



centralized



decentralized

Comparison of volumes between exchanges USA

As is already known by the commission, the Bitwise report published on March 20, 2019[1], brought to the commissioners, how the volumes exchanges behave with price variations and each mechanism of information that each one brings to its customers and stakeholders.

A new approach taken in this report shows that comparisons and approaches between trading data between websites known as: Coinlib[2] and BlockchainTransparency,[3] where conlib checks the market 24 hours a day for 102 exchanges analyzed. The Blockchain Transparency has as its working methodology, verification of laundering of exchanges, where reports are collected every 6 months and availability of the API of exchanges so that the analytical study can be done.

The Exchanges from the United States that received the (BTI Verified) seal from Blockchain Transparency are the main ones in volumes both in the American and worldwide territory, which are: Coinbase, Kraken, Bittrex, Gemini and Itbit.

TOP EXCHANGES BY REAL VOLUME

#	Exchange	24h Volume	Wash Trade Status	#Coins	#Pairs	Country	Established	Last 30 Days
	Coinbase	$299,661,941	BTI Verified	31	63			-18.26%
	Kraken	$51,635,907	BTI Verified	40	104	United States	2011	-16.04%
	Bittrex	$35,592,263	BTI Verified	358	431	United States	2014	0.05%
	Gemini	$24,486,169	BTI Verified	13	18	United States	2014	-14.23%
	ItBit	$823,937	BTI Verified	5	3	United States	2013	50.56%

(https://www.bti.live/exchanges/)

Altogether, 40 of the world's largest exchanges were analyzed in the study, 5 US Exchanges received the anti-manipulation (BTI Verified) or two exchanges that received the seal (BitFlyer and Bitstamp, both are based in New York) also received authentication.

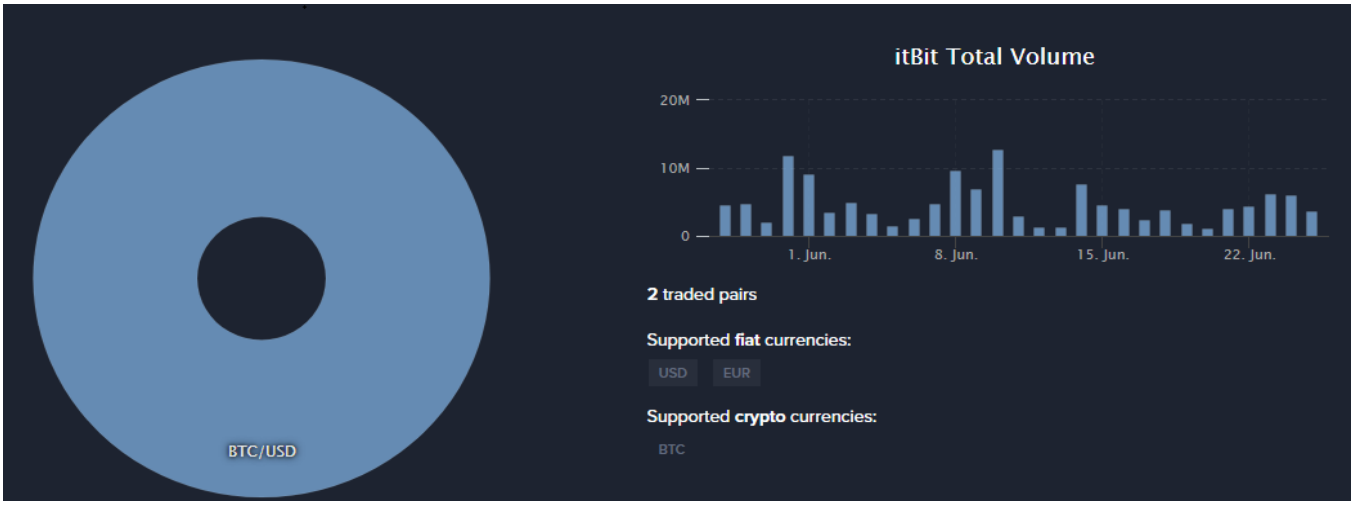
[1] https://www.federalregister.gov/documents/2019/04/04/2019-06520/self-regulatory-organizations-nyse-arca-inc-notice-of-designation-of-a-longer-period-for-commission

[2] https://coinlib.io

[3] https://www.bti.live

Continuing, we will analyze graphically using the (Mean, Variance and Standard Deviation) method with the volumes of American exchanges between May 28 and June 25, 2020, indicating that there are correlations in the volume bars of the mentioned exchanges.

