

MEMORANDUM

TO: File No. SR-NYSEArca-2021-90

FROM: Stacia Sowerby
Office of Market Supervision, Division of Trading and Markets

DATE: April 27, 2022

SUBJECT: Meeting with Grayscale re: Grayscale Bitcoin Trust

On April 26, 2022, Haoxiang Zhu, Meredith Macvicar, David Shillman, Molly Kim, Edward Cho, David Remus, Stacia Sowerby, Arun Manoharan, Steve Oh, Christopher Ray, and Kirk Broadbelt from the Division of Trading and Markets, and Igor Kozhanov and Robert Garrison from the Division of Economic and Risk Analysis, participated in a meeting with the following individuals:

Michael Sonnenshein, Grayscale Investments, LLC (“Grayscale”)
Craig Salm, Grayscale
David LaValle, Grayscale
Edward McGee, Grayscale
Hugh Ross, Grayscale
Jennifer Rosenthal, Grayscale
Joe Hall, Davis Polk & Wardwell LLP (“DPW”)
Paul Mishkin, DPW
Daniel Schwartz, DPW
Hillary Coleman, DPW
Zachary Zweihorn, DPW

The discussion concerned NYSE Arca, Inc.’s proposed rule change to list and trade shares of the Grayscale Bitcoin Trust under NYSE Arca Rule 8.201-E. Grayscale also provided the attached presentation.



GRAYSCALE[®]

APRIL 26, 2022

Executive Summary

The SEC should approve NYSE Arca's 19b-4 rule change application to convert Grayscale Bitcoin Trust (GBTC) to an ETF¹

Grayscale Bitcoin Trust (GBTC) presents a compelling conversion case to start trading as an ETF on a national securities exchange

- GBTC has grown to become the **largest publicly-traded digital asset fund** in the world holding approximately **3.4% of all Bitcoin** outstanding with approximately **\$30 billion in AUM**, **\$100s of millions in daily trading volume**, and held by **more than 850,000 investor accounts in the United States**
- GBTC has been an **SEC reporting company for more than two years**, continually enhancing risk disclosures as we've gathered SEC feedback from Grayscale's other products that are also SEC reporting companies
- Grayscale has a network of partners with well-documented and proven business processes **ready to operate GBTC as an ETF today**

There are persuasive arguments being sent by the public to the SEC in favor of converting GBTC to an ETF

- The conversion of GBTC to an ETF would **protect investors and the public interest**, allowing the product to **better track net asset value** while giving investors the **freedom** to invest in Bitcoin in a **safe and secure** manner
- The SEC is uniquely positioned to **support the White House Executive Order** to ensure America leads in Digital Asset innovation by **further bringing Bitcoin into the regulatory perimeter**
- There is **little regulatory difference between an ETF based on Bitcoin futures (which has been approved) and an ETF based on spot Bitcoin (applications for which have all been denied)**

Finally, we note there has been extensive commentary on the six topics the SEC has raised in our application



¹ In this presentation, we use the generic term "ETF" to cover exchange-traded investment vehicles that are required to register under the Investment Company Act of 1940 (as amended, the "1940 Act"), also commonly referred to as "exchange-traded funds" or "ETFs," as well as those, like what GBTC is seeking to convert to, that would not be subject to the registration requirements of the 1940 Act.

Agenda

1

Grayscale Bitcoin Trust (GBTC) presents a compelling conversion case to start trading as an ETF on a national securities exchange

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There are persuasive arguments being sent by the public to the SEC in favor of converting GBTC to an ETF

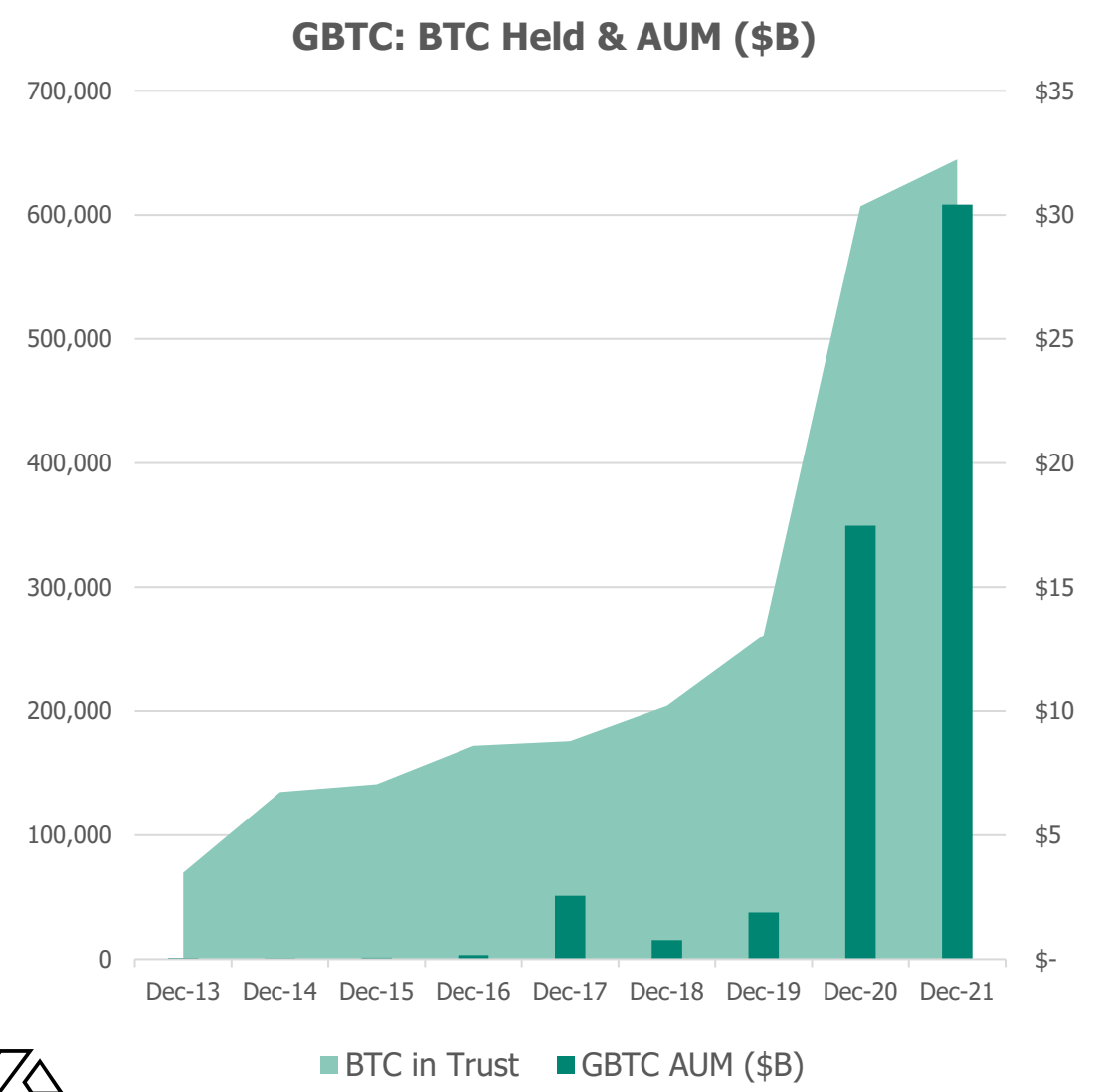
3

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GBTC has grown to become the largest publicly traded crypto asset fund and a top commodity fund

GBTC has a strong history of asset growth¹...



