


Required fields are shown with yellow backgrounds and asterisks.

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| Page 1 of * 70   |  | SECURITIES AND EXCHANGE COMMISSION<br>WASHINGTON, D.C. 20549<br>Form 19b-4   |  | File No. * SR 2025 - * 23<br>Amendment No. (req. for Amendments *) |  |
| Filing by Nasdaq ISE, LLC  |  |  |  |  |  |
| Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934   |  |  |  |  |  |
| Initial *<br><input checked="" type="checkbox"/>   |  | Amendment *<br><input type="checkbox"/>                                      |  | Withdrawal<br><input type="checkbox"/>                             |  |
| Section 19(b)(2) *<br><input type="checkbox"/>   |  | Section 19(b)(3)(A) *<br><input checked="" type="checkbox"/>                 |  | Section 19(b)(3)(B) *<br><input type="checkbox"/>                  |  |
| Pilot<br><input type="checkbox"/>  |  | Extension of Time Period for Commission Action *<br><input type="checkbox"/> |  | Date Expires *<br><input type="text"/>                             |  |
|  |  | Rule   |  |  |  |
|  |  | <input type="checkbox"/> 19b-4(f)(1)   |  | <input type="checkbox"/> 19b-4(f)(4)                               |  |
|  |  | <input type="checkbox"/> 19b-4(f)(2)   |  | <input type="checkbox"/> 19b-4(f)(5)                               |  |
|  |  | <input type="checkbox"/> 19b-4(f)(3)   |  | <input checked="" type="checkbox"/> 19b-4(f)(6)                    |  |
| Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010<br>Section 806(e)(1) *<br><input type="checkbox"/>   |  |  | Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934<br>Section 3C(b)(2) *<br><input type="checkbox"/> |  |  |
| Exhibit 2 Sent As Paper Document<br><input type="checkbox"/>   |  |  | Exhibit 3 Sent As Paper Document<br><input type="checkbox"/>   |  |  |
| <b>Description</b><br>Provide a brief description of the action (limit 250 characters, required when Initial is checked *).<br><div>A Proposal to List and Trade Options on the VanEck Bitcoin ETF</div>   |  |  |  |  |  |
| <b>Contact Information</b><br>Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.<br>First Name * Angela Last Name * Dunn<br>Title * Principal Associate General Counsel<br>E-mail * angela.dunn@nasdaq.com<br>Telephone * (215) 496-5692 Fax |  |  |  |  |  |
| <b>Signature</b><br>Pursuant to the requirements of the Securities Exchange of 1934, Nasdaq ISE, LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.<br>Date 08/07/2025 (Title *)<br>By John Zecca EVP and Chief Legal Officer<br>(Name *)  |  |  |  |  |  |
| NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed. <div> Date: 2025.08.07 14:55:00 -04'00'</div>                                      |  |  |  |  |  |

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS website.

**Form 19b-4 Information \***

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SR-ISE-2025-23 19b-4.docx

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

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SR-ISE-2025-23 Exhibit 1.docx

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2- Notices, Written Comments, Transcripts, Other Communications**

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

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Exhibit Sent As Paper Document

**Exhibit 3 - Form, Report, or Questionnaire**

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

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Exhibit Sent As Paper Document

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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SR-ISE-2025-23 Exhibit 5.docx

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Nasdaq ISE, LLC (“ISE” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to list and trade options on the VanEck Bitcoin ETF.

A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1.

The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) The proposed rule change amends The Nasdaq Stock Market LLC (“Nasdaq”), Nasdaq Phlx LLC (“Phlx”), Nasdaq BX, Inc. (“BX”), Nasdaq GEMX, LLC (“GEMX”) and Nasdaq MRX, LLC (“MRX”) Options 4, Section 3. Nasdaq, Phlx, BX, GEMX and MRX incorporate ISE Options 4, Section 3 by reference. The proposed rule change amends GEMX and MRX Options 9, Sections 13 and 15. GEMX and MRX incorporate ISE Options 9, Sections 13 and 15 by reference..

