

## **What is a Spot Bitcoin ETF?**

A spot bitcoin ETF is an exchange-traded fund that directly holds bitcoin, allowing investors to gain exposure to its price movements without owning bitcoin directly. This contrasts with a futures bitcoin ETF, which is based on derivatives contracts settling at a future date, rather than the asset's price itself. The spot ETF is significant because it offers a simpler and potentially more accurate way to track bitcoin's market price, avoiding complexities like tracking error and additional costs associated with rolling over futures contracts. The approval of a spot bitcoin ETF marked a significant milestone in the mainstream adoption of bitcoin, as it provided a reputable and regulated mechanism for any pool of capital to allocate towards bitcoin exposure.

## **There Will Never Be a Spot Bitcoin ETF**

The history of applying for a spot bitcoin ETF prior to BlackRock is marked by repeated rejections and delays from the U.S. Securities and Exchange Commission (SEC), despite growing demand for such financial products. Here's a timeline overview:

### **2013: The First Bitcoin ETF Application**

Winklevoss Bitcoin Trust: The Winklevoss twins, founders of the Gemini cryptocurrency exchange, filed the first application for a bitcoin ETF. The