Sources: ¹ Grayscale, ² Bloomberg (Q1 2022)

...is a top 3 Commodity Fund by AUM²...

Rank	Fund	AUM (\$B)	Asset
1	GLD	68.1	Gold
2	IAU	32.2	Gold
3	GBTC	\$29.3	BTC
4	SLV	13.9	Silver
5	ETHE	10.2	Ether
6	PDBC	7.8	Commodity Futures
7	GLDM	5.2	Gold
8	FTCG	4.2	Commodity Futures
9	DBC	4.1	Commodity Futures
10	COMT	2.9	Commodity Futures
11	USO	3.2	WTI Oil Futures
12	SGOL	2.8	Gold
...			
17	BITO	1.31	BTC Futures
54	BTF	0.1	BTC Futures

...and a Top 10 Product by Liquidity²

Rank	Fund	ADV (\$M)	Asset
1	GLD	2,388	Gold
2	SLV	747	Silver
3	IAU	624	Gold
4	USO	592	WTI Oil Futures
5	BITO	205	BTC Futures
6	GBTC	\$168	BTC
7	PDBC	157	Commodity Futures
8	DBC	153	Commodity Futures
9	UCO	142	WTI Oil Futures
10	UNG	136	Nat. Gas Futures
11	GLDM	132	Gold
12	ETHE	106	Ether
13	BOIL	101	Nat. Gas Futures
...			
29	BTF	0.8	BTC Futures



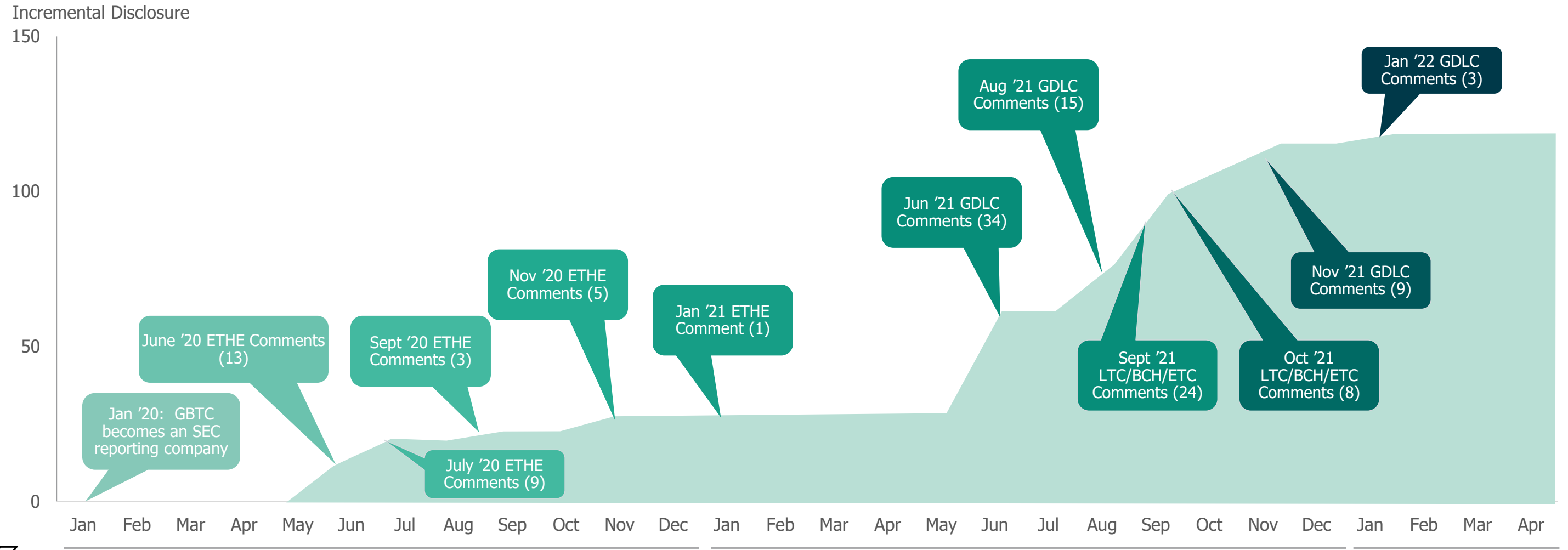
GBTC is held by 865,000+ investor accounts across nominees holding varying amounts of investor accounts without a specific concentration

NOMINEE ACCOUNT RANGE (# shares)	ACCOUNTS IN RANGE	TOTAL SHARES IN RANGE	NOTIONAL VALUE (based on closing price of \$42.28)	%
1-50	1,763	66,524,933	\$ 2,812,674,167	11.49%
51-249	2,603	68,234,236	\$ 2,884,943,498	11.79%
250-499	2,509	13,402,165	\$ 566,643,536	2.31%
500-749	4,653	26,849,513	\$ 1,135,197,410	4.64%
750-999	774	416,153	\$ 17,594,949	0.07%
1,000-1,499	1,458	2,184,758	\$ 92,371,568	0.38%
1,500-1,999	1,829	1,356,905	\$ 57,369,943	0.23%
2,000-3,999	11,638	17,516,701	\$ 740,606,118	3.03%
10,000-19,999	29,598	17,298,009	\$ 731,359,821	2.99%
30,000-34,999	34,527	20,079,874	\$ 848,977,073	3.47%
50,000-59,999	54,881	31,567,079	\$ 1,334,656,100	5.45%
150,000-152,999	150,586	90,535,555	\$ 3,827,843,265	15.64%
153,000-169,999	153,145	68,591,170	\$ 2,900,034,668	11.85%
170,000-172,999	172,507	151,145,116	\$ 6,390,415,504	26.11%
173,000-250,000	242,821	3,244,176	\$ 137,163,761	0.56%
Totals	865,292	578,946,343	24,477,851,382	100%



