

The SEC Just Changed the Game for Crypto ETFs – Here's Why It Matters

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Overview

On September 17, 2025, the SEC approved generic listing standards for spot commodity- and digital asset-based exchange-traded products (ETPs) proposed by Cboe BZX, Nasdaq, and NYSE Arca¹.

This marks a structural shift from the SEC's historic **case-by-case** approval process — where reviews could last up to 240 days — to a **standardized fast-track framework**. Think of flying business class now instead of economy. For issuers, this reduces cost and uncertainty and significantly shortens time-to-market. For investors, it broadens access to regulated crypto exposure.

We believe this is the most important regulatory development for digital assets since the approval of the first Bitcoin ETFs.

From Slow to Fast

Historical Bottleneck

- **Case-by-case review:** Each filing was treated as a bespoke exemption request.
- **Delays and uncertainty:** The SEC routinely extended reviews to the 240-day maximum.
- **High costs:** Legal and compliance expenses deterred smaller issuers.
- **Limited approvals:** Only a handful of Bitcoin and Ethereum products reached the market.

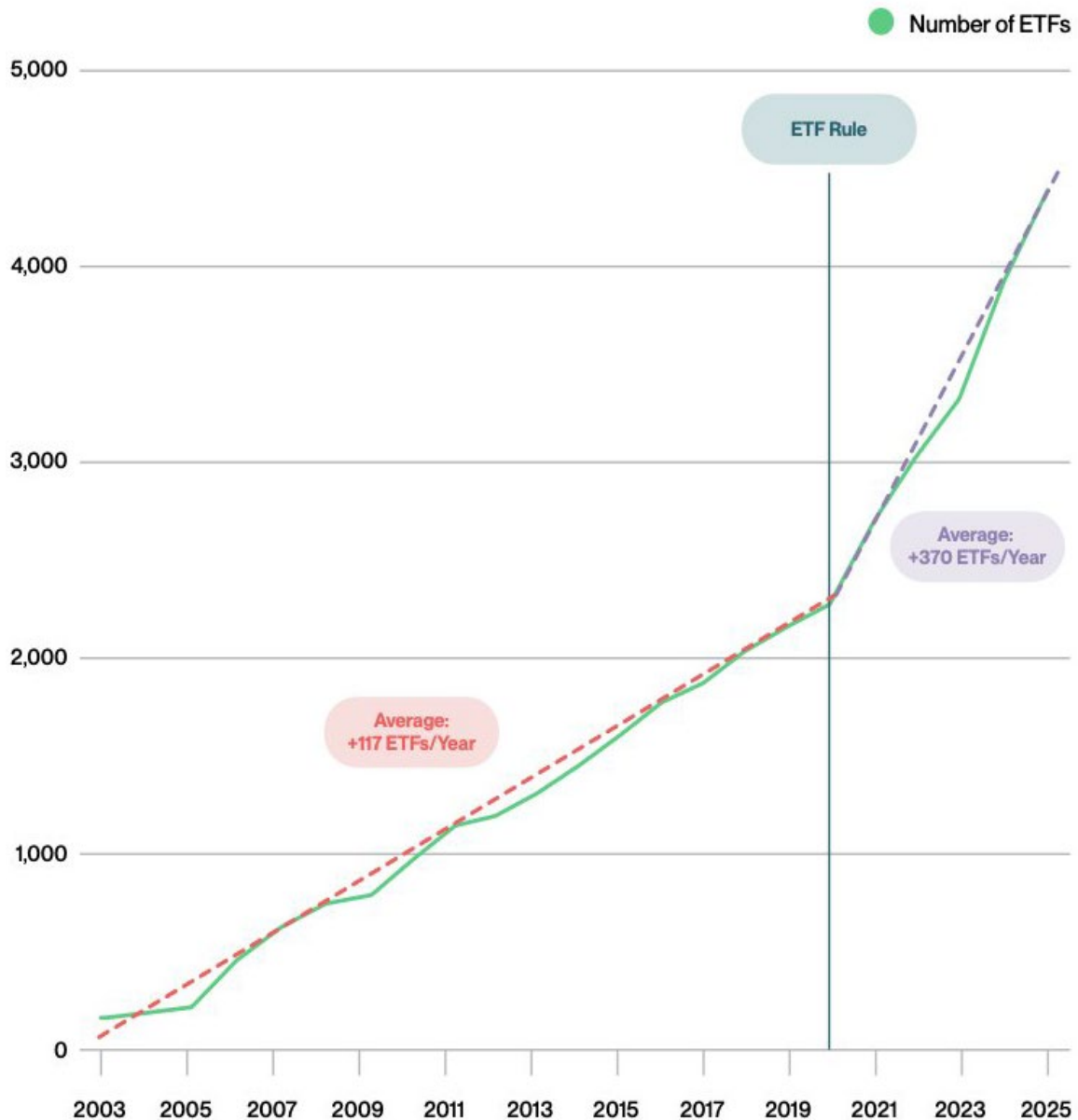
This structure stifled innovation. Unlike equities or commodities, where ETFs proliferated rapidly, crypto products were trapped in regulatory limbo

