

An American company was fined nearly \$2 million for Bitcoin ETF

The SEC fined VanEck \$1.75 million for issues related to its ETF and the involvement of social media influencer Dave Portnoy.



The Securities and Exchange Commission (SEC) recently imposed a \$1.75 million fine on the issuer of the Spot Bitcoin ETF related to VanEck, a significant player in the financial sector.

According to a post on X, this action by the SEC has caused major debates in both the banking sector and the online cryptocurrency community.

According to the regulator, VanEck did not want to reveal the role of social media influencer Dave Portnoy in the launch of his new exchange-traded fund (ETF).

VanEck's colleagues launched the VanEck Social Sentiment ETF in 2021 following an SEC order to track an index calculated based on positive insights.

Following the SEC's decision, it was determined that VanEck's colleagues neglected to disclose the influencer's goals and fee structure to the ETF board, which is responsible for approving the fund's creation and management fee.

Another issue raised by the Securities and Exchange Commission is the lack of effective monitoring and control systems in the Bitcoin spot market.

The Securities and Exchange Commission (SEC) stated that investors may be exposed to excessive risk and uncertainty without appropriate protections, which will compromise market integrity. finances are violated.

Because VanEck failed to effectively address these concerns, the Securities and Exchange Commission (SEC) imposed heavy penalties. The SEC's ruling is notable because it demonstrates the agency's dedication to enforcing strict compliance rules in the rapidly expanding cryptocurrency market.

There is no doubt that regulators have increased their attention that they have not yet stopped paying for crypto-based financial products.

TradeStation Crypto, Inc., a financial services provider headquartered in Florida announced earlier this month that it has reached a settlement with the Securities and Exchange Commission (SEC) and regulatory agencies. country by paying \$3 million for the illegal sale of unregistered cryptocurrency.

Similarly, in November 2023, the US Department of Justice requested a \$4 billion fine related to the investigation of Binance's cryptocurrency trading platform. Since 2018, Binance has been the subject of an investigation.

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