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors (the “Board”). Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to:

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

Angela Saccomandi Dunn  
Principal Associate General Counsel  
Nasdaq, Inc.  
(215) 496-5692

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

a. Purpose

The Exchange proposes to list and trade options on the VanEck Bitcoin ETF by amending Options 4, Section 3, Criteria for Underlying Securities. Specifically, the Exchange proposes to list and trade options on an Exchange-Traded Fund or “ETF” that represent interests in the VanEck Bitcoin ETF.<sup>3</sup> Recently, Cboe Exchange, Inc. (“Cboe”) received approval to list and trade options on the VanEck Bitcoin ETF.<sup>4</sup>

Currently, Options 4, Section 3(h) provides that securities deemed appropriate for options trading shall include shares or other securities (“Exchange-Traded Fund Shares” or “ETFs”) that are traded on a national securities exchange and are defined as an “NMS” stock under Rule 600 of Regulation NMS, and that meet certain criteria specified in Options 4, Section 3(h), including that they:

(i) represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities that hold portfolios of securities and/or financial instruments, including, but not limited to, stock index futures contracts, options on futures, options on securities and indices, equity caps, collars and floors, swap agreements, forward contracts, repurchase agreements and reverse repurchase agreements (the “Financial Instruments”), and money market instruments, including, but not limited to, U.S. government securities and repurchase agreements (the “Money Market Instruments”) comprising or otherwise based on or representing

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<sup>3</sup> See Securities Exchange Act Release No. 99306 (January 10, 2024), 89 FR 3008 (January 17, 2024) (SR-CboeBZX-2023-040) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, to List and Trade Bitcoin-Based Commodity-Based Trust Shares and Trust ETFs) (“Bitcoin ETP Approval Order”).

<sup>4</sup> See Securities Exchange Act Release No. 103569 (July 29, 2025) (SR-Cboe-2025-017) (not yet noticed) (“Cboe VanEck Filing”).

investments in broad-based indexes or portfolios of securities and/or Financial Instruments and Money Market Instruments (or that hold securities in one or more other registered investment companies that themselves hold such portfolios of securities and/or Financial Instruments and Money Market Instruments) or

(ii) represent interests in a trust or similar entity that holds a specified non-U.S. currency or currencies deposited with the trust when aggregated in some specified minimum number may be surrendered to the trust or similar entity by the beneficial owner to receive the specified non-U.S. currency or currencies and pays the beneficial owner interest and other distributions on the deposited non-U.S. currency or currencies, if any, declared and paid by the trust (“Currency Trust Shares”) or

(iii) represent commodity pool interests principally engaged, directly or indirectly, in holding and/or managing portfolios or baskets of securities, commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or non-U.S. currency (“Commodity Pool ETFs”) or

(iv) represent interests in the iShares Ethereum Trust, the SPDR® Gold Trust, the iShares COMEX Gold Trust, the iShares Silver Trust, the Aberdeen Standard Physical Gold Trust, or the iShares Bitcoin Trust, or the Fidelity Wise Origin Bitcoin Fund, or the ARK21Shares Bitcoin ETF, or the Grayscale Bitcoin Trust (BTC), or the Grayscale Bitcoin Mini Trust BTC, or the Bitwise Bitcoin ETF or the Fidelity Ethereum Fund, the Bitwise Ethereum ETF, the Grayscale Ethereum Trust, and Grayscale Ethereum Mini Trust or

(v) represents an interest in a registered investment company (“Investment Company”) organized as an open-end management company or similar entity, that invests in a portfolio of securities selected by the Investment Company’s investment adviser consistent with the Investment Company’s investment objectives and policies, which is issued in a specified aggregate minimum number in return for a deposit of a specified portfolio of securities and/or a cash amount with a value equal to the next determined net asset value (“NAV”), and when aggregated in the same specified minimum number, may be redeemed at a holder’s request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the next determined NAV (“Managed Fund Share”).

