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directly in Bitcoin, with 11 funds to begin trading Thursday.

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By Vildana Hajric and Katie Greifeld, Bloomberg News (TNS)

U.S. regulators for the first time approved exchange-traded funds that invest directly in Bitcoin, a move heralded as a landmark event for the roughly \$1.7 trillion digital-asset sector that will broaden access to the largest cryptocurrency on Wall Street and beyond.

The Securities and Exchange Commission, whose three-part mandate includes

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The decision comes a day after a [false post](#) on the SEC's X account claimed that the agency had approved the ETFs. The regulator subsequently said that the account had been compromised, causing the price of Bitcoin to fluctuate widely.

Bitcoin rose less than 1% to \$45,729 following the approvals. The original cryptocurrency, which sank 64% in 2022, more than doubled in 2023 in large part because of speculation that the SEC would eventually approve ETFs that will allow investors to get exposure to the token in their traditional brokerage accounts instead of one of the crypto-native startups that have come under increasing government scrutiny following a series of sector scandals and bankruptcies.

Crypto proponents have for years argued that a so-called spot fund that invests directly in Bitcoin would be beneficial to investors and would help bring the industry closer to the more highly regulated world of traditional finance. It also suggests a sort of milestone of maturity for the relatively nascent industry, where skirmishes with regulators came to a climax after the collapse of Sam Bankman-Fried's FTX empire highlighted risks lurking in the industry.

The landmark decision comes after Grayscale Investments won a key victory over the SEC. A federal appeals court had [overturned](#) the rejection of Grayscale's application to convert its Bitcoin trust into an ETF. The court called the denial "arbitrary and capricious" because the commission failed to explain its different treatment of similar products. ETFs that hold Bitcoin futures were approved in 2021.

Filings in 2023 from Wall Street heavyweights such as BlackRock, Invesco and Fidelity had some analysts suggesting the SEC could be more open toward a Bitcoin fund after years of failures to launch by various issuers. BlackRock, for one, has a near-pristine record in launching ETFs, and many saw its entrance into the race as a harbinger of an eventual debut.

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