

**Subject: File No. SR-CboeBZX-2021-019**

**From: SAM AHN**

This is my 2<sup>nd</sup> comment on this proposal, in succession to Link 15 below, and 21<sup>st</sup> comment on bitcoin. All my writings on bitcoin, including this, are about intrinsic value. My previous comments can be found at these links:

Link 1: <https://www.sec.gov/comments/sr-cboebzx-2018-040/srcboebzx2018040-4206251-172835.htm>  
Link 2: <https://www.sec.gov/comments/sr-nysearca-2017-139/nysearca2017139-4221685-172898.htm>  
Link 3: <https://www.sec.gov/comments/sr-cboebzx-2018-001/cboebzx2018001-4226785-172988.htm>  
Link 4: <https://www.sec.gov/comments/sr-nysearca-2018-02/nysearca201802-4240462-173003.pdf>  
Link 5: <https://www.sec.gov/comments/sr-cboebzx-2018-040/srcboebzx2018040-4274529-173133.pdf>  
Link 6: <https://www.sec.gov/comments/sr-cboebzx-2018-040/srcboebzx2018040-4530331-176071.pdf>  
Link 7: <https://www.sec.gov/comments/sr-cboebzx-2018-001/cboebzx2018001-4581773-176242.pdf>  
Link 8: <https://www.sec.gov/comments/sr-cboebzx-2019-004/srcboebzx2019004-4934624-178449.pdf>  
Link 9: <https://www.sec.gov/comments/sr-cboebzx-2019-004/srcboebzx2019004-5180412-183546.pdf>  
Link 10: <https://www.sec.gov/comments/sr-cboebzx-2019-004/srcboebzx2019004-5318047-183890.pdf>  
Link 11: <https://www.sec.gov/comments/sr-nysearca-2019-01/srnysearca201901-5524009-185228.pdf>  
Link 12: <https://www.sec.gov/comments/sr-nysearca-2019-01/srnysearca201901-5706832-185947.pdf>  
Link 13: <https://www.sec.gov/comments/sr-nysearca-2019-01/srnysearca201901-5717064-186027.pdf>  
Link 14: <https://www.sec.gov/comments/sr-nysearca-2019-39/srnysearca201939-5810618-187451.pdf>  
Link 15: <https://www.sec.gov/comments/sr-cboebzx-2021-019/srcboebzx2021019-8652267-231475.pdf>  
Link 16: <https://www.sec.gov/comments/sr-cboebzx-2021-024/srcboebzx2021024-8664058-235363.pdf>  
Link 17: <https://www.sec.gov/comments/sr-cboebzx-2021-029/srcboebzx2021029-8732324-237081.pdf>  
Link 18: <https://www.sec.gov/comments/sr-nysearca-2021-31/srnysearca202131-8861698-240078.pdf>  
Link 19: <https://www.sec.gov/comments/sr-nysearca-2021-37/srnysearca202137-8883651-240445.pdf>  
Link 20: <https://www.sec.gov/comments/sr-cboebzx-2021-039/srcboebzx2021039-8895798-241277.pdf>

This writing is an answer to Quote 1 below, which is on Page 5 of Link 21.

Link 21: <https://www.sec.gov/rules/sro/cboebzx/2021/34-92196.pdf>

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| (Quote 1) What are commenters' views generally on whether the Exchange's proposal is designed to prevent <b>fraudulent and manipulative acts</b> and practices? |
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Regarding the underlined phrase, how it is before the SEC's decision on this proposal is not important. What is important is how it will be after one approval of bitcoin ETF. The reason is that bitcoin is **different** from other assets underlying ETF's as to government actions.

**The difference** appears when two Forms S-1 are compared. Link 22 below has a Form S-1 for a gold ETF while Link 23 farther below has the Form S-1 this proposal is referring to.

