

# Crypto backers are really excited about the prospects of an ETF that tracks Bitcoin

Article

**The news:** The US Securities and Exchange Commission (SEC) is expected to approve Exchange-Traded Funds (ETFs) that directly track Bitcoin.

- Crypto investors believe this move could lead to more widespread interest in the digital currency.

**How we got here:** Lawmakers still haven't offered a lot of clarity around cryptocurrencies to US financial institutions (FIs).

- Last fall, the [FDIC's Inspector General found](#) that the agency lacked clear procedures and guidance for banks handling cryptocurrencies. The FDIC has accepted the recommendations and plans to take corrective actions early this year.
- Multiple crypto bills remain stalled in Congress. But a [meeting](#) between legislators and big bank CEOs looks to have injected new energy into efforts to get those passed.

Even the SEC's approval of the ETF scheme for Bitcoin wouldn't provide FIs with further clarity on directly handling cryptocurrencies.

- However, it would allow FIs to engage in Bitcoin-related investments without directly holding the cryptocurrency.

**The mixed reactions:** The excitement over the SEC's potential approval, mixed with fear over a possible rejection, led Bitcoin's stock price to [oscillate wildly](#).

- **JPMorgan** and **Jane Street** [acted quickly](#) to become authorized users of these ETFs, which would allow them to redeem their shares and manage their assets. **Goldman Sachs** is allegedly in talks with **BlackRock** to become an authorized user of its ETF as well.
- And while some experts think the SEC's approval will ignite massive demand for cryptocurrencies, crypto firm **Matrixport** thinks the regulator will reject all applications until the Q2—which could deflate Bitcoin's value.

**What does this decision mean for Bitcoin?** If it's approved, consumers [could invest in Bitcoin](#) directly from their brokerage accounts.

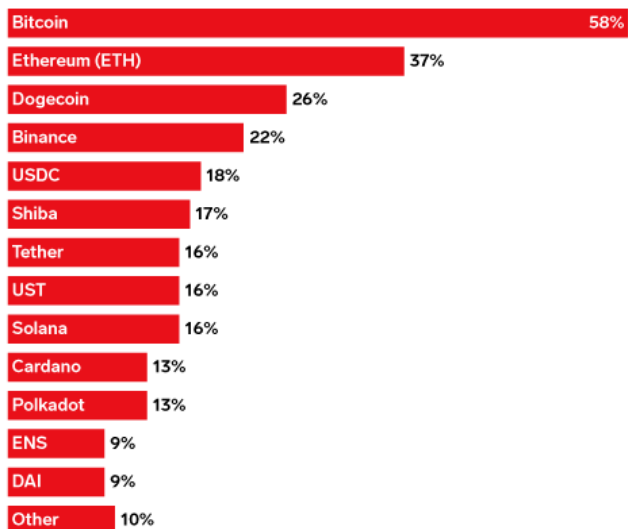
- Investors would no longer have to rely on crypto exchanges or brokers, and would make it easier for individuals to buy and store Bitcoin.

However, this decision alone won't dispel all concerns about the cryptocurrency.

- Following FTX’s collapse and its founder’s criminal trial, **the number of US consumers that viewed crypto as a scam grew to 19%.**
- Consumers may express renewed interest in cryptocurrencies if they no longer have to invest through crypto exchanges, especially after **the Binance scandal** which overlapped in the news with the Bankman-Fried trial.
- Banks are another story. Those with enough assets to gamble in this new arena want to offer these ETFs, but the more risk-averse will likely wait until clearer regulations emerge around holding cryptocurrencies.

### Which Cryptocurrencies Have US Crypto Owners Bought?

% of respondents, May 2023



Note: n=475 ages 18+ who have bought cryptocurrencies; includes currencies that respondents currently own or have bought in the past  
 Source: Consensus, "Global Survey on Crypto and Web3" conducted by YouGov, June 26, 2023

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