Bitwise Files Aptos ETF Amendment to Prevent Automatic Effectiveness While Industry Awaits Regulatory Clarity

Filing Information

- **Company:** Bitwise Aptos Etf
- **CIK:** 2059135
- **Filing Type:** S-1/A
- **Amended Filing:** Yes
- **Filing Date:** June 26, 2025
- **State of Incorporation:** DE
- **Industry (SIC):** FINANCE SERVICES
- **Accession Number:** 0001213900-25-058124
- **Analysis Date:** July 21, 2025 at 01:06 AM

Details

Bitwise has filed an Amendment for their proposed Bitwise Aptos ETF registration statement with the U.S. Securities and Exchange Commission (SEC) on June 26, 2025, to prevent the registration statement from becoming automatically effective, thereby giving both Bitwise and the SEC the time needed to continue their review and dialogue.

The Proposed ETF

The Bitwise Aptos ETF (the "Trust") is a proposed exchange-traded fund (ETF) designed to provide investors with direct exposure to the price of Aptos (APT), the native cryptocurrency of the Aptos Network. The Trust will hold actual Aptos, and its shares are intended to be listed on a major stock exchange. The ETF is sponsored by Bitwise Investment Advisers, LLC, a prominent manager of crypto asset investment funds.

Structure

- **Investment Objective:** To provide exposure to the value of Aptos held by the Trust, less the expenses of its operations.
- **Asset Held:** The Trust will physically hold Aptos. It will not use derivatives or leverage.
- **Sponsor:** Bitwise Investment Advisers, LLC.
- **Ticker Symbol & Exchange:** To be determined (indicated by "**_**" in the filing).
- **Valuation (NAV):** The Net Asset Value (NAV) of the Trust will be calculated daily based on the **CF Aptos–Dollar Settlement Price**, a benchmark rate provided by CF Benchmarks Ltd. This benchmark aggregates trading data from major Aptos trading platforms (Constituent Platforms), which include Coinbase, Gemini, and Kraken.
- **Indicative Trust Value (ITV):** An intraday estimated value of the ETF's shares will be published every 15 seconds during trading hours, based on the real-time CF Aptos–Dollar Spot Rate.

Mechanics of the ETF

- **Creation & Redemption:** The Trust will create and redeem shares in large blocks called "Baskets" (10,000 shares each). These transactions are handled by authorized financial firms known as Authorized Participants (APs).
  - **In-Kind Model:** APs can create/redeem Baskets by depositing/withdrawing the corresponding amount of Aptos directly with the Trust.
  - **Cash Model:** APs can also create/redeem Baskets using U.S. dollars. In this case, the Trust is responsible for buying or selling the necessary Aptos.
- **Trading Execution Models:** When the Trust needs to buy or sell Aptos (for cash creations/redemptions or to pay expenses):
  1. **Trust-Directed Trade Model (Primary):** The Sponsor will trade directly with approved Aptos Trading Counterparties.
  2. **Agent Execution Model (Backup):** If the primary model is unavailable, the Trust will use Coinbase, Inc. as its "Prime Execution Agent." This may involve using short-term trade credit from Coinbase Credit, Inc., which is secured by the Trust's assets.

Key Parties Involved

- **Sponsor:** Bitwise Investment Advisers, LLC (manages the Trust).
- **Aptos Custodian:** Coinbase Custody Trust Company, LLC (safeguards the Trust's Aptos holdings in segregated, cold storage accounts).
- **Cash Custodian:** To be determined (holds the Trust's cash).
- **Prime Execution Agent & Trade Credit Lender:** Coinbase, Inc. and Coinbase Credit, Inc. (provide backup trading services and financing).
- **Trustee:** Delaware Trust Company.
- **Administrator, Transfer Agent, Marketing Agent:** Various financial service firms handling back-office operations.

Fees and Tax Implications

- **Sponsor Fee:** The Trust will pay a unitary management fee of **0.____%** (percentage not yet specified) of its Aptos holdings to the Sponsor. This fee covers most of the Trust's ordinary operating expenses.
- **Tax Structure:** The Trust intends to be treated as a **grantor trust** for U.S. federal income tax purposes.
  - This means shareholders are treated as if they directly own a portion of the Trust's underlying Aptos.
  - The sale of Aptos by the Trust to pay the Sponsor Fee is a **taxable event for shareholders**, who may incur a tax liability without receiving a cash distribution.

Significant Risks

The filing dedicates a substantial section to risk factors, including:

- **Volatility of Aptos:** The price of Aptos is highly volatile and speculative.
- **Regulatory Uncertainty:** The legal and regulatory landscape for digital assets is evolving. A determination that Aptos is a "security" could severely impact its value and the Trust's operations.

- **Custody Risk:** Loss, theft, or destruction of the private keys held by the custodian could result in the irreversible loss of the Trust's Aptos. While Coinbase has insurance, it is shared among all its clients and may not be sufficient.
- **Aptos-Specific Risks:** These include the unlimited supply of Aptos, potential vulnerabilities in its proof-of-stake consensus mechanism, competition from other blockchains, and the impact of "forks" or "airdrops."
- **Market Risk:** The digital asset trading platforms where Aptos trades are less regulated than traditional exchanges and are susceptible to manipulation, fraud, and security breaches.
- **Operational Risk:** The Trust relies on a number of third-party service providers (like the custodian and APs), whose failure could disrupt the Trust's operations.
- **Tax Risk:** The IRS could challenge the Trust's grantor trust status, and the tax treatment of digital assets could change.