Exchange - ItBit



(https://coinlib.io/exchange/itbit)

*Calculations are accounted for in millions

Volume value médium

4,48 + 4,73 + 1,94 + 11,83 + 9,15 + 3,44 + 4,99 + 3.34 + 1,49 + 2,54 + 4,76 + 9,57 + 6,91 + 12,75 + 2,92 + 1,32 + 1,26 + 7,60 + 4,58 + 4,05 + 2,29+ 3,75 + 1,78 + 1,10 + 4,05 + 4,40 + 6,26 + 6,00 + 3,68 =

29 (Days)

Total: 4,72 Millions

Variance

0,06 + 0,00 + 7,73 + 50,55 + 19,62 + 1,64 + 0,07 + 1,90 + 10,43 + 4,75 + 0,00 + 23,52 + 4,80 + 64,48 + 3,24 + 11,56 + 11,97 + 8,29 + 0.02 + 0,45 + 5,90 + 0,94 + 8,64 + 13,10 + 0,45 + 0,10 + 2,37 + 1,64 + 1,08

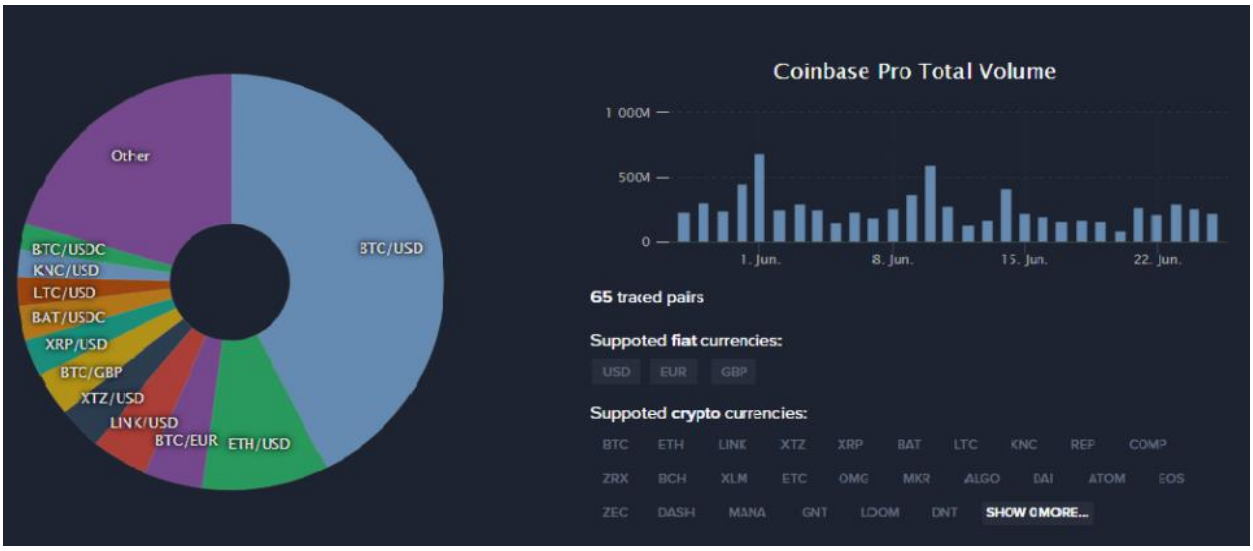
29 (Days)

Total: ≅ 8,94

Standard Deviation

DP = $\sqrt{8,94}$ = 2,99

Exchange – CoinBasePro



(https://coinlib.io/exchange/coinbase%20pro)

*Calculations are accounted for in millions

Volume value médium

228,46 + 301,54 + 232,10 + 448,70 + 684,45 + 244,24 + 286,91 + 248,63 + 141,55 + 229,39 + 182,98 + 256,83 + 360,70 + 592,15 + 272,30 + 124,89 + 164,60 + 408,25 + 215,87 +189,08 + 151,71 + 166,09 + 152,65 + 84,60 + 264,71 + 210,97 + 293,65 + 255,84 + 214,49 =

