



December 21, 2023

Ms. Vanessa Countryman
Secretary – Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

RE: Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change to List and Trade Shares of the Hashdex Bitcoin Futures ETF (File No.: SR-NYSEARCA-2023-58, Release No.: 34-99031)

Dear Ms. Countryman:

BitGo Holdings, Inc. on behalf of itself and its subsidiaries (collectively, “BitGo”), appreciates the opportunity to provide comments on the application by NYSE Arca Inc. pursuant to Rule 19b-4 under the Securities Exchange Act of 1934 (as amended, the “Exchange Act”) to list and trade shares of Hashdex Bitcoin Futures ETF (“DEFI”) under NYSE Arca Rule 8.500-E as an exchange-traded product (“ETP”).¹ BitGo has long recognized the transformative impact of blockchain technology and digital assets on the securities industry, and we welcome the Commission’s efforts to ensure proper safeguarding of client assets held through use of innovative blockchain technology. These efforts will certainly advance the Commission’s three-part mission of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation.

For the reasons set forth in BitGo’s comments on the Securities and Exchange Commission’s proposed Rule 223-1 under the Investment Advisers Act of 1940 (the “Advisers Act”)², to the extent that DEFI holds spot bitcoin (“Spot Bitcoin”), we are strongly of the view that the asset should be custodied with a “qualified custodian” as defined by Rule 206-4(2) of the Advisers Act (the “Custody Rule”).

Background on BitGo

BitGo is one of the largest digital asset custodians in the world, with 20% of daily bitcoin transaction volume flowing through BitGo wallets across the globe by way of our services. BitGo serves more than 1,500 institutional clients in over 52 countries; a list that includes many regulated entities, governments, as well as the world’s top cryptocurrency exchanges and platforms. In the recent FTX bankruptcies, BitGo was selected by John Ray III, acting CEO at FTX, to be the official custodian to safeguard assets during the bankruptcy proceedings. BitGo is also the custodian of the bitcoin recovered from digital asset trading platform Mt. Gox, which was hacked in 2014, ceased trading, and filed for bankruptcy. Creditors selected BitGo as the sole custodian of Mt. Gox assets.

BitGo has two state trust companies chartered to safeguard digital assets on behalf of customers. One of these trust companies is also permitted to safeguard customer funds. BitGo

¹ See <https://www.sec.gov/files/rules/sro/nysearca/2023/34-98564.pdf>.

² See Letter dated May 8, 2023 from BitGo Holdings, Inc. (Mike Belshe, CEO, and Ira Wurcel, General Counsel) at <https://www.sec.gov/comments/s7-04-23/s70423-185639-339843.pdf>.



Trust Company, Inc. ("Trust Co.") was chartered in 2018 by the South Dakota Division of Banking, and BitGo New York Trust Company LLC (the "New York Trust Co.") was chartered in 2021 by the New York Department of Financial Services. Further, BitGo has a German entity that is regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") and regulators in Italy, Poland and Greece, and a Swiss entity regulated by the Verein zur Qualitätssicherung von Finanzdienstleistungen ("VQF").

BitGo Custodial Services

To the extent that BitGo is involved with the provision of custodial services to customers, BitGo implements measures designed to prevent fraudulent and manipulative acts and practices, including:

- o Suspicious activity monitoring: BitGo employs advanced transaction monitoring systems as well as blockchain analytics to detect and report suspicious activity.
- o Compliance with regulations: BitGo adheres to various Anti-Money Laundering (AML) and Know Your Customer (KYC) regulations.
- o Custody controls: BitGo implements strict controls over who can initiate and approve transactions, ensuring compliance with client instructions and preventing unauthorized transfers.

BitGo Settlement Services

As part of its custodial services, Trust Co. provides settlement services through its proprietary Go Network. Through Go Network, BitGo is able to settle transactions of USD and digital assets Delivery Versus Payment (DVP) between two parties in the network. Each counterparty to the settled trade is onboarded by Trust Co. and goes through its KYC and AML onboarding process. BitGo's Go Network settlement eliminates counterparty risk by allowing all parties to keep assets in qualified custody at all times and by eliminating the need to pre-fund exchanges and/or liquidity providers.

Where the Fund uses Go Network to settle the physical leg of its EFPs (i.e., the BTC leg), Trust Co. will ensure:

- the highest standard of custody for the Fund's BTC and fiat holdings
- 24/7 delivery-versus-payment (DvP), as Go Network delivers customers with the ability to settle across both USD and digital assets with other Go Network participants
- that Fund assets are secured in bankruptcy remote qualified custody
- that the physical leg of the EFP is settled with counterparties leveraging BitGo's secure ledgering systems

Please let us know if you have further questions or comments.

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Mike Belshe
Chief Executive Officer