

SEC Finalizes New Crypto ETF Standards, Paving Way for Dozen Tokens by October

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The U.S. Securities and Exchange Commission (SEC) has adopted a new regulatory framework that could allow up to a dozen major cryptocurrencies to qualify for exchange-traded fund (ETF) listings by October. The updated guidelines shift ETF approval oversight to the Commodity Futures Trading Commission (CFTC) and establish a streamlined process that significantly reduces regulatory delays.

Under the SEC's new Generic Listing Standards, any cryptocurrency with a futures contract that has been actively traded for six months on a regulated derivatives market would automatically qualify for listing as an exchange-traded product (ETP). This change removes previous requirements such as individual exchange applications and detailed liquidity or market cap thresholds, accelerating approval timelines for crypto ETFs. The Chicago Board Options Exchange (CBOE), which submitted the framework, stated that the rule eliminates the need for separate 19b-4 filings an often a time-consuming part of the traditional approval process.

This framework essentially delegates much of the gatekeeping role to the CFTC, which oversees commodity futures markets. Notably, eligible cryptocurrencies under these new standards include Bitcoin, Ethereum, Solana, XRP (Ripple), Cardano, Avalanche, Chainlink, Litecoin, Polkadot, Dogecoin, Stellar, and Shiba Inu.

Bloomberg ETF analyst Eric Balchunas identified these tokens as "the usual suspects," already seen as having strong chances of approval. Solana is expected to meet its six-month futures trading requirement by October 10, with XRP shortly behind it, suggesting potential ETF listings for these assets this fall.

The SEC also made additional moves on July 29, approving in-kind creation and redemption for crypto ETPs. This allows institutional investors to exchange ETF shares for the actual underlying digital assets instead of cash, minimizing tax consequences and improving efficiency. SEC Commissioner Paul Atkins noted this model would make the products more cost-effective and investor-friendly, particularly for large holders.

Market interest continues to grow in parallel with regulatory developments. Spot Bitcoin ETFs have now accumulated more than \$151 billion in assets under management (AUM), including \$55.1 billion in net inflows. Ethereum ETFs are also on the rise, with \$21.5 billion in AUM following sustained institutional demand and over \$9 billion in recent inflows.

The regulatory momentum follows a series of mixed signals from the SEC. On July 22, the agency approved and then abruptly halted the Bitwise 10 Crypto Index ETF, which would have included a diversified basket of top digital assets. The decision raised questions about the consistency of ETF approvals, particularly regarding multi-asset and staking-enabled products. The stay order was issued by Assistant Secretary Sherry Haywood under **Rule 431**, contributing to ongoing confusion about the SEC's stance on more complex fund structures.

The approval pipeline currently includes 72 pending crypto ETF filings from major issuers such as Grayscale, VanEck, Franklin Templeton, and CoinShares. Bloomberg Intelligence has placed 95% odds on Solana, XRP, and Litecoin ETF approvals by year-end.

In the private sector, institutional adoption continues to ramp up. BlackRock's IBIT saw \$147.36 million in inflows on July 28 alone, while its Ethereum ETF (ETHA) contributed significantly to the \$65.14 million daily total for Ethereum-based funds. Meanwhile, SharpLink Gaming became the largest corporate Ethereum holder, surpassing the Ethereum Foundation with over 280,000 ETH valued at roughly \$840 million.

In a noteworthy trend, U.S. corporate treasuries have invested more than \$1.6 billion in Ethereum over recent weeks, with many companies participating in staking operations to generate yield from their holdings.

The SEC's evolving approach and its recent adoption of streamlined standards reflect a growing acknowledgment of digital assets as part of the financial mainstream. If these changes remain in place and timelines hold, the U.S. could see a wave of new crypto ETFs launch before the end of 2025.