---

29 (Days)

Total: 262,36 Millions

Variance

1.149,21 + 1.535,07 + 915,67 + 34.722,60 + 178.159,97 + 328,33 + 602,70 + 188,51 + 14.595,06 + 1.087,02 + 6.301,18 + 30,58 + 9.670,76 + 108.761,44 + 98,80 + 18.898,00 + 9.557,02 + 21.283,89 + 2.161,32 + 5.369,96 + 12.243,42 + 9.267,91 + 12.036,28 + 31.598,61 + 5,52 + 2.640,93 + 979,06 + 42,51 + 2.291,54

---

29 (Days)

Total: ≅ 16.776,65

Standard Deviation

DP = √16.776,65 = 129,52

Exchange – Bittrex

(https://coinlib.io/exchange/bittrex)

***Calculations are accounted for in millions

Volume value médium

15,59 + 14,60 + 13,51 + 22,12 + 14,13 + 12,29 + 12,39 + 9.39 + 10,41 + 10,36 + 12,48 + 13,30 + 16,43 + 11,74 + 9,03 + 7,55 + 14,85 + 11,35 + 10,91 + 12,03 + 10,92 + 7,77 + 6,84 + 12,77 + 10,52 + 13,14 + 11,44 + 10,03 + 10,29 =

---

29 (Days)

Total: 12,01 Millions

Variance

12,82 + 6,71 + 2,25 + 102,21 + 4,49 + 0,08 + 0,14 + 6,84 + 2,56 + 2,76 + 0,22 + 1,66 + 19,53 + 0,07 + 8,88 + 19,89 + 8,06 + 0,44 + 1,21 + 0,00 + 1,18 + 17,98 + 26,73 + 0,58 + 2,22 + 1,28 + 0,32 + 3,92 + 2,96

---

29 (Days)

Total: ≅ 8,89

Standard Deviation

DP = √8,89 = 2,98

Exchange – Kraken

(https://coinlib.io/exchange/Kraken)

***Calculations are accounted for in millions

Volume value médium

47,72 + 48,49 + 62,24 + 95,09 + 58,70 + 60,87 + 47,75 + 20,38 + 46,72 + 35,73 + 38,90 + 51,59 + 83,37 + 44,70 + 17,83 + 21,40 + 80,54 + 44,29 + 53,11 + 35,30 + 42,46 + 22,19 + 16,57 + 46,41 + 39,97 + 54,26 + 52,33 +46,10 + 36,32 =

---

29 (Days)

Total: 46,60 Millions

Variance

1,25 + 3,57 + 244,61 + 2.351,28 + 146,41 + 203,63 + 1,32 + 26,22 + 0,01 + 118,16 + 59,29 + 24,90 + 1.352,02 +3,61 + 827,71 + 635,04 + 1.151,92 + 5,34 + 42,38 + 127,69 + 17,14 + 595,85 + 901,80 + 0,04 + 49,96 + 58,68 + 32,83 + 0,25 + 105,68

---

29 (Days)

Total: ≅ 313,40

Standard Deviation

DP = √313,40 = 17,70

Exchange comparisons

In relation to the aforementioned CoinBasePro, Kraken, ItBit and Bittrex accounting and comparing with the standard deviation we have the results:

ItBit x Bittrex

Standard deviation

ItBit 2,99 X 2,98 Bittrex

In conclusion, the two exchanges have almost the same standard deviations.

