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PRESS RELEASE

SEC Permits In-Kind Creations and Redemptions for Crypto ETPs

FOR IMMEDIATE RELEASE | 2025-101

Washington D.C., July 29, 2025 — The Securities and Exchange Commission today voted to approve orders to permit in-kind creations and redemptions by authorized participants for crypto asset exchange-traded product (ETP) shares.

The orders approved today reflect a departure from recently approved spot bitcoin and ether ETPs, which were limited to creations and redemptions on an in-cash basis. With today's approval orders, bitcoin and ether ETPs, consistent with other commodity-based ETPs approved by the Commission, will be permitted to create and redeem shares on an in-kind basis.

"It's a new day at the SEC, and a key priority of my chairmanship is developing a fit-for-purpose regulatory framework for crypto asset markets," said SEC Chairman Paul S. Atkins. "I am pleased the Commission approved these orders permitting in-kind creations and redemptions for a host of crypto asset ETPs. Investors will benefit from these approvals, as they will make these products less costly and more efficient."

"Today's approvals continue to build a rational regulatory framework for crypto, leading to a deeper and more dynamic market, which will benefit all American investors. This decision aligns with the standard practices for similar ETPs."

Jamie Selway, Director of the Division of Trading and Markets, said, "The Commission's decision today is an important development for the growing

marketplace for crypto-based ETPs. In-kind creation and redemption provide flexibility and cost savings to ETP issuers, authorized participants, and investors, resulting in a more efficient market.”

The Commission also voted to approve other orders that advance a merit-neutral approach to crypto-based products, including exchange applications seeking to list and trade an ETP that would hold mixed spot bitcoin and spot ether, options on certain spot bitcoin ETPs, Flexible Exchange (FLEX) options on shares of certain BTC-based ETPs, and an increase of position limits up to the generic limits for options (up to 250,000 contracts) for listed options on certain BTC ETPs. Additionally, the Commission issued two scheduling orders soliciting comments in support of, or in opposition to, the Division of Trading and Market’s approval, pursuant to delegated authority, of a national securities exchange’s proposals to list and trade two large cap crypto-based ETPs.

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Last Reviewed or Updated: July 30, 2025