ZEROCAP

New Product: BTC <> IBIT SWAP

The core objective is to exchange physical Bitcoin (BTC) for the iShares Bitcoin Trust (IBIT). This allows institutional holders to transition from native crypto-assets into a regulated, exchange-traded product (ETP) without exiting their market position or incurring "out-of-market" risk.

Execution Structure

- **Structure:** Physical Delivery: Client delivers native BTC to Zerocap; Zerocap delivers physical IBIT shares to the Client.
- **Infrastructure:** Zerocap clears via its Prime Brokerage directly to your nominated brokerage account.
- **Mechanism:** A coordinated, market-neutral swap. Native BTC is delivered in return for IBIT shares to ensure continuous exposure.
- **Pricing Benchmark:** Based on the CME CF Bitcoin Reference Rate - New York Variant (BRRNY).

The Pricing Standard: BRRNY

The trade utilizes the BRRNY to ensure institutional-grade settlement and pricing integrity:

- **Synchronisation:** The BRRNY is the pre-eminent benchmark for Bitcoin risk settlement, synchronised to the traditional US financial market close of 16:00 New York Time.
- **NAV Alignment:** By pricing at the 16:00 fix, the swap aligns with the IBIT Net Asset Value (NAV) strike, which is critical for accurate fund accounting and minimizing tracking error.
- **Benchmark Integrity:** It is a once-a-day benchmark that aggregates trade flow from major constituent exchanges, providing a transparent and replicable price for large-scale block trades.

Value Proposition

- **Regulatory Alignment:** Simplifies the transition into an SEC-regulated vehicle to satisfy internal compliance or external audit mandates.
- **Operational Security:** Shifts the responsibility of private key management and self-custody to a regulated, top-tier custodian framework.
- **Standardized Rails:** Allows Bitcoin exposure to sit alongside traditional equities within existing brokerage accounts on a standard T+1 settlement cycle.

Contact your sales representative or email sales@zerocap.com to discuss further

***Zerocap does not provide any direction, guidance or advice on taxation changes or implications when exchanging physical Bitcoin (BTC) for the iShare Bitcoin Trust (IBIT).**