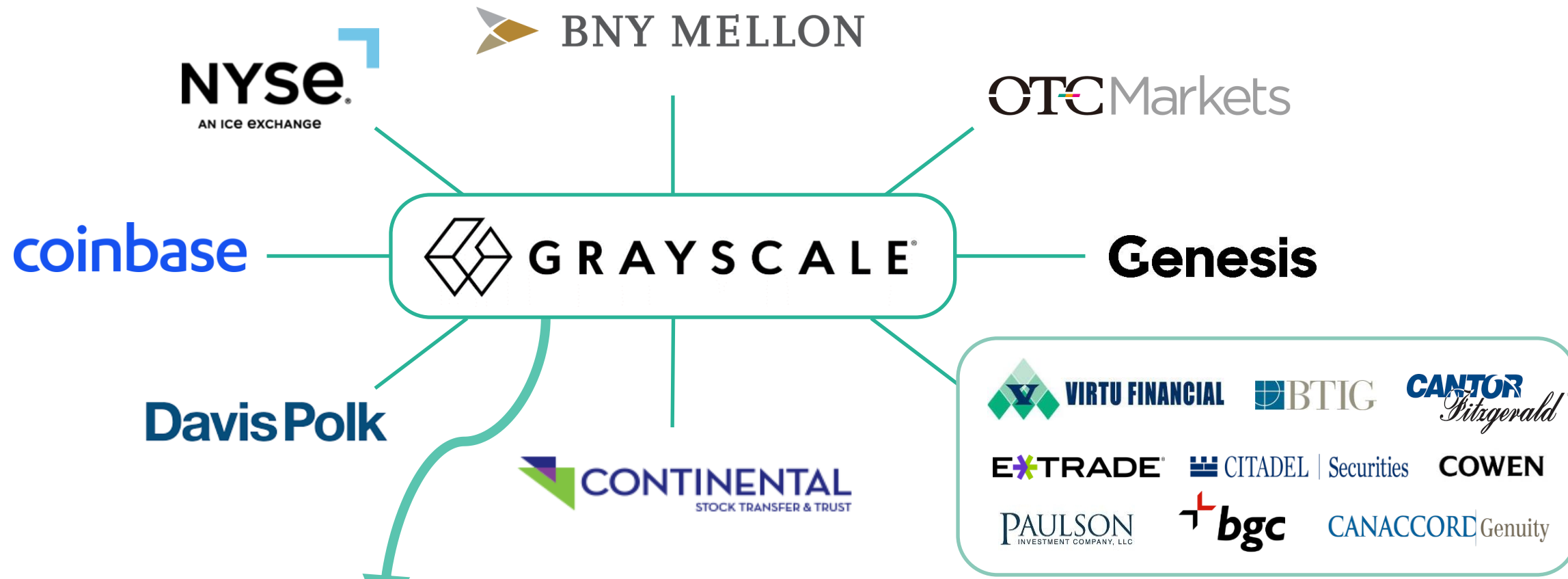
Grayscale and the SEC have worked together to enhance disclosures for the benefit of investors

As the SEC has provided feedback on Grayscale's more recent SEC Reporting Company Products, those enhancements have been incorporated into the filings of all Products (inclusive of GBTC)

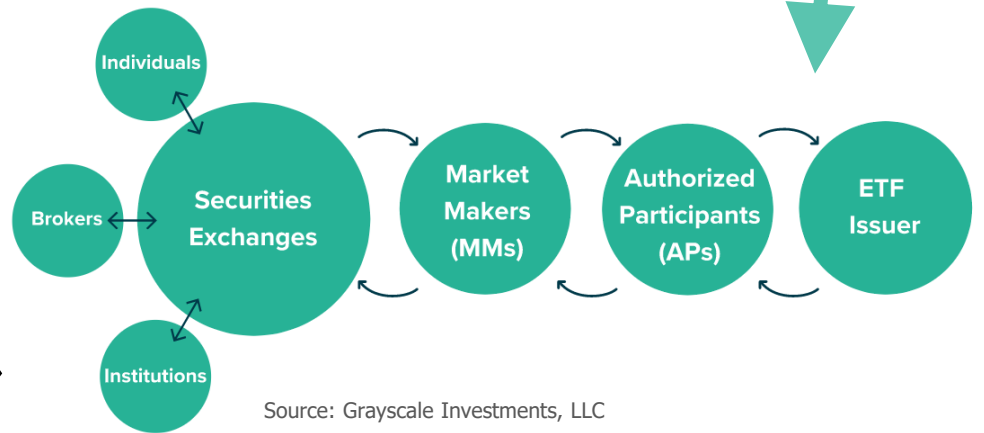


Source: Grayscale Investments, LLC correspondence with SEC

Grayscale has a network of partners and well-documented and proven business processes ready to operate GBTC as an ETF today



Market Makers Currently Supporting GBTC on OTCQX



Source: Grayscale Investments, LLC



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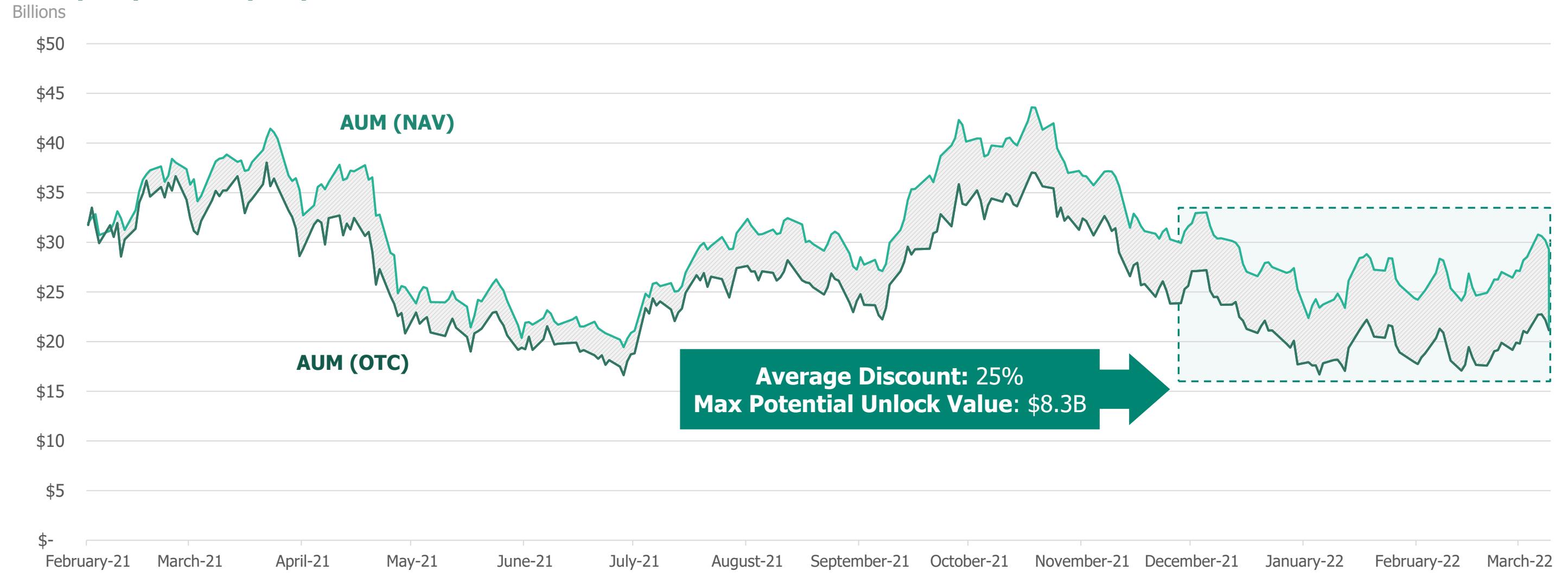
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GBTC ETF conversion will allow better NAV tracking, reduce discounts and premiums, and unlock approximately \$8B for investors