In addition to the aforementioned requirements, Options 4, Section 3(h)(1) and (2) must

be met to list options on ETFs.<sup>5</sup>

The VanEck Bitcoin ETF is a Bitcoin-backed commodity ETF structured as a trust. Similar to any ETF currently deemed appropriate for options trading under Options 4, Section 3(h), the investment objective of the VanEck Bitcoin ETF is for its shares to reflect the performance of Bitcoin (less the expenses of the trust's operations), offering investors an opportunity to gain exposure to Bitcoin without the complexities of Bitcoin delivery. As is the case for ETFs currently deemed appropriate for options trading, the VanEck Bitcoin ETF's shares represent units of fractional undivided beneficial interest in the trust, the assets of which consist principally of Bitcoin and are designed to track Bitcoin or the performance of the price of Bitcoin and offer access to the Bitcoin market.<sup>6</sup> The VanEck Bitcoin ETF provides investors with cost-efficient alternatives that allow a level of participation in the Bitcoin market through the securities market.

The Exchange believes the VanEck Bitcoin ETF satisfies the Exchange's initial listing standards for ETFs on which the Exchange may list options. Specifically, the VanEck Bitcoin ETF satisfies the initial listing standards set forth in Options 4, Section

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<sup>5</sup> Options 4, Section 3(h)(1) and (2) state that the Exchange-Traded Fund Shares either (i) meet the criteria and guidelines set forth in paragraphs (a) and (b) described herein; or (ii) the Exchange-Traded Fund Shares are available for creation or redemption each business day from or through the issuing trust, investment company, commodity pool or other entity in cash or in kind at a price related to net asset value, and the issuer is obligated to issue Exchange-Traded Fund Shares in a specified aggregate number even if some or all of the investment assets and/or cash required to be deposited have not been received by the issuer, subject to the condition that the person obligated to deposit the investment assets has undertaken to deliver them as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the issuer of the Exchange-Traded Fund Shares, all as described in the Exchange-Traded Fund Shares' prospectus. Also, the Exchange-Traded Fund Shares based on international or global indexes, or portfolios that include non-U.S. securities, shall meet the criteria in Options 4, Section 3(h)(2)(A)-(F).

<sup>6</sup> The trust may include minimal cash and cash equivalents (i.e., short-term instruments with maturities of less than three months).

3(h), as is the case for other ETFs on which the Exchange lists options (including trusts that hold commodities). Pursuant to Options 4, Section 3(h)(1) ETFs either (i) meet the criteria and guidelines set forth in paragraphs (a) and (b) of Options 4, Section 3; or (ii) the ETFs must be available for creation or redemption each business day from or through the issuer in cash or in kind at a price related to net asset value, and the issuer must be obligated to issue ETFs in a specified aggregate number even if some or all of the investment assets required to be deposited have not been received by the issuer, subject to the condition that the person obligated to deposit the investments has undertaken to deliver the investment assets as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the issuer, as provided in the respective prospectus. The VanEck Bitcoin ETF satisfies Options 4, Section 3(h)(1)(ii), as each is subject to this creation and redemption process.

While not required by the Rules for purposes of options listings, the Exchange believes the VanEck Bitcoin ETF satisfies the criteria and guidelines set forth in Options 4, Section 3(a) which requires that a security (which includes a ETF) on which options may be listed and traded on the Exchange must be duly registered (with the Commission) and be an NMS stock (as defined in Rule 600 of Regulation NMS under the Securities Exchange Act of 1934, as amended (the “Act”)), and be characterized by a substantial number of outstanding shares that are widely held and actively traded.<sup>7</sup> The VanEck Bitcoin ETF is an NMS Stock as defined in Rule 600 of Regulation NMS under

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<sup>7</sup> The criteria and guidelines for a security to be considered widely held and actively traded are set forth in Options 4, Section 3(b), subject to exceptions.

the Act.<sup>8</sup> The Exchange believes the VanEck Bitcoin ETF is characterized by a substantial number of outstanding shares that are widely held and actively traded.