¹ https://www.sec.gov/newsroom/press-releases/2025-121-sec-approves-generic-listing-standards-commodity-based-trust-shares?utm_source=www.crypto.blockstories.io&utm_medium=newsletter&utm_campaign=building-the-most-natively-onchain-public-company-new-solana-dat-has-big-plans&_bhlid=847b85a0ec050a5975be7a0a753e1a4fc2639f61

The Fast-Track Framework

The SEC's decision aligns crypto ETFs with the **2019 ETF Rule (Rule 6c-11)** in equities, which transformed the ETF industry by eliminating case-by-case exemptive relief.

Figure 1: Generic Listing Standards Dramatically Increased the Pace of ETF Issuance



Source: Bitwise Asset Management with data from ETFGI. ETFGI data sourced from ETF/ETP sponsors, exchanges, regulatory filings, Thomson Reuters/Lipper, Bloomberg, publicly available sources, and data generated in-house. Data from January 2023 to July 2025.

Senior ETF Analyst Eric Balchunas says that there is a “Good chance we see north of 100 crypto ETFs launched in the next 12months”².

Under the new framework, an ETF qualifies if its underlying asset meets at least one of three conditions:

- **ISG Membership:** Asset (spot market) trades on an Intermarket Surveillance Group (ISG) member market.
- **Futures Track Record:** Asset underlies a futures contract that has traded \geq six months on a CFTC-regulated exchange. (CME, Coinbase Derivatives)
- **Existing ETF Exposure:** An ETF already provides $\geq 40\%$ exposure to the asset.
- This reduces approval timelines from months to weeks, while providing issuers with **predictable and transparent standards**.

² <https://x.com/EricBalchunas/status/1968461572042309728>

Enter Coinbase Derivatives: The CFTC-Regulated Gateway

The **Coinbase Derivatives Exchange**, regulated by the CFTC, is central to this process. It already lists single-token futures for assets including **DOGE, BCH, LTC, LINK, XLM, AVAX, SHIB, DOT, SOL, HBAR, XRP, and ADA**.