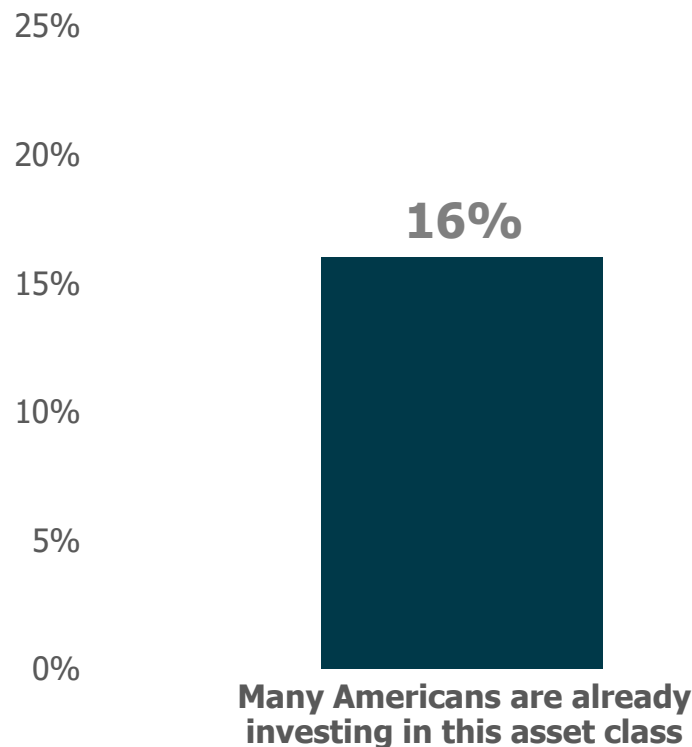
AUM (NAV) vs AUM (OTC)



Source: Grayscale Investments, LLC and OTCQX (OTC Markets)

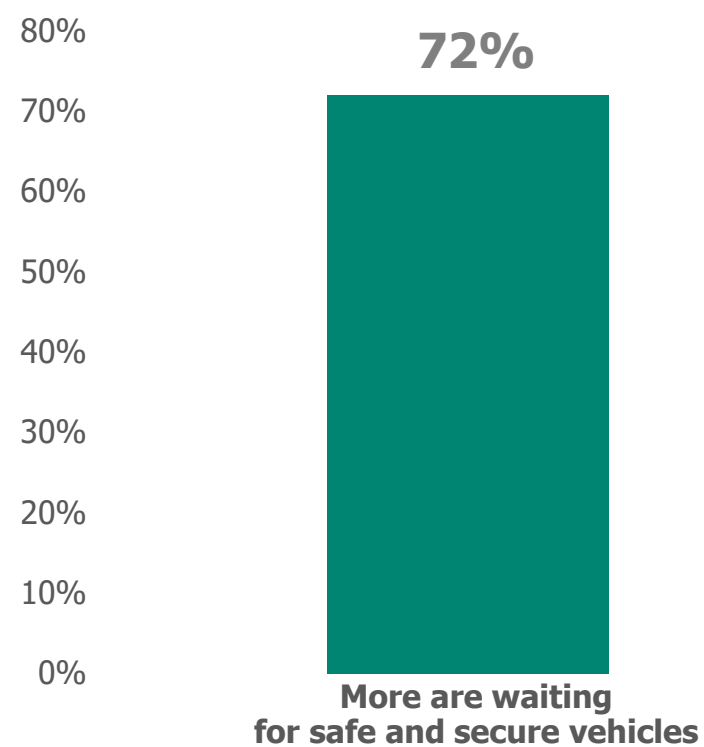
American investors want and deserve the freedom to invest in Bitcoin through a safe and secure manner

16% of Americans Using Cryptocurrencies



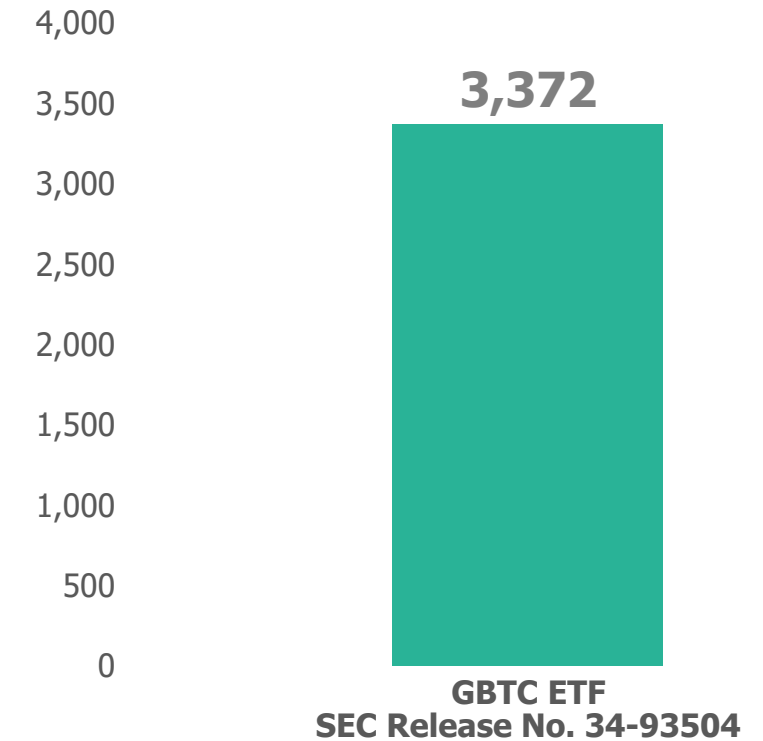
According to The White House, approximately 16% of adult Americans – more than 40 million people – have invested-in, traded, or used cryptocurrencies¹

72% of Financial Advisors waiting for ETF



Nasdaq recently conducted a study finding that 72% of financial advisors who are either investing client assets in crypto or considering it would be more likely to do so through a spot ETF²

3,000+ Comments to SEC on GBTC Conversion



Grayscale investors and market participants are in support of GBTC's conversion to an ETF

Over 3,000 letters have been submitted to the SEC on behalf of our investors expressing their desire to invest in spot Bitcoin through an ETF³

Sources: ¹White House Executive Order FACT SHEET: President Biden to Sign Executive Order on Ensuring Responsible Development of Digital Assets; <https://www.whitehouse.gov/briefing-room/statements-releases/2022/03/09/fact-sheet-president-biden-to-sign-executive-order-on-ensuring-responsible-innovation-in-digital-assets/>; ²The Block, Nasdaq survey indicates financial advisors are eager for a spot crypto ETF; <https://www.theblockcrypto.com/linked/141499/nasdaq-survey-indicates-financial-advisors-are-eager-for-a-spot-crypto-etf>; ³Comments on NYSE Arca Rulemaking re Grayscale Bitcoin Trust (GBTC); <https://www.sec.gov/comments/sr-nysearca-2021-90/srnysearca202190.htm>;

