

P A N T E R A

Dan: "You've said in your speeches that you feel that crypto is held to a higher standard than other markets. I'd like you to kind of weave through a couple of those thoughts that Bitcoin trades \$70 billion a day. It's a thousand times bigger than GameStop. Why is it held to a different standard?"

Hester Peirce: "When we look on the exchange-traded product side, what my colleagues have done is they've said, okay, we're looking at the underlying market and it doesn't look as organized as our equity markets. And so we're going to try to impose a structure on the underlying Bitcoin markets that mirror that of the equity markets.

"I would argue that the Bitcoin markets are actually quite sophisticated. As you mentioned, the volumes are quite high. There are sophisticated arbitrages working in this space to make sure that the prices are aligning across different markets. I don't know that you need to have an underlying market that looks exactly like the equity markets. We don't do that for, for example, precious metals, where the markets can be, I've used this term before, but they can be quite messy, the underlying markets. The question is, can you build a securities product on top of a market that doesn't look exactly like the equity markets? I would argue that you can.

"Especially now – we have a very sophisticated set of participants, but we also have the futures markets, which have been operating for quite some time. That's something that would normally give us quite a bit of comfort. I think it's should give us comfort in this space as well."

- Hester Peirce, SEC Commissioner, *Pantera Blockchain Summit*, April 6, 2021

[Watch the full fireside chat with Commissioner Peirce and Dan Morehead at the Pantera Blockchain Summit 2021 [here](#).]

"I thought that if we had applied our standards as we have applied them to other products, we would already have approved one or more [ETFs]. With each passing day, the rationale that we have used in the past for not approving seems to grow weaker.

"Bitcoin now is so decentralized. The number of nodes that are involved in Bitcoin is large, and the number of people who have an interest in keeping that work decentralized is very large. People should make their own decisions: If people don't want to buy bitcoin because they think it's manipulated, they shouldn't buy bitcoin."

- Hester Peirce, SEC Commissioner, *CNBC*, July 1, 2021