Link 22: <https://www.sec.gov/Archives/edgar/data/1618181/000119312518191436/d419625ds1a.htm>

Risk factors are listed from Page 8 through Page 21. The word "government" appears three (3) times within this range, and the risk in association of government activities is described as Quote 2 hereunder:

(Quote 2) The official sector consists of central banks, other governmental agencies and international organizations that buy, sell and hold gold as part of their reserve assets. The official sector holds a significant amount of gold, most of which is static, meaning that it is held in vaults and is not bought, sold, leased or swapped or otherwise mobilized in the open market. A number of central banks have sold portions of their gold over the past 10 years, with the result that the official sector, taken as a whole, has been a net supplier to the open market. Since 1999, most sales have been made in a coordinated manner under the terms of the Central Bank Gold Agreement, as amended, or “CBGA,” under which 21 of the world’s major central banks (including the European Central Bank) agree to limit the level of their gold sales and lending to the market. In the event that future economic, political or social conditions or pressures require members of the official sector to liquidate their gold assets all at once or in an uncoordinated manner, the demand for gold might not be sufficient to accommodate the sudden increase in the supply of gold to the market. Consequently, the price of gold could decline significantly, which would adversely affect an investment in the Shares.

It is said therein that there is an international agreement to stabilize gold price. And that over-supply of gold would happen if said agreement fails. Compare it with what is said in Quote 3 below at Link 23.

Link 23: [https://www.sec.gov/Archives/edgar/data/1838028/000093041320002664/c100811\\_s1.htm](https://www.sec.gov/Archives/edgar/data/1838028/000093041320002664/c100811_s1.htm)

Risk factors are listed from Page 9 through Page 32. The word ‘government’ appears 14 times within this range.

Page 11 has the summary statement about government action.

(Quote 3) Monetary policies of governments, trade restrictions, currency devaluations and revaluations and regulatory measures or enforcement actions, if any, that restrict the use of bitcoin as a form of payment or the purchase of bitcoin on the bitcoin markets;

Page 16 has this:

(Quote 4) Over the past several years, a number of bitcoin exchanges have been closed or faced issues due to fraud, failure, security breaches or governmental regulations. The nature of the assets held at bitcoin exchanges makes them appealing targets for hackers and a number of bitcoin exchanges have been victims of cybercrimes. In many of these instances, the customers of such bitcoin exchanges were not compensated or made whole for the partial or complete losses of their account balances in such bitcoin exchanges. No bitcoin exchange is immune from these risks. While the Trust itself does not buy or sell bitcoin on bitcoin exchanges, the closure or temporary shutdown of bitcoin exchanges due to fraud, business failure, hackers or malware, or government-mandated regulation may reduce confidence in the Bitcoin network and can slow down the mass adoption of bitcoin.

Page 24 has this:

(Quote 5) The regulation of bitcoin and related products and services continues to evolve, may take many different forms and will, therefore, impact bitcoin and its usage in a variety of manners. The inconsistent and sometimes conflicting regulatory landscape may make it more difficult for bitcoin businesses to provide services, which may impede the growth of the bitcoin economy and have an adverse effect on consumer adoption of bitcoin. There is a possibility of future regulatory change altering, perhaps to a material extent, the nature of an investment in the Trust or the ability of the Trust to continue to operate. Additionally, changes to current regulatory determinations of bitcoin's status as not being a security, changes to regulations surrounding Bitcoin Futures or related products, or actions by a United States or foreign government or quasi-governmental agency exerting regulatory authority over bitcoin, the Bitcoin network, bitcoin trading, or related activities impacting other parts of the digital asset market, may adversely impact bitcoin and therefore may have an adverse effect on the value of your investment in the Trust.

And Page 35 has this:

(Quote 6) As digital assets have grown in both popularity and market size, the U.S. Congress and a number of U.S. federal and state agencies (including FinCEN, SEC, CFTC, FINRA, the Consumer Financial Protection Bureau ("CFPB"), the Department of Justice, the Department of Homeland Security, the Federal Bureau of Investigation, the IRS and state financial institution regulators) have been examining the operations of digital asset networks, digital asset users and the digital asset exchange markets, with particular focus on the extent to which digital assets can be used to launder the proceeds of illegal activities or fund criminal or terrorist enterprises and the safety and soundness of exchanges or other service-providers that hold digital assets for users. Many of these state and federal agencies have issued consumer advisories regarding the risks posed by digital assets to investors. In addition, federal and state agencies, and other countries have issued rules or guidance about the treatment of digital asset transactions or requirements for businesses engaged in digital asset activity.

In brief, government actions can influence the price of bitcoin much more than they can do the price of gold. This makes bitcoin **different** from gold.

We can infer from the **difference** that the SEC's recognition of its normalcy will boost the bitcoin market. What the SEC can get from the question of Quote 1 is insufficient for decision-making on approval of this proposal, A better question would be whether an approval of bitcoin ETF will FOSTER fraud and manipulation with bitcoin. My answer is **YES**.