Cboe VanEck Filing noted that, as of March 5, 2025, the VanEck Bitcoin ETF had the following number of shares outstanding:

| <b>Bitcoin Fund</b> | <b>Shares Outstanding</b> |
|---------------------|---------------------------|
| VanEck Bitcoin ETF  | 49,900,000                |

Cboe VanEck Filing noted that the VanEck Bitcoin ETF had significantly more than 7,000,000 shares outstanding (approximately 7 times that amount), which is the minimum number of shares of a corporate stock that the Exchange generally requires to list options on that stock pursuant to Options 4, Section 3(b)(1). The Exchange believes this demonstrates that the VanEck Bitcoin ETF is characterized by a substantial number of outstanding shares. Further, the below table that was provided in the Cboe VanEck Filing, contains information regarding the number of beneficial holders of the VanEck Bitcoin ETF as of the specified dates:

| <b>Bitcoin Fund</b> | <b>Beneficial Holders</b> | <b>Date</b> |
|---------------------|---------------------------|-------------|
| VanEck Bitcoin ETF  | 32,469                    | 1/31/25     |

This Cboe VanEck Filing table noted that the VanEck Bitcoin ETF has significantly more than 2,000 beneficial holders (approximately 16 times more), which is the minimum number of holders the Exchange generally requires for corporate stock

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<sup>8</sup> An “NMS stock” means any NMS security other than an option, and an “NMS security” means any security or class of securities for which transaction reports are collected, processed, and made available pursuant to an effective transaction reporting plan (or an effective national market system plan for reporting transaction in listed options). See 17 CFR § 242.600(b)(64) (definition of “NMS security”) and (65) (definition of “NMS stock”).



in order to list options on that stock pursuant to Options 4, Section 3(b)(2). Therefore, the Exchange believes the shares of the VanEck Bitcoin ETF are widely held.

The Exchange also believes the shares of the VanEck Bitcoin ETF are actively traded. The Cboe VanEck Filing stated that, as of March 5, 2025, the total trading volume (by shares) for the trust for the six-month period of September 5, 2024, through March 5, 2025, and the approximate average daily volume (“ADV”) (in shares and notional) over the 30-day period of January 21, 2025, through March 5, 2025, for the VanEck Bitcoin ETF was as follows:

| <b>Bitcoin Fund</b> | <b>6-Month Trading Volume (Shares)</b> | <b>30-Day ADV (Shares)</b> | <b>30-Day ADV (Notional \$)</b> |
|---------------------|--|----------------------------|---------------------------------|
| VanEck Bitcoin ETF  | 133,275,448                            | 794,677                    | 39,163,513.72                   |

As demonstrated above, Cboe noted that as of March 5, 2025, the six-month trading volume for the VanEck Bitcoin ETF as of that date was substantially higher than 2,400,000 shares (approximately 55 times that amount), which is the minimum 12-month volume the Exchange generally requires for a corporate stock in order to list options on that security as set forth in Options 4, Section 3(b)(4). The Exchange believes this data demonstrates the VanEck Bitcoin ETF is characterized as having shares that are actively traded.

Options on the VanEck Bitcoin ETF will be subject to the Exchange’s continued listing standards set forth in Options 4, Section 4(g) for ETFs deemed appropriate for options trading pursuant to Options 4, Section 3(h). Specifically, ETFs approved for trading pursuant to Options 4, Section 3(h) will not be deemed to meet the requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts of the class covering such ETFs if the ETFs are delisted from trading

as provided in subparagraph (b)(4) of Options 4, Section 4<sup>9</sup> or the ETFs are halted or suspended from trading on their primary market.<sup>10</sup> In addition, the Exchange shall consider the suspension of opening transactions in any series of options of the class covering ETFs in any of the following circumstances:

(1) in the case of options covering Exchange-Traded Fund Shares approved pursuant to Options 4, Section 3(h)(i), in accordance with the terms of subparagraphs (b)(1), (2), (3) and (4) of Options 4, Section 4;<sup>11</sup>