CoinBasePro x Kraken

Standard deviation

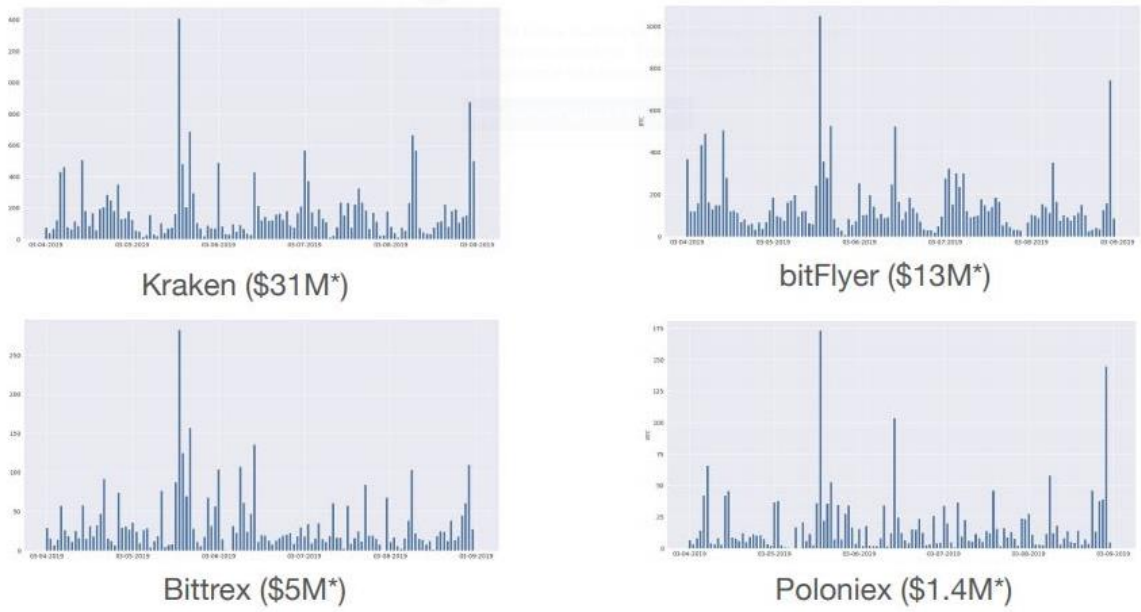
CoinBasePro 129,52 X 17,70 Bittrex

We can analyze that the difference in volume between the two exchanges is 5.64 times the value, so if we multiply the standard deviation with 5.64 we will have:

17.70 x 5.64 = (100.00 Rounding) = (original value 99.83)

The two exchanges will have a deviation at level 100, correlating the volumes of each period between the two exchanges during the periods mentioned.

Finally, another comparison that was already mentioned in the Bitwise report in 2019, American exchanges correlate daily volumes graphically:



** Obtained image Bitwase Graph Source. March 4-8,2019.*

Exchanges, mainly those that are established in New York, have the regulation authenticated by the New York State Department of Financial Services (NYSDFS).

coinbase GEMINI POLONIEX

bitFlyer itBit

* Obtained image Bitwase March 4-8,2019.

* **Note:** Exchange Poloniex is currently based in the Seychelles.

Custody management

During those years, investors who owned crypto assets like Bitcoin, suffered from massive loss during the scarcity of companies that did not offer adequate custody services for each investor profile. Exchanges, unfortunately, suffer daily from attempted hacking or phishing attacks. In a report released by ciphertrace,[4] exchanges experienced a loss of their assets valued at 4.26 billion and of that amount $ 3.1 billion in "Exit Scam" exit scam.

One of the consequences is that large parts of exchanges, especially those of lesser expression in the global market, use (hot storage) where the private key is active with an internet connection, and being conducive to vulnerabilities. Although, relevant brokers, use multi-signatures (P2SH pay-to-script-hash), which are a set of addresses that 2 or 3 people need to authorize a single transaction. This system makes it difficult for a hacker to know all the passwords of the participants at the same time (unless the private keys are allocated on only one device, which may result in the theft of coins).

Today there are cryptocurrency custodians in the American market. Examples like Fidelity, CoinBase and Bitgo, which have been standing out in the mainstream scenario where they are attracting large institutional investors who are very interested in this asset called Bitcoin. One of the reasons that custodians must have a “Qualified Certificate” with contributions in excess of $ 150,000 with the SEC regulation enacted as part of the Dodd Frank Act. But, the big question is that investors are positioned as holders that, in a way, make it difficult to increase trades, volume and market cap, which could be solved with an Investment Fund (ETF) that will be traded through authorized and regulated exchange indexes.

Finally, a range of opportunities is in sight for investors, both medium to large, that this market will experience exponential and organic growth in the financial world.