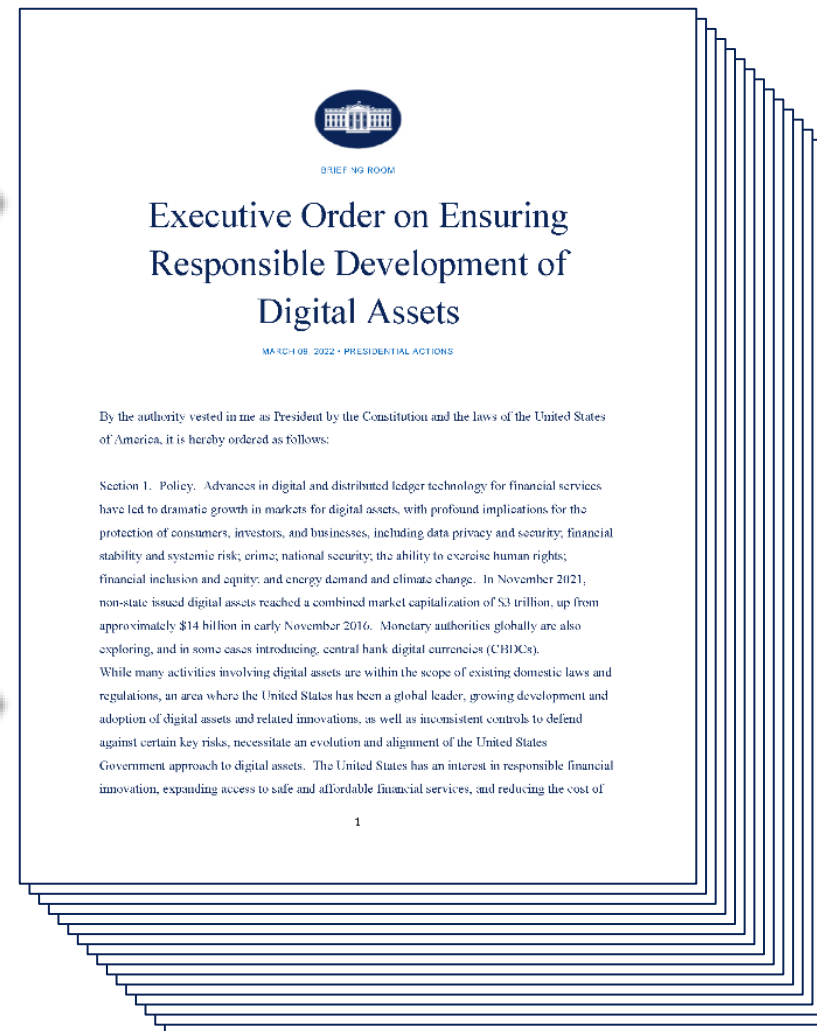


The SEC is uniquely positioned...

The SEC is uniquely positioned to support the White House Executive Order to ensure America leads in digital asset innovation by further bringing Bitcoin into the regulatory perimeter

“The United States has an interest in responsible financial innovation, **expanding access to safe and affordable financial services...**”

“The United States also has an interest in ensuring that the **benefits of financial innovation are enjoyed equitably by all Americans** and that any disparate impacts of financial innovation are mitigated.”

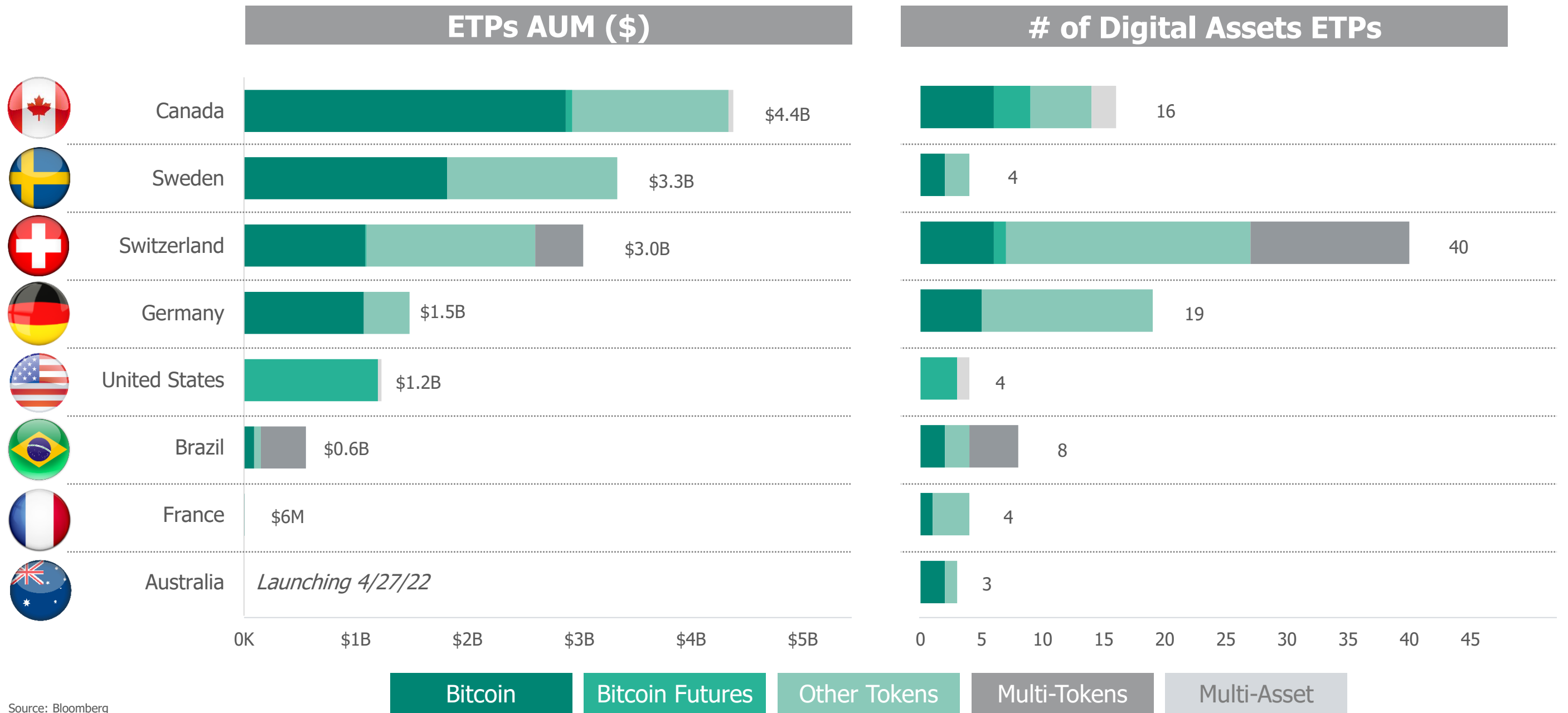


“The United States has a strong interest in promoting responsible innovation that expands **equitable access to financial services**, particularly for those Americans underserved by the traditional banking system, **including by making investments...by promoting greater and more cost-efficient access to financial products and services.**”

“We must **reinforce United States leadership** in the global financial system and in technological and economic competitiveness”



The US lags global markets, with other jurisdictions providing Bitcoin (and other digital asset) exchange-traded products



