



## US SEC Opens Proceedings on Grayscale Polkadot Trust (DOT) ETF Listing Under Nasdaq Rule 5711(d)

On 10 June 2025, the United States Securities and Exchange Commission (**US SEC**) issued an **order instituting proceedings** to determine whether to approve or disapprove a proposed rule change submitted by The Nasdaq Stock Market LLC. The proposal seeks to list and trade shares of the Grayscale Polkadot Trust (**DOT**) under Nasdaq Rule 5711(d), which governs the listing of commodity-based trust shares. The order has been issued under file number SR-NASDAQ-2025-019.

The proposed rule change was initially filed on 24 February 2025, in accordance with Section 19(b)(1) of the United States Securities Exchange Act of 1934 and United States Rule 19b-4. It was published for comment in the Federal Register on 13 March 2025. On 24 April 2025, the US SEC extended its review period and has now formally commenced proceedings under Section 19(b)(2)(B) of the Act to further evaluate the rule change.

According to the filing, the Grayscale Polkadot Trust (**DOT**) is designed to reflect the value of the DOT tokens held by the Trust, less the Trust's expenses and liabilities. The net asset value of the Trust would be based on the CoinDesk DOT CCIXber Reference Rate, which aggregates DOT trade data from multiple digital asset trading platforms. The Trust will hold only DOT and will permit creation and redemption of shares in blocks of 10,000, solely in cash. The sponsor of the Trust is Grayscale Investment Sponsors, LLC (as of 3 May 2025), with CSC Delaware Trust Company acting as trustee and Coinbase Custody Trust Company, LLC serving as custodian.

The institution of proceedings does not imply any final conclusion but enables additional consideration of whether the proposal complies with Section 6(b)(5) of the United States Securities Exchange Act of 1934. The US SEC specifically invited comments on whether the proposed listing of a DOT-based trust raises new or novel concerns, particularly regarding the resistance of DOT markets to fraud and manipulation, or whether sufficient market surveillance mechanisms are in place. Public comments referencing file number SR-NASDAQ-2025-019 may be submitted electronically or via mail.

(Source: <https://www.sec.gov/files/rules/sro/nasdaq/2025/34-103218.pdf>)

## US SEC Institutes Proceedings to Consider Approval or Disapproval of Canary HBAR ETF Listing on Nasdaq Under Rule 5711(d)

On 10 June 2025, the United States Securities and Exchange Commission (**US SEC**) published an [order instituting proceedings](#) to determine whether to approve or disapprove a proposed rule change, as modified by Amendment No. 1, submitted by The Nasdaq Stock Market LLC for the listing and trading of the Canary HBAR ETF under Nasdaq Rule 5711(d), which governs commodity-based trust shares. The rule change is filed under docket number SR-NASDAQ-2025-018.

The original proposal was filed on 21 February 2025 pursuant to Section 19(b)(1) of the United States Securities Exchange Act of 1934 and United States Rule 19b-4. On 4 March 2025, Nasdaq submitted Amendment No. 1, which replaced the original filing in full. The proposal was published in the Federal Register on 13 March 2025. On 24 April 2025, the US SEC extended its decision-making timeline, and through this order, formally commenced proceedings under Section 19(b)(2)(B) of the Act.

According to the modified proposal, the Canary HBAR ETF seeks to provide exposure to the value of Hedera (**HBAR**), the native digital asset of the Hedera Network, less the expenses and liabilities of the trust. The trust would hold only HBAR and cash, with net asset value determined by the CoinDesk Hedera USD CCIX 30min NY Rate, calculated from aggregated executed trade flows across major HBAR trading platforms. The ETF would permit creation and redemption of shares in blocks of 10,000, either in cash or in-kind. Canary Capital Group LLC is the sponsor, CSC Delaware Trust Company is the trustee, and digital asset custody will be jointly managed by BitGo Trust Company, Inc. and Coinbase Custody Trust Company, LLC.

The institution of proceedings does not indicate any conclusion as to whether the proposed rule change should be approved or disapproved and only allows for further analysis of whether the proposal complies with Section 6(b)(5) of the United States Securities Exchange Act of 1934, which requires that exchange rules be designed to prevent fraudulent and manipulative practices, protect investors, and serve the public interest.