[4] https://ciphertrace.com/q2-2019-cryptocurrency-anti-money-laundering-report/

Companies with ETF approval proposals

Graniteshares

Founder: Will Rhind

Foundation year: 2016

Financial statements

GraniteShares ETF Trust

Statement of Assets and Liabilities

June 30, 2019

	GraniteShares HIPS US High Income ETF
Assets:	
Investments at cost	**$ 7,475,833**
Investments at value	**$ 7,533,319**
Cash	**215**
Capital shares receivable	**835,789**
Securities sold receivable	**6,934,149**
Dividends receivable	**39,164**
Total Assets	**15,342,636**
Liabilities:	
Securities purchased payable	**6,928,090**
Advisory fees payable	**4,323**
Capital shares payable	**841,022**
Total Liabilities	**7,773,435**
Net Assets	**$ 7,569,201**
Net Assets Consist of:	
Paid-in capital	**$ 8,103,216**

Distributable earnings/accumulated (loss) .....(534,015)

Net Assets .....$ 7,569,201

Shares Outstanding 450,000

Net Asset Value per share: .....$ 16.82

Note: In the observation of the financial statements, it detected a value of US $ 7,569,201 of positive equity assets in granites, proving that a company has sustainability and relevance in the ETF market.[5]

Direxion

President: Robert D. Nestor

Foundation year: 1997

ProShares has been at the forefront of the ETF revolution since 2006. ProShares now offers one of the largest lineups of ETFs, with more than $39 billion in assets. The company is the leader in strategies such as dividend growth, interest rate hedged bond and geared (leveraged and inverse) ETF investing. ProShares continues to innovate with products that provide strategic and tactical opportunities for investors to manage risk and enhance returns.

[5]Annual-Report, June 30, 2019.
https://www.graniteshares.com/Documents/152/GraniteShares-ETF-Trust-Annual-Report.pdf

Financial statements

Statements of Assets and Liabilities

October 31, 2019

	Direxion Daily Small Cap Bull 2X Shares
Assets:	
Investments, at fair value (Note 2)	**$3,077,938**
Cash equivalents	**43,921**
Due from Adviser, net (Note 6)	**709**
Dividend and interest receivable	**85**
Unrealized appreciation on swap contracts	**178,246**
Prepaid expenses and other assets	**6,264**
Total Assets	**3,307,163**
Liabilities:	
Due to broker for swap contracts	**190,380**
Accrued expenses and other assets	**5,261**
Total liabilities	**195,641**
Net Assets	**$3,111,522**
Net Assets Consist of:	
Capital stock	**$2,888,893**
Total distributable earnings	**$ 222,629**
Net Assets	**$3,111,522**
Calculation of Net Asset Value Per Share:	
Net assets	**$3,111,522**
Shares outstanding (unlimited shares of beneficial interest authorized, par value)	**$ 66,644**
Net assets value, redemption price and offering price per share	**$ 46.69**
Cost of Investments	**$2,790,421**

Note: In the observation of the financial statements, it detected a value of US $3,111,522 of positive equity assets in granites, proving that a company has sustainability and relevance in the ETF market.[6]

[6] Annual Report, Octuber 31, 2019.

https://webcache.googleusercontent.com/search?q=cache:yxfLYpzD_cUJ:fundreport.funddj.com/GetETFInfo.asp%3FA%3DKNOW%26b%3D4+&cd=2&hl=pt-BR&ct=clnk&gl=br

Bitwise

Founder: Hunter Horsley

Foundation year: 2017

Founded in 2017, Bitwise Asset Management pioneered the first cryptocurrency index fund and is the leading provider of rules-based exposure to the cryptoasset space. Based in San Francisco, the team combines modern software expertise with decades of asset management experience - coming from firms including Facebook, Wealthfront, BlackRock, NYLife Investments, IndexIQ, US Commodity Funds, Goldman Sachs, JPMorgan, and ETF.com. The firm's advisors and backers have experience as investors, executives, and board directors at companies including PayPal, BlackRock, Square, Coinbase, Stripe, Western Asset, Royal Bank of Scotland, Chain, Twitter, Palantir, and McKinsey.

NOTE:

*BitWise's balance sheets were not publicly located.

Proshares

Founder: Michael Sapir

Foundation year: 1997

ProShares has been at the forefront of the ETF revolution since 2006. ProShares now offers one of the largest lineups of ETFs, with more than $39 billion in assets. The company is the leader in strategies such as dividend growth, interest rate hedged bond and geared (leveraged and inverse) ETF investing. ProShares continues to innovate with products that provide strategic and tactical opportunities for investors to manage risk and enhance returns.