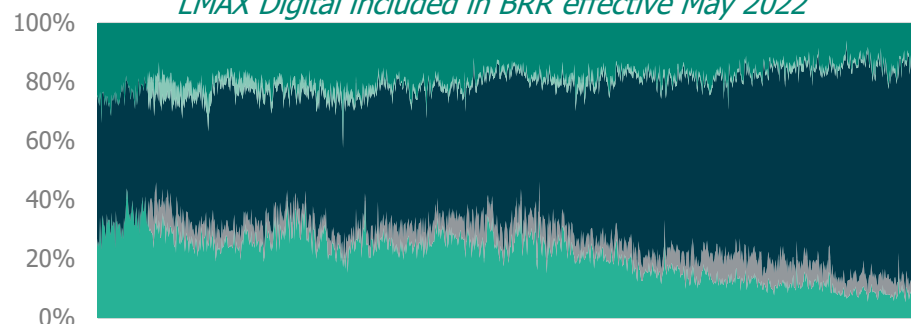
A Bitcoin Spot ETF is no riskier than a Bitcoin Futures ETF...

... with prices for both markets influenced by the same inputs

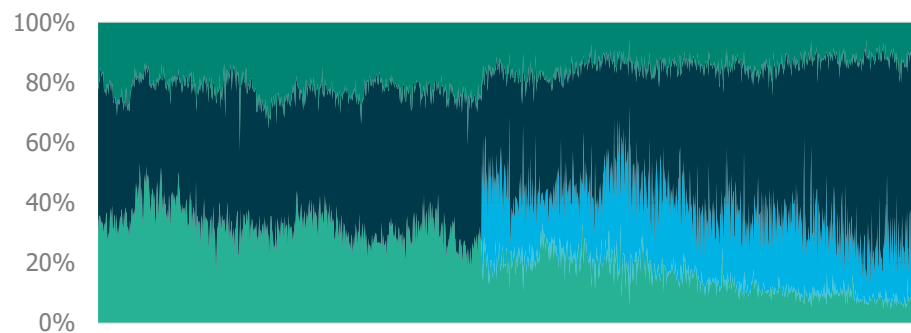
Futures benchmark & spot index price have significant overlap in constituents

BRR Exchange Volumes¹

LMAX Digital included in BRR effective May 2022



XBX Exchange Volume Share²



Feb-18 Apr-18 Jun-18 Aug-18 Oct-18 Dec-18 Feb-19 Apr-19 Jun-19 Aug-19 Oct-19 Dec-19 Feb-20 Apr-20 Jun-20 Aug-20 Oct-20 Dec-20 Feb-21 Apr-21 Jun-21 Aug-21 Oct-21 Dec-21 Feb-22

Bitstamp Itbit Gemini Coinbase Kraken LMAX³

...resulting in prices that track each other closely

BTC Price: XBX vs BRR



Source: 1. CME; 2. Tradeblock Inc.; 3. Effective May 3,2022 LMAX Digital will be included in the BRR (<https://www.cmegroup.com/markets/cryptocurrencies/cme-cf-cryptocurrency-benchmarks.html>)



The SEC is discriminating against issuers by approving Bitcoin Futures ETFs and denying Bitcoin Spot ETFs

- SEC historically concerned with potential fraud and manipulation in underlying Bitcoin markets
- Underlying Bitcoin markets affect both Bitcoin Futures ETFs and potential Bitcoin Spot ETFs
- Regulation under Securities Act of 1933 ('33 Act) and Securities Act of 1934 ('34 Act) or Investment Company Act of 1940 ('40 Act) does not mitigate risk

Arguments regarding Futures v. Bitcoin and '40 Act v. '33 Act and '34 Act are *distinctions without a difference* for Bitcoin ETFs

CME Bitcoin Futures vs Bitcoin Spot Markets

- SEC stated CME Bitcoin Futures market is **not** a "significant" Bitcoin market
- This implies market participants could manipulate Bitcoin on a spot exchange and impact the regulated CME Bitcoin Futures and, therefore, the Bitcoin Futures ETF
- **By approving Teucrium**, SEC has conceded that it is not concerned with fraud or manipulation in the underlying Bitcoin markets (or at least not enough to deny a Bitcoin ETF)

'40 Act vs. '33 Act

- Investor protections of '40 Act **do not address fraud or manipulation** in the assets or markets of assets that ETFs hold
- Rather, '40 Act seeks "to remedy certain abusive practices in the ***management*** of investment companies" (i.e., ETFs)
- The '40 Act **lists the types of abuses it seeks to prevent** (e.g., accounting, borrowing, custody, fees, and independent boards)
- **None of these restrictions address an ETF's underlying asset** or exchanges on which its pricing is derived (e.g., Coinbase, Kraken, Bitstamp, LMAX, Gemini, itBit)
- **By approving Teucrium**, SEC can **no longer** use '40 Act arguments



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Finally, there has been extensive commentary on the six topics the SEC has raised in our application



There has been extensive commentary on the six topics the SEC has raised in our application

SEC Topic	Example of Public Feedback and Commentary; <u>See also</u> GBTC 19b-14 generally
Potential for fraud and manipulation in underlying Bitcoin markets	See <u>e.g.</u> , Letter from Paul Agrawal, CLO Coinbase, Inc. (Mar. 3, 2022) ("Coinbase Letter"): https://www.sec.gov/comments/sr-nysearca-2021-90/srnysearca202190-20118548-271429.pdf
Coindesk XBX Index mitigating the impact of instances of fraud and manipulation on a reference price for Bitcoin	See <u>e.g.</u> , Coinbase Letter See <u>e.g.</u> , Campbell R. Harvey, Professor of Finance, Fuqua School of Business, Duke University (Mar. 26, 2022) ("Harvey Letter"): https://www.sec.gov/comments/sr-nysearca-2021-90/srnysearca202190-20121464-273430.pdf
Coindesk XBX Index design to protect investors and the public interest, consistent with applicable requirements of Section 6(b)(5) of the Act	See <u>e.g.</u> , Coinbase Letter and Harvey Letter
Lead/lag analysis comparing CME Bitcoin futures to spot Bitcoin markets	See <u>e.g.</u> , Letter from Bitwise Asset Management, Inc. ("Bitwise Letter") <u>also</u> Fidelity Memorandum with Lead/Lag referenced therein (Sep. 8, 2021) ("Fidelity Memo"): https://www.sec.gov/comments/sr-nysearca-2021-89/srnysearca202189-20117902-270822.pdf ; https://www.sec.gov/comments/sr-cboebzx-2021-039/srcboebzx2021039-250110.pdf
CME Bitcoin futures market as a regulated market of significant size	See <u>e.g.</u> , Coinbase Letter, Bitwise Letter, <u>also</u> Fidelity Memo. See Bitcoin Trading Volume (CME represents >50% of all Bitcoin trading volume): https://www.bitcointradingvolume.com/
ETFs registered under the '40 Act versus the '33 Act	See <u>e.g.</u> , Letters from Davis Polk and Wardwell LLP (Nov. 29, 2021): https://www.sec.gov/comments/sr-nysearca-2021-90/srnysearca202190-9410842-262990.pdf and the Letter from Davis Polk and Wardell LLP (Apr. 18, 2022) (collectively, the "Davis Polk Letters"): https://www.sec.gov/comments/sr-nysearca-2021-90/srnysearca202190-20123987-280130.pdf See <u>e.g.</u> , Douglas A. Cifu, Chief Executive Officer, Virtu Financial, Inc (Apr. 4, 2022) ("Virtu Letter"): https://www.sec.gov/comments/sr-nysearca-2021-90/srnysearca202190-20123653-279889.pdf

