



**THE FOUNDATION
FOR SECURE
MARKETS®**

#54918

Date: July 22, 2024

Subject: Collateral Treatment of Exchange Traded Funds with Crypto Assets Held in Trust

On April 30, 2024, OCC published [Information Memo #54518](#) which describes the collateral treatment of Exchange Traded Fund (“ETF”) securities with Bitcoin held in trust. Specifically, the value provided for collateral deposits in these securities is limited to the amount that is risk reducing for activity in cleared positions (currently stock borrow positions). In addition, these securities are also ineligible as collateral for escrow deposits.

Please note that this treatment will be extended to all ETFs with crypto-assets held in trust that are approved for listing (e.g., Ethereum-based ETFs).

As a reminder, Clearing Members can identify the quantity of shares eligible for deposit, as well as the number of shares and market value for any deposits that are not receiving value, by consulting the “Valued Securities Concentration Limit” report found on Encore. This report can be found in the “Reports” section of Encore under the “Collateral Reports” topic. The Operations Manual provides additional information regarding this report.

If you have any questions, please contact your Clearing Member representative or the Member Services Help Desk at the following numbers: 800-621-6072 or 800-544-6091. Within Canada, please call 800-424-7320. Clearing Members may also e-mail us at memberservices@theocc.com.