Financial statements

PROSHARES TRUST STATEMENTS OF ASSETS AND LIABILITIES

MAY 31, 2019

	UltraShort Utilities
ASSETS:	
Securities and Repurchase Agreements, at cost	$ 3,584,017
Securities, at value(a)	—
Repurchase Agreements, at value	3,584,017
Cash	—
Segregated cash balances with brokers for futures contracts	—
Segregated cash balances with custodian for swap agreements	1,493,683
Dividends and interest receivable	240
Receivable for security lending income	—
Receivable for investments sold	—
Due from counterparty	—
Receivable for capital shares issued	—
Receivable from Advisor	4,327
Reclaims receivable	—
Receivable for variation margin on futures contracts	—
Unrealized appreciation on non-exchange traded swap agreements	124,942
Prepaid expenses	5,069
Total Assets	5,212,278
LIABILITIES:	
Cash overdraft	—
Payable for investments purchased	—
Payable for capital shares redeemed	—
Payable for cash collateral received from securities loaned	—
Advisory fees payable	—
Management Services fees payable	—
Custodian fees payable	44

Administration fees payable…….. 6,200
Trustee fees payable……... 39
Compliance services fees payable……..17
Listing, Data and related fees payable…… 543
Professional fees payable
…….8.900
Payable for variation margin on futures contracts……...—
Unrealized depreciation on non-exchange traded swap agreements…… 767,902
Other liabilities…….. 2,000

Total Liabilities…….785,645

NET ASSETS……..$4,426,633

NET ASSETS CONSIST OF:

Paid in Capital…… $15,768,359
Distributable earnings (loss) (Note 17)…….. (11,341,726)

NET ASSETS…… $ 4,426,633

Shares (unlimited number of shares authorized, no par value)…… 237,490
Net Asset Value…… $ 18.64
(a) Includes securities on loan valued at: $ ……—

Note: In the observation of the financial statements, it detected a value of US $ 4,426,633 of positive equity assets in granites, proving that a company has sustainability and relevance in the ETF market.[7]

[7] Annual Report, MAY 31, 2019. https://www.proshares.com/media/documents/proshares_annual_report.pdf

Analytical vision and conclusion

To the formerly rejected and revised ETFs (GraniteShares, ProShares and Direxion) dated on (October 4, 2018) and BitWase (October 9, 2019), it is of paramount importance for the financial market that investors can have a range of opportunities, both regularization, financial and employability to open doors to institutional investors.

As is known, the world is experiencing a serious economic crisis caused by COVID-19, where thousands of people have lost their jobs[8]. And technology has been accelerating and opening doors to employability in America.

Economic crises caused by monetary slowdowns by quantitative easing,[9] corrupt the balance sheets and undermine the purchasing power of the currency that is a subterfuge for thousands of people who have partially lost their incomes.

An example that can be highlighted, what happened in the Weimar republic (1923). Hence thousands of people lost their income entirely, caused by the superinflation of the time, [10] where the exchange rate for Deutsche Mark to the dollar was one trillion marks. In The Downfall of Money: Germany's Hyperinflation and the Destruction of the Middle Class, Frederick Taylor writes that "people with middle income and no access to agricultural products or foreign currency were forced to learn to hunt and stand in lines for food - both because their income was often not enough to buy what they wanted on a given day, but also because, as hyperinflation intensified, there was a genuine shortage of food. "

Technological solutions are a great way to generate jobs, mainly involving technologies such as blockchain. A case in point would be JP Morgan, which is one of the main companies that recruit technology-related workers along with Delloitte and KPMG.[11] With that, there was a demand for employee related to the sector of 1,457%, being that, it is a technology that has potential economic growth.

