



CHAPMAN Investment Management Update

Counsel to Three Spot Bitcoin ETFs Approved by SEC

Chapman acted as counsel on the registration and launch of three of the first spot bitcoin exchange-traded funds (ETFs) to trade in the United States, which received approval from the U.S. Securities and Exchange Commission (SEC) on January 10, 2024.

Chapman has been on the front lines of bitcoin ETF advocacy, partnering with the Chamber of Digital Commerce in connection with its “Spot Bitcoin ETF Initiative” designed to gain a deep understanding of the industry’s experience in pursuit of a registered spot bitcoin ETF and provide insight into the most realistic avenues for ultimately getting the SEC to approve the product. The Chamber’s September 2022 report — “The Crypto Conundrum: Why Won’t the SEC Approve a Bitcoin ETF?” — charted a path forward. Chapman assisted the Chamber in the preparation of the report and participated in interviews with industry experts, followed by media interviews, industry organization and public exchange discussions, and dialog with the SEC. Additionally, an exchange listing application for which Chapman attorneys provided advice was cited favorably by the D.C. Circuit Court in its decision that ultimately served as a catalyst for SEC approval of these products.

“We are so honored to be part of this historic industry milestone,” said Morrison Warren, co-leader of Chapman’s Investment Management Group and lead partner on the firm’s spot bitcoin ETF filings. “Congratulations to our clients and other fund sponsors and the NYSE Arca, Nasdaq, and Cboe exchanges on their trading launches. We appreciate the opportunity to collaborate with industry leaders and stakeholders in getting the spot bitcoin ETF approved and we look forward to helping open the door for other products in the near future.”

Chapman’s Investment Management attorneys have been involved in many significant aspects of the growth and evolution of the ETF industry, including the first defined outcome ETFs, first digital asset futures ETFs, first single-stock ETFs, and resurrection of VIX-based ETPs, among many others. Clients include sponsors of funds that directly hold every available asset class, including asset classes with complicating characteristics, including asset- and mortgage-backed securities, commodity interests, digital assets, exchange-listed and OTC derivatives, precious metals, and loan interests. Chapman continues to play a key role and serves as go-to legal counsel in more recent investing trends, including funds utilizing impact investing strategies and numerous thematic ETFs, including blockchain and cannabis ETFs. The firm’s work was later supported by Chapman attorney Kathleen Moriarty who helped the firm’s client pursuits of a spot bitcoin ETF before her passing in 2022. Kathleen helped develop the ETF structure, was instrumental in the launch of the very first ETF (1993), and also filed the first spot bitcoin application with the SEC in 2013.

We’re Here to Help

We are available at any time to answer questions, discuss scenarios, and provide guidance. If you would like further information concerning the matters discussed in this update, please contact a member of the [Investment Management Group](#).

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