Token	Index	DCM	Eligible	Current ETF Applications
ADA	MarketVector™ Coinbase Cardano Benchmark Rate	Coinbase Derivatives	2025/10/01	2
AVAX	MarketVector™ Coinbase Avalanche Benchmark Rate	Coinbase Derivatives	> 6 Months, yes	2
BCH	MarketVector™ Coinbase Bitcoin Cash Benchmark Rate	Coinbase Derivatives	> 6 Months, yes	0
DOGE	MarketVector™ Coinbase Dogecoin Benchmark Rate	Coinbase Derivatives	> 6 Months, yes	4
DOT	MarketVector™ Coinbase Polkadot Benchmark Rate	Coinbase Derivatives	> 6 Months, yes	3
HBAR	MarketVector™ Coinbase Hedera Benchmark Rate	Coinbase Derivatives	> 6 Months, yes	2
LINK	MarketVector™ Coinbase Chainlink Benchmark Rate	Coinbase Derivatives	> 6 Months, yes	2
LTC	MarketVector™ Coinbase Litecoin Benchmark Rate	Coinbase Derivatives	> 6 Months, yes	4
SHIB	MarketVector™ Coinbase 1k Shib Benchmark Rate	Coinbase Derivatives	> 6 Months, yes	0
SOL	MarketVector™ Coinbase Solana Benchmark Rate	Coinbase Derivatives	> 6 Months, yes	17
XLM	MarketVector™ Coinbase Stellar Benchmark Rate	Coinbase Derivatives	> 6 Months, yes	0
XRP	MarketVector™ Coinbase XRP Benchmark Rate	Coinbase Derivatives	> 6 Months, yes	15

These contracts matter because **six months of trading on a CFTC-regulated exchange is sufficient for ETF eligibility**. We estimate that **11 tokens** beyond Bitcoin and Ethereum could qualify, dramatically expanding the tradable ETF universe.

This positions Coinbase futures — and by extension, MarketVector indexes that use them as underlyings — as **gateways to ETF product development**.

Basket Indexes: COINCORE and COINTILT

While single-token ETFs will likely dominate initial launches, diversified baskets offer investors efficient access to the broader digital asset market.

- **Coinbase Core Index (COINCORE):** A market-cap weighted index of the largest and most liquid digital assets. Current top weights include Bitcoin (69.3%), Ethereum (16.4%), XRP (5.5%), and Solana (4.0%)
- **Coinbase Tilt Index (COINTILT):** A rules-based basket that tilts exposure toward smaller token via a square root weighting while retaining large-cap focus. Current top weights include Bitcoin (35.4%), Ethereum (16.7%), XRP (10.0%), and Solana (9.2%)

Because both indexes emphasize **liquid, large-cap assets**, they are well positioned to satisfy volume and turnover requirements for ETF eligibility.

Anticipating Quantitative Standards

The SEC and exchanges have indicated that **additional quantitative metrics** will follow, such as:

- Minimum trading volume,
- Tight bid-ask spreads,
- Float-adjusted market cap thresholds,
- Minimum age (6–12 months)

Coinbase Asset Management's (CBAM) fundamental filter which is a precondition for being a component in Coincore and Cointilt already incorporates many of these requirements:

- Excludes tokens younger than six months,
- Requires adequate circulating supply,
- Focuses on being traded and custodied by Coinbase.
- Blockchain architecture
- Security

This alignment ensures that MarketVector/Coinbase indexes are forward-compatible with the evolving ETF rule set. That said, any customization is possible to meet investors taste for certain exclusions, weightings or selection methods.

Implications

- **Issuers:** Gain immediate access to ETF-ready assets via Coinbase-regulated futures, and can scale diversification with COINCORE and COINTILT.
- **Investors:** Will see a broadening menu of regulated, transparent products, enabling allocations to grow from **0.5–1% today to 5%+**

SEC approves fast track

- **Market structure:** Liquidity will migrate into regulated channels, spreads will tighten, and crypto will increasingly function as a mainstream allocation category.

Conclusion

The SEC's move from **slow, discretionary reviews** to a **fast, standardized framework** is a paradigm shift. It will accelerate product launches, broaden investor access, and deepen liquidity across the digital asset ecosystem.

With **CFTC-regulated Coinbase futures**, ETF-ready single token indexes and baskets such as **COINCORE and COINTILT**, and **fundamental filters aligned with future criteria**, MarketVector and Coinbase are positioned at the center of this transition.

The era of waiting is over. The era of scaling crypto ETFs has begun.

For more information, licensing opportunities, or integration inquiries, contact us at sales@marketvector.com.

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