Regarding market manipulation, where it was an argument evaluated by SEC (Security Exchange Commission) commissioners for the disapproval of ETFs,[12] it can be justified that there are other situations (I will highlight some) of manipulation in already regulated markets. One of them is the case that occurred on March 11, 2015 with the manipulation of the wheat commodity, there was the manipulation of the price of certain contracts and options of wheat futures and options traded on CBOT.[13] And the result of market manipulation involving Robert Walter Murray in the shares of Fitbit, Inc, for a total value of $ 100 million.[14]

Unregulated exchanges are one of the factors for market manipulation to occur without adequate and transparent surveillance. The case I refer to, that of the failed Exchange QuadrigaCX, which articulated a ponzi scheme in its creditors in the total amount of US $ 200 million.[15] Nonetheless, another case that occurred was the defunct Mt.GOX Japanese Exchange with a hole in its value 750,000 bitcoins (at the time valued at $ 565 per Bitcoin in 2014) .[16] Today, thousands of exchanges have volumes that are inconsistent with the size of clients it has as demonstrated in the BItwise report that trading itself does not it was close to the NAV price.

Finally, the context of the contemporary world has changed. Today, technology like blockchain is here to stay. Demonstrating high capacity for security, immutability, irrefutability, transparent, decentralized and mainly audited so that there is consensus of everyone who participates in the network, where software of this nature is fundamental, to help combat market manipulations.

I hope I can contribute something more, but for now I appreciate the opportunity to express myself about this monetary revolution called Bitcoin.

Thanks to the Security Exchange Commission for the opportunity!

Sami Santos

economist

Brazil

---

[8] https://www.bloomberg.com/opinion/articles/2020-05-07/unemployment-insurance-could-save-more-jobs

[9]https://www.bloomberg.com/news/articles/2020-03-23/fed-signals-unlimited-qe-adds-aid-for-companies-municipalities

[10] https://www.mises.org.br/Article.aspx?id=2902&ac=218175

[11] https://www.beseen.com/blog/talent/bitcoin-job-market-2019-beyond/

[12] https://www.coindesk.com/sec-rejects-7-bitcoin-etf-proposals

[13] https://www.cftc.gov/PressRoom/PressReleases/7804-18

[14]https://www.sec.gov/oig/virginia-man-arrested-and-charged-manhattan-federal-court-100-million-market-manipulation

[15] https://www.coindesk.com/quadriga-was-a-ponzi-scheme-ontario-securities-regulator-says

[16] https://www.wired.com/2014/03/bitcoin-exchange/

References

[1] F.Taylor, “In The Downfall of Money: Germany's Hyperinflation and the Destruction of the Middle Class”, 2013.

[2] D.Tapscoot, A. Tapscoot, “Blockchain Revolution”, 2017.

[3] https://www.federalregister.gov/documents/2019/04/04/2019-06520/self-regulatory-organizations-nyse-arca-inc-notice-of-designation-of-a-longer-period-for-commission

[4] https://coinlib.io

[5] https://www.bti.live

[6] https://ciphertrace.com/q2-2019-cryptocurrency-anti-money-laundering-report/

[7] Annual-Report, June 30, 2019.

https://www.graniteshares.com/Documents/152/GraniteShares-ETF-Trust-Annual-Report.pdf

[8] Annual Report, Octuber 31, 2019.

https://webcache.googleusercontent.com/search?q=cache:yxfLYpzD_cUJ:fundreport.funddj.com/GetETFInfo.asp%3FA%3DKNOW%26b%3D4+&cd=2&hl=pt-BR&ct=clnk&gl=br

[9] Annual Report, MAY 31, 2019.

https://www.proshares.com/media/documents/proshares_annual_report.pdf

[10] https://www.bloomberg.com/opinion/articles/2020-05-07/unemployment-insurance-could-save-more-jobs

[11] https://www.bloomberg.com/news/articles/2020-03-23/fed-signals-unlimited-qe-adds-aid-for-companies-municipalities

[12] https://www.mises.org.br/Article.aspx?id=2902&ac=218175

[13] https://www.beseen.com/blog/talent/bitcoin-job-market-2019-beyond/

[14] https://www.coindesk.com/sec-rejects-7-bitcoin-etf-proposals

[15] https://www.cftc.gov/PressRoom/PressReleases/7804-18

[16] https://www.sec.gov/oig/virginia-man-arrested-and-charged-manhattan-federal-court-100-million-market-manipulation

[17] https://www.coindesk.com/quadriga-was-a-ponzi-scheme-ontario-securities-regulator-says

[18] https://www.wired.com/2014/03/bitcoin-exchange/