Summary

1

Grayscale and the SEC have collaborated for years resulting in transparent and appropriate disclosures for investors in the world's largest digital asset investment vehicle: GBTC

2

We look forward to continuing our engagement as the SEC reviews and responds to the public's comment letters in the context of the 19b-4 filing for GBTC

3

Approving GBTC to operate as an ETF on a National Securities Exchange will provide investors with the additional protections of the SEC and NYSE while unlocking billions of value for investors

4

U.S. capital market participants and investors are ready to support a spot-based Bitcoin ETF and should not be limited to a futures-based ETF that carries the same risks





Appendix

There has been extensive commentary on the six topics the SEC has raised in our application

SEC Topic	Example of Public Feedback and Commentary
Potential for fraud and manipulation in underlying Bitcoin markets	See e.g., Coinbase Letter .

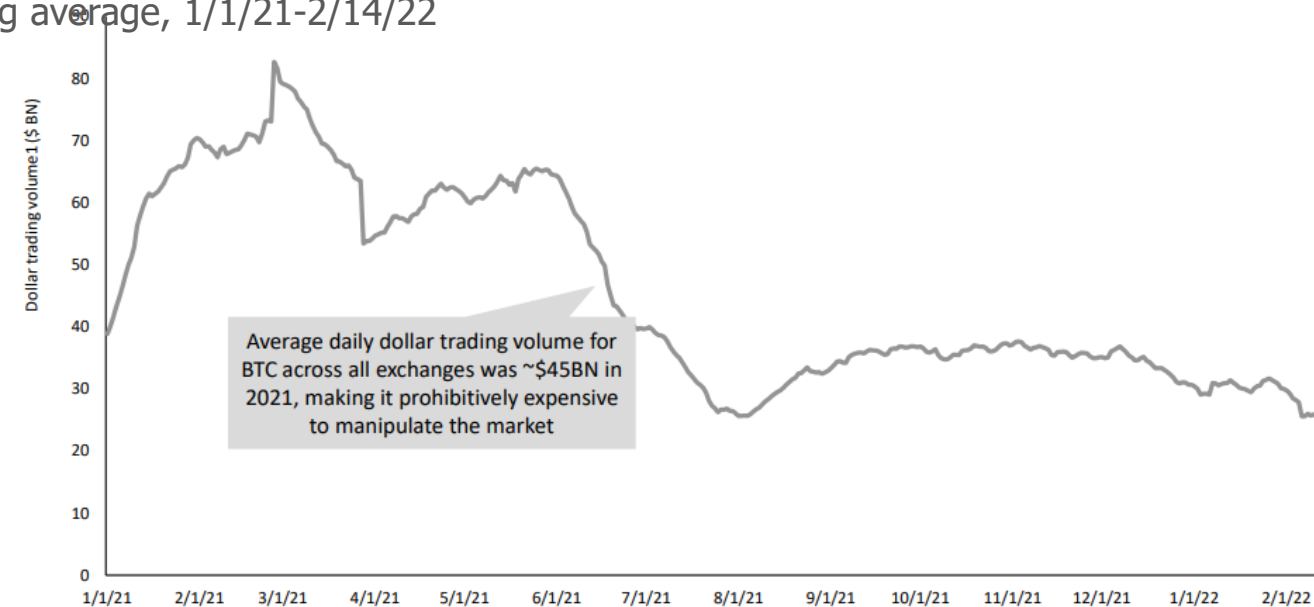
1. Market Depth, Liquidity, and Transparency

Bitcoin's average daily trading volume in 2021 was approximately \$45 billion **[Figure 1]**, demonstrating the Bitcoin market's depth and liquidity. As a point of comparison, this trading volume is significantly higher than that of the largest national market system stocks **[Figure 2]**, including Apple, Microsoft, and Amazon, which are some of the most liquid trading instruments available. Several institutional investors including asset managers, hedge funds, and public companies participate in the Bitcoin market, and surveys indicate interest from institutional investors continues to increase for Bitcoin and a potential ETP on the Bitcoin spot market.⁷

Figure 1: Bitcoin spot market depth mitigates ability to manipulate large exchanges

Daily dollar trading volume on BTC spot exchanges¹

30-day rolling average, 1/1/21-2/14/22



1. Daily volume is in dollars and represents the total spot trading volume reported by all exchanges over the last 24 hours for that cryptoasset
Source: Data pulled from Yahoo Finance, originally sourced from Coinmarketcap.com



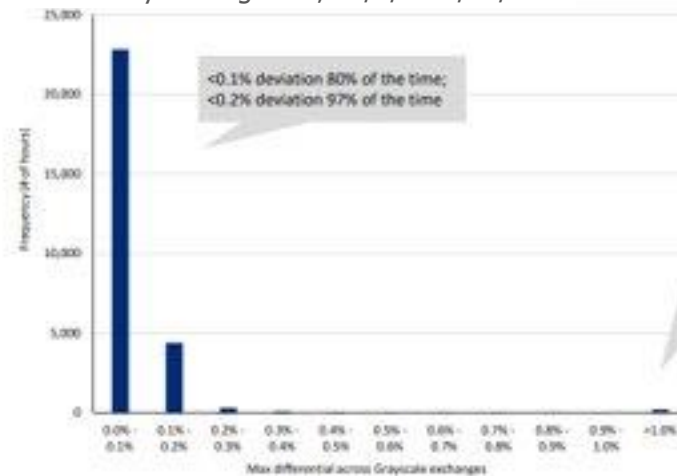
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SEC Topic	Example of Public Feedback and Commentary
Coindesk XBX Index mitigating the impact of instances of fraud and manipulation on a reference price for Bitcoin	See e.g., Coinbase Letter and Harvey Letter .
Coindesk XBX Index design to protect investors and the public interest, consistent with applicable requirements of Section 6(b)(5) of the Act	See e.g., Coinbase Letter and Harvey Letter .

Figure 3: Historical price differential across exchanges

Frequency of each level of deviation across 4 exchanges

Close of every trading hour, 12/8/18-2/15/22



202 instances (i.e., 202 hourly closes over roughly 3-year time horizon) with >1% price deviation across exchanges

- 180 instances were driven by a single exchange (Imax), which contributed <math><5\%</math> of volume across 4 exchanges
 - This has minimal impact given Grayscale ETF price is average weighted by volume
- 16 instances where >1% deviation between exchanges, and price difference reduced to below 1% by the next trading hour close
- 6 instances (i.e., 2 periods of 3 hours) over March 12-13, 2020 during the onset of Covid-19, where price deviation persisted across the trading close of three consecutive hours

Maintain Fair, Orderly, and Efficient Markets

In addition to my view that an ETP structure is a superior way for investors to efficiently gain exposure to the price movements of bitcoins versus the mechanisms currently available to them, the sponsor of GBTC employs further measures designed to protect investors from manipulation and ensure a fair, orderly, and efficient market.