The US SEC has called for public comments on whether the proposal adequately demonstrates that the listing of shares in a trust holding HBAR meets these statutory standards. It has also asked whether the use of the CoinDesk benchmark sufficiently addresses concerns of pricing reliability and resistance to market manipulation. Interested persons may submit written comments referencing file number SR-NASDAQ-2025-018 within the specified deadlines, with rebuttal comments due within 35 days after Federal Register publication.

(Source: <https://www.sec.gov/files/rules/sro/nasdaq/2025/34-103217.pdf>)

## US SEC Opens Proceedings on Bitwise Bitcoin and Ethereum ETF Listing Proposal Under NYSE Arca Rule 8.201-E

On 10 June 2025, the United States Securities and Exchange Commission (**US SEC**) issued an [order instituting proceedings](#) to determine whether to approve or disapprove a proposed rule change filed by NYSE Arca, Inc. The proposed change seeks to list and trade shares of the Bitwise Bitcoin and Ethereum ETF under NYSE Arca Rule 8.201-E, which governs commodity-based trust shares.

The proposal was filed on 19 February 2025 pursuant to Section 19(b)(1) of the United States Securities Exchange Act of 1934 and United States SEC Rule 19b-4. It was published for comment in the Federal Register on 12 March 2025. On 24 April 2025, the US SEC extended the initial decision period to 10 June 2025. With the latest order dated 10 June 2025, the US SEC has initiated formal proceedings under Section 19(b)(2)(B) of the United States Securities Exchange Act of 1934 to enable further analysis of the rule change.

The initiation of proceedings does not signal any conclusion regarding the merits of the proposal. Instead, the order is designed to allow for further assessment of whether the proposed rule change is consistent with Section 6(b)(5) of the United States Securities Exchange Act of 1934. This provision requires that exchange rules are designed to prevent fraud and manipulation, ensure fair trading, support the structure of a free and open market, and safeguard investor and public interests.

The US SEC has invited comments on whether the dual-asset nature of the trust raises any new or unique concerns not previously addressed in single-asset crypto trust filings. Public comments must address the sufficiency of the exchange's justifications set out in the Federal Register notice and whether the rule change meets the statutory standards.

(Source: <https://www.sec.gov/files/rules/sro/nysearca/2025/34-103215.pdf>)

## US SEC Director of Investment Management Natasha Vij Greiner to Step Down on 4 July 2025 After 23 Years of Public Service

On 10 June 2025, the United States Securities and Exchange Commission (**US SEC**) published a **statement** announcing the retirement of Natasha Vij Greiner, Director of the Division of Investment Management, who will conclude her tenure effective 4 July 2025, ending a 23-year career in US federal securities regulation and market oversight. Natasha Vij Greiner was appointed Director in March 2024 and has held leadership roles across four major US SEC divisions i.e. Investment Management, Enforcement, Examinations, and Trading and Markets.

She began her career at US SEC as a broker-dealer examiner in the then Office of Compliance Inspections and Examinations (**OCIE**). She has also received the Chairman's Award for Excellence in both 2015 and 2018, and the Chairman's Award for Serving the Interests of Main Street Investors in 2019.

SEC Chairman Paul S. Atkins praised Greiner's tenure, stating: "Natasha's steadfast leadership and strong judgment have been invaluable assets to the SEC throughout her long and distinguished career. Her strategic counsel and regulatory acumen will have a lasting impact." Greiner, reflecting on her journey, expressed deep gratitude for the opportunity to serve and highlighted the integrity and dedication of SEC staff as central to her experience.

(Source: <https://www.sec.gov/newsroom/press-releases/2025-84-natasha-vij-greiner-will-conclude-her-tenure-director-investment-management>)

## US SEC Seeks Public Input on Revising the Definition of Foreign Private Issuer Amid Market Evolution

On 4 June 2025, the United States Securities and Exchange Commission (**US SEC**) issued a **concept release** inviting public comment on whether to revise the existing definition of a "foreign private issuer" under US securities law. This initiative is part of a broader evaluation of regulatory accommodations granted to non-US companies accessing US capital markets, with a focus on the evolving global issuer landscape since the last substantive update in 2003.

