

21Shares AG – Pioneering Regulated Access to Cryptocurrency Investing

1. Overview of 21Shares

21Shares AG, founded in 2018 by *Hany Rashwan and Ophelia Snyder*, is a Swiss-based financial technology company headquartered

in Zurich, Switzerland. The firm specializes in creating and managing **exchange-traded products (ETPs)** that provide mainstream investors with **regulated and transparent exposure to cryptocurrencies**. It operates under the parent company **21.co**, which also includes **21Shares** and **Amun**.

21Shares' mission is to bridge the gap between traditional finance (TradFi) and digital assets (DeFi) by developing products that make cryptocurrencies accessible through familiar investment vehicles such as ETPs and ETFs. These products trade on major European and U.S.

exchanges, allowing investors to gain exposure to Bitcoin, Ethereum, and other digital assets **without directly holding or managing the cryptocurrencies themselves.**

2. Core Work and Innovation

a) Crypto Exchange-Traded Products (ETPs)

21Shares is globally recognized as a **pioneer in crypto ETP innovation.** The company launched the **world's first physically backed Bitcoin ETP**

on the SIX Swiss Exchange in 2019.

Each ETP is fully collateralized by the underlying asset, with holdings stored in secure, institutional-grade cold storage.

Notable examples include:

- **21Shares Bitcoin ETP (ABTC)** – Provides direct exposure to Bitcoin price performance.
- **21Shares Ethereum ETP (AETH)** – Tracks the performance of Ethereum.
- **21Shares Crypto Basket Index ETP (HODL)** – Offers diversified exposure to multiple leading

cryptocurrencies.

- **21Shares Staking ETPs** – Allow investors to earn staking rewards passively while maintaining liquidity in traditional markets.

These ETPs are designed to meet regulatory standards and audit transparency, making them accessible to institutional investors, wealth managers, and retail traders in regulated environments.

b) Partnership with ARK Invest

In 2021, 21Shares formed a

strategic partnership with Cathie Wood's ARK Investment Management LLC (ARK Invest) to co-develop and manage crypto-focused exchange-traded funds (ETFs) for U.S. investors.

This collaboration led to the creation of several key products:

- **ARK 21Shares Bitcoin ETF (ARKB)** – Offers investors direct exposure to Bitcoin's market price through a regulated ETF structure.
- **ARK 21Shares Ethereum ETF (ARKZ)** – Provides access to Ethereum performance and

futures.

- **ARK 21Shares Blockchain and Digital Economy Innovation ETF (ARKD)** – Focuses on equities of companies driving blockchain innovation.

These funds mark a significant step in integrating cryptocurrencies into mainstream U.S. financial markets, making it easier for retail and institutional investors to gain exposure through a regulated investment vehicle.

c) Regulatory Leadership and Compliance

21Shares is regulated under Swiss law and adheres to strict financial market standards. It works closely with top custodians such as **Coinbase Custody** and **Copper** to secure client assets.

The company's focus on **transparency, regulation, and risk management** has set new standards for how digital asset products are structured and distributed in Europe and beyond. 21Shares' legal and operational frameworks help ensure that their

ETPs are backed 1:1 by the corresponding cryptocurrencies, regularly audited, and compliant with institutional-grade security

practices.

d) Institutional Adoption and Market Accessibility

By listing crypto ETPs on traditional exchanges such as **SIX Swiss Exchange, Deutsche Börse Xetra, and Euronext**, 21Shares has enabled investors to purchase crypto exposure through existing brokerage accounts without needing crypto wallets or private keys.

This approach effectively **democratizes cryptocurrency investing**, reducing the technological and custodial barriers

that have historically discouraged participation in digital asset markets.

3. Impact on the Cryptocurrency Industry

a) Bridging Traditional and Digital Finance

21Shares has played a pivotal role in merging the worlds of traditional finance and crypto. Through its innovative products, the company has provided a regulated and transparent way for institutions and retail investors to gain exposure to

cryptocurrencies. This has accelerated the mainstream acceptance of crypto as a legitimate asset class.

b) Encouraging Institutional Participation

Before the advent of crypto ETPs, institutional investors often faced regulatory uncertainty and security concerns. 21Shares' products have mitigated those issues by offering **fully collateralized, exchange-traded, and audited investment vehicles**. This has encouraged pension funds, hedge funds, and asset managers to

participate in the crypto economy.

c) Advancing Global Crypto Regulation Standards

21Shares' compliance-first approach has influenced regulatory frameworks and set a precedent for how digital asset products can safely exist within existing financial systems. Its success in the EU and Switzerland has provided valuable insights for policymakers and other financial firms seeking to develop similar offerings worldwide.

d) Driving Innovation in Crypto Investment Vehicles

Beyond single-asset ETPs, 21Shares has developed **index-based, yield-generating, and multi-asset** crypto products that give investors diversified exposure across the blockchain ecosystem. This innovation has deepened the sophistication of crypto investment products and contributed to the evolution of the industry toward **institutional-grade maturity**.

4. Strategic Vision

21Shares continues to innovate under its parent company 21.co, which has raised significant funding from investors such as Marshall Wace, Collab+Currency, and Quiet Ventures. The company's long-term vision is to make investing in any digital asset as simple as buying a stock or bond on a traditional exchange.

By working alongside firms like ARK Invest, 21Shares is helping shape the next era of **regulated crypto finance**, where blockchain technology and traditional investment vehicles coexist seamlessly. 21Shares has emerged as one of the most influential

companies in the global cryptocurrency investment space.

Its regulated, transparent, and accessible crypto ETPs have made it possible for traditional investors to participate in digital assets without the technical complexity of wallets or exchanges.

By pioneering the world's first Bitcoin ETP, partnering with ARK Invest to expand into U.S. markets, and championing compliant financial structures, 21Shares has accelerated the **mainstream institutional adoption of cryptocurrency**. Its continued work represents a crucial bridge between the decentralized world of

blockchain and the structured
frameworks of traditional finance.

Citation

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