The Sponsor utilizes the Coindesk XBX Index (the “Index”), which is a U.S. dollar-denominated composite reference rate for the price of bitcoin. The Index is designed to (i) mitigate the effects of fraud, manipulation and other anomalous trading activity from impacting the bitcoin reference rate, (ii) provide a real-time, volume-weighted fair value of bitcoin and (iii) appropriately handle and adjust for non-market related events.



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SEC Topic	Example of Public Feedback and Commentary
Lead/lag analysis comparing CME Bitcoin futures to spot Bitcoin markets	See e.g., Bitwise Letter also Fidelity Memo

This new paper is titled “Suitable Price Discovery Measurement of Bitcoin Spot and Futures Markets.” It was written by Kevin Robertson and Jiani Zhang and published to the Social Science Research Network (SSRN) on January 12, 2022.³ Robertson and Zhang are members of the Department of Quantitative Research and Investments at Fidelity Investments, Inc., and are not affiliated with Bitwise. The paper is available to the public for free download.

Robertson and Zhang examine 20 bitcoin spot markets and 26 bitcoin futures markets and evaluate where price discovery occurred between those markets using tick-level trade data over a period ranging from January 1, 2019, through March 31, 2021. The paper concludes that “CME bitcoin futures have consistently led price formation” compared to all other markets.⁴ This finding aligns with our research, which examined a similar time period.



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SEC Topic	Example of Public Feedback and Commentary
CME Bitcoin futures market as a regulated market of significant size	See e.g., Coinbase Letter , Bitwise Letter , Fidelity Letter See e.g., Bitcoin Trading Volume (CME represents >50% of all Bitcoin trading volume):

Bitcoin Futures 24 Hour Volume

CME Group Futures Exchange · United States	\$4,006,156,150 <small>24h Volume</small>
Bakkt Futures Exchange · United States	\$60,835,040 <small>24h Volume</small>

Bitcoin Spot 24 Hour Volume

BINANCE Spot Exchange · Malta	\$1,620,800,552 <small>24h Volume</small>
coinbase Spot Exchange · United States	\$538,748,181 <small>24h Volume</small>
BITFINEX Spot Exchange · Taiwan	\$203,314,763 <small>24h Volume</small>
kraken Spot Exchange · United States	\$100,945,040 <small>24h Volume</small>
Bitstamp Spot Exchange · United Kingdom	\$91,074,878 <small>24h Volume</small>
bitFlyer Spot Exchange · Japan	\$69,546,624 <small>24h Volume</small>
GEMINI Spot Exchange · United States	\$27,757,949 <small>24h Volume</small>

This analysis demonstrates that the CME bitcoin futures market has consistently led bitcoin price discovery across global USD bitcoin markets

Bitcoin Market Maturation

- Context**
- Taking the USD & USDT exchanges (including spot, futures, and perpetual futures) reported by Coin Metrics, we have analyzed which markets lead and which lag in bitcoin price discovery by quarter, from Q1 2019 to Q1 2021
 - For simplicity, only the leading market for each market category is shown below

Leading Exchange Category - Based on the Leading Exchange within the Category									
Leading Category	CME Bitcoin Futures	CME Bitcoin Futures	CME Bitcoin Futures	CME Bitcoin Futures	CME Bitcoin Futures	CME Bitcoin Futures	CME Bitcoin Futures	CME Bitcoin Futures	CME Bitcoin Futures
1 st Lagging Category	USD Spot	USD Spot	USD Perpetual Futures	USD Spot	USD Futures	USD Futures	USD Spot	USD Futures	USD Futures
2 nd Lagging Category	USDT Spot	USD Perpetual Futures	USD Spot	USDT Spot	USD Spot	USD Spot	USD Futures	USD Spot	USDT Futures
3 rd Lagging Category	USD Perpetual Futures	USDT Spot	USDT Spot	USD Futures	USD Perpetual Futures	USDT Perpetual Futures	USDT Perpetual Futures	USD Perpetual Futures	USD Perpetual Futures
4 th Lagging Category	USD Futures	USD Futures	USD Futures	USD Perpetual Futures	USDT Spot	USDT Spot	USDT Spot	USDT Perpetual Futures	USDT Perpetual Futures
5 th Lagging Category	N/A	N/A	N/A	USDT Perpetual Futures	USDT Perpetual Futures	USD Perpetual Futures	USDT Futures	USDT Spot	USDT Spot
6 th Lagging Category	N/A	N/A	N/A	N/A	N/A	USDT Futures	USD Perpetual Futures	USDT Futures	USD Spot
	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021

Legend:

CME Bitcoin Futures	USD Spot	USDT Spot	USD Futures (Excluding CME)	USDT Futures	USD Perpetual Futures	USDT Perpetual Futures
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Our study's finding that the CME bitcoin futures market leads bitcoin price discovery across bitcoin futures and spot markets means that an actor trying to manipulate the ETP would be reasonably likely to have to trade in the CME bitcoin futures market

Sources / Notes: Market data sourced from Coin Metrics; See Appendix for methodology details on slides 19-25, including citations

There has been extensive commentary on the six topics the SEC has raised in our application

SEC Topic	Example of Public Feedback and Commentary
ETFs registered under the '40 Act versus the '33 Act	<u>See e.g., Davis Polk Letters and Virtu Letter</u>

It is of course foundational that the Commission—like any other federal regulatory agency—must treat like situations alike absent reasoned justification;²⁵ indeed, this principle is reflected in the text of Section 6(b)(5) itself, which forbids exchanges from maintaining rules that unfairly discriminate between issuers. Bitcoin futures ETPs registered under the 1940 Act and spot Bitcoin ETPs that are not required or eligible to be so registered are the same in all relevant respects, but based on the analysis in the November 12, 2021 disapproval order, the Commission is treating them differently. Although the Commission cited investor protections afforded by the 1940 Act as justification for disparate treatment,²⁶ the 1940 Act's protections do not address and thus are not relevant to the concern the Commission has repeatedly invoked to deny Rule 19b-4 applications for spot Bitcoin ETPs like BTC: market manipulation and fraud in the underlying Bitcoin market.

In view of the Commission's new approach to Bitcoin futures ETPs, we believe that rejecting NYSE Arca's Rule 19b-4 application on grounds similar to those articulated in the November 12, 2021 disapproval order would unfairly discriminate against BTC and its shareholders in violation of Section 6(b)(5) of the Exchange Act and would constitute arbitrary and capricious action within the meaning of Section 706(2)(a) of the Administrative Procedure Act (as amended, the "APA").

We therefore respectfully urge the Commission to approve NYSE Arca's proposal to list and trade BTC.



www.grayscale.com

[@Grayscale](#)

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