Under current US securities regulations, foreign private issuers (**FPIs**) benefit from modified periodic reporting obligations, exemption from US proxy rules, and the ability to file financials under International Financial Reporting Standards (**IFRS**) without reconciliation to US GAAP. The concept release raises the question of whether the regulatory threshold for FPI status continues to serve its intended function, given changes in global corporate governance, cross-border operations, and the composition of foreign-listed companies over the past two decades.

US SEC Chairman Paul S. Atkins contextualised the review, stating: *"Attracting foreign companies to U.S. markets and providing U.S. investors with the opportunity to trade in those companies under U.S. laws and regulations remains an objective. That objective must be balanced with other considerations, including providing investors with material information about these foreign companies, and ensuring that domestic companies are not competitively disadvantaged with respect to regulatory requirements."*

In line with standard SEC practice, this concept release does not propose formal rules, but rather seeks to solicit empirical and policy input on whether and how the FPI definition should be recalibrated. The document outlines the underlying framework of the current FPI test—which considers shareholder composition, governance structure, and business location—and requests public views on whether the criteria remain effective, or are susceptible to manipulation or regulatory arbitrage.



The US SEC has encouraged commenters to discuss the costs, benefits, and potential compliance burdens associated with possible rulemaking scenarios. The release also invites market participants to identify operational or legal challenges associated with the current test, particularly in cases where multinational corporations with dual operations straddle both domestic and international footprints.

The public comment window will remain open for 90 days following the concept release's publication in the Federal Register, providing legal practitioners, foreign issuers, and investor advocacy groups the opportunity to engage in the pre-rulemaking dialogue.

Foreign issuers currently availing themselves of FPI status, or planning to do so in upcoming US offerings, should conduct a strategic review of their shareholder base, governance regime, and operational footprint to determine whether they may be affected by a potential narrowing or refinement of the FPI definition.

(Source: <https://www.sec.gov/newsroom/press-releases/2025-82-sec-solicits-public-comment-foreign-private-issuer-definition>)

## **US CFTC Warns Victims of Traders Domain Fraud to Submit Claims by 28 July 2025 or Forfeit Eligibility**

On 3 June 2025, the United States Commodity Futures Trading Commission (**US CFTC**), through its Division of Enforcement, issued a formal public alert urging victims of the alleged Traders Domain fraud scheme to file official claims by 28 July 2025. The alert makes clear that only those who submit valid claims before the deadline will be considered for restitution in any future court-ordered judgment. Prior participation in CFTC customer surveys, correspondence, or informal submissions does not qualify as a valid claim.

US CFTC filed a civil enforcement action in the U.S. District Court for the Southern District of Florida against a network of companies and individuals alleged to have orchestrated a \$280 million Ponzi scheme. According to the complaint, the scheme spanned from November 2019 to at least late 2023. Traders Domain FX Ltd. (TD), alongside its principals Safranko and Negus-Romvari, allegedly solicited funds for trading margined retail commodities via pooled and individual accounts, while issuing materially false statements regarding trading performance and account management.

Judge Roy K. Altman of U.S. District Court for the Southern District of Florida issued a statutory restraining order on 3 October 2024, against the defendants, freezing all known assets, granting the US CFTC access to books and records, and scheduling a preliminary injunction hearing for 29 October 2024. The US CFTC seeks full restitution for defrauded customers, disgorgement of unlawful profits, civil monetary penalties, permanent trading and registration bans, and a permanent injunction under the Commodity Exchange Act and US CFTC regulations.

In its ongoing litigation, the US CFTC seeks full restitution for defrauded customers, disgorgement of all unlawfully obtained proceeds, and the imposition of civil monetary penalties, permanent trading bans, and lifetime registration prohibitions on the defendants. The scheme, valued at over \$283 million, allegedly targeted more than 2,000 retail customers, promising access to sophisticated algorithmic forex and commodity trading platforms.

(Source: <https://www.cftc.gov/PressRoom/PressReleases/9083-25>)

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**CHARLTONS  
QUANTUM**



### **Hong Kong Office**

Dominion Centre 12th Floor  
43-59 Queen's Road East  
Hong Kong

[enquiries@charltonslaw.com](mailto:enquiries@charltonslaw.com)  
[www.charltonsquantom.com](http://www.charltonsquantom.com)  
[www.charltonslaw.com](http://www.charltonslaw.com)  
Tel: + (852) 2905 7888  
Fax: + (852) 2854 9596