

Date: 05/15/2019

Dear Sir/Madam,

Re: File SR-NYSEArca-2019-01

I want to thank you and take this opportunity to answer some of the questions asked in the above file number.

Before I start in the interest of full disclosure I would like to say that I have participated in the crypto-economy for a number of years and am all for the **guided development** of this area. I also equally participate in the traditional markets and have been in this area a lot longer.

Some of my concerns to the questions asked have already been addressed in the last round of comments for this same ETF when I provided the link for a prior request:
<https://www.sec.gov/comments/sr-cboebzx-2018-040/srcboebzx2018040-4460679-175814.pdf>.

With regards to the questions surrounding **manipulation**, I believe I need only to be fair and add that **high-frequency traders** have been using bots to front-run other investors in the equity world for several decades. However, saying this can a **fledgling technology** such as Bitcoin truly thrive if there is no precise regulation and apparent external oversight?

The **Laissez-faire** approach in which one of the Honourable Commissioners **proposes the industry self-regulates itself is worrying** as in an already manipulated market those with privileged information can manipulate it further. It is only human nature to want to maximise their utility, and without clear regulations, bad actors can affect the market in unexpected ways.

However, I have to agree with the Honourable Commissioner that excessive regulation can stifle financial innovation. What we need are smarter, dynamic regulations. Not rigid ones that stifle innovation, reduce the flow of credit to reputable firms and consumers and impact economic growth. But I firmly believe it is the role of the **Governmental organisations** in partnership with these companies who will drive innovation to provide guidance and regulations in whatever form they may take.

My thoughts regarding the creation of a Bitcoin ETF, on the other hand, are different. While the idea of establishing a Bitcoin ETF is an excellent value to the industry and from an investor's standpoint, **I see investing in such a product to gain exposure to Bitcoin's somewhat naive.** I don't need to detail the purpose of an ETF to the SEC. However, any investor knows it makes sense to invest in a security that tracks the performance of, for example, the Dow Jones Industrial Average- **which holds stocks of multiple individual companies.** However, with Bitcoin ETF, **the only underlying security is Bitcoin's. So the ETF performance will track Bitcoin's performance. This fact in itself, makes investing in such a product very misguided.**

Furthermore, I do not see **how the creation of a financial product (Bitcoin ETF) will promote 'Bitcoin' innovation**- which the US is supposed to be falling behind in (a fact I strongly disagree with). Innovation is a complex process **with many moving parts** and finance is just one of them. An ETF, on the other hand, exposes consumers to **higher risk** as it is tracking an unregulated nascent technology. Is it even needed to raise capital for Blockchain projects, and if so why?

In the long run, it will also **take away capital that is headed for the more traditional value generating markets** such as the stock market which is a vital area of a market economy because it gives company's access to capital. In effect, it can affect jobs, the potential growth of exceptional organisations and the economy as a whole. Although Bitcoin is supposed to change the way we work and is 'everything golden', the question is, **is it all inclusive? How will this new future look for the 'Average Joe'?**

With regards to the part in question 7: What are commenters' views on the Sponsor's assertion that the 10 identified Bitcoin trading venues represent "substantially all of the economically significant Bitcoin trading volume in the world (outside of capital-controlled countries)"? I believe I would be repeating some excellent answers provided previously:

Bill Blake- <https://www.sec.gov/comments/sr-nysearca-2019-01/srnysearca201901-5393322-184149.htm>

And

Paul Arsov- <https://www.sec.gov/comments/sr-nysearca-2019-01/srnysearca201901-183710.htm>

Finally, as I mentioned at the start, I participate in this economy, and it is much fun. I see great potential in the way this technology can change the way we work, interact and become a more efficient and productive society.

A large part of me that is the 'speculator' wants to say 'yes' purely because I understand the price appreciation that will come if an ETF is granted. However, when you ask to build a serious financial product on something such as Bitcoin the responsible answer has to look at the bigger picture and honestly examine the interests of all the stakeholder's both large and small. Many questions need to be answered first and the question whether this route is the best possible one for Bitcoin and if so, why needs to be answered before the SEC gives it its stamp of approval.

Therefore at this moment in time, I believe that not granting the Bitcoin ETF is prudent.

Best Regards,

Avinash Shenoy