(2) in the case of options covering Fund Shares approved pursuant to Options 4, Section 3(h)(ii),<sup>12</sup> following the initial twelve-month period beginning upon the commencement of trading in the Exchange-Traded Fund Shares on a national securities exchange and are defined as an “NMS stock” under Rule 600 of Regulation NMS, there were fewer than 50 record and/or beneficial holders of such Exchange-Traded Fund Shares for 30 or more consecutive trading days;

(3) the value of the index or portfolio of securities or non-U.S. currency, portfolio of commodities including commodity futures contracts, options on commodity futures contracts, swaps, forward contracts, options on physical commodities and/or Financial Instruments and Money Market Instruments, on which the Exchange-Traded Fund Shares are based is no longer calculated or available; or

(4) such other event occurs or condition exists that in the opinion of the Exchange makes further dealing in such options on the Exchange inadvisable.

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<sup>9</sup> Options 4, Section 4(b)(4) states that the underlying security ceases to be an “NMS stock” as defined in Rule 600 of Regulation NMS under the Exchange Act.

<sup>10</sup> See Options 4, Section 4(g).

<sup>11</sup> Options 4, Section 4(b)(1) through (4) provides, if: (1) there are fewer than 6,300,000 shares of the underlying security held by persons other than those who are required to report their security holdings under Section 16(a) of the Act, (2) there are fewer than 1,600 holders of the underlying security, (3) the trading volume (in all markets in which the underlying security is traded) has been less than 1,800,000 shares in the preceding twelve (12) months, or (4) the underlying security ceases to be an ‘NMS stock’ as defined in Rule 600 of Regulation NMS under the Exchange Act. Options 4, Section 3(h)(i) refers to Financial Instruments and Money Market Instruments.

<sup>12</sup> Options 4, Section 3(h)(ii) refers to Currency Trust Shares.

Options on the VanEck Bitcoin ETF would be physically settled contracts with American-style exercise.<sup>13</sup> Consistent with current Options 4, Section 5, which governs the opening of options series on a specific underlying security (including ETFs), the Exchange will open at least one expiration month for options on the VanEck Bitcoin ETF and may also list series of options on the VanEck Bitcoin ETF for trading on a monthly,<sup>14</sup> weekly<sup>15</sup> or quarterly<sup>16</sup> basis. The Exchange may also list long-term equity option series (“LEAPS”)<sup>17</sup> that expire from twelve to thirty-nine months from the time they are listed.

Pursuant to Options 4, Section 5(d), which governs strike prices of series of options on ETFs, the interval between strike prices of series of options on ETFs approved for options trading pursuant to Section 3(h) of Options 4 shall be fixed at a price per share which is reasonably close to the price per share at which the underlying security is traded in the primary market at or about the same time such series of options is first open for trading on the Exchange, or at such intervals as may have been established on another options exchange prior to the initiation of trading on the Exchange. With respect to the Short Term Options Series or Weekly Program, during the month prior to expiration of an option class that is selected for the Short Term

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<sup>13</sup> See Options 4, Section 2, Rights and Obligations of Holders and Writers, which provides that the rights and obligations of holders and writers shall be as set forth in the Rules of the Clearing Corporation. See also OCC Rules, Chapter VIII, which governs exercise and assignment, and Chapter IX, which governs the discharge of delivery and payment obligations arising out of the exercise of physically settled stock option contracts. OCC Rules can be located at: [https://www.theocc.com/getmedia/9d3854cd-b782-450f-bcf7-33169b0576ce/occ\\_rules.pdf](https://www.theocc.com/getmedia/9d3854cd-b782-450f-bcf7-33169b0576ce/occ_rules.pdf).

<sup>14</sup> See Supplementary Material .09 to Options 4, Section 5.

<sup>15</sup> See Supplementary Material .03 to Options 4, Section 5.

<sup>16</sup> See Supplementary Material .04 to Options 4, Section 5.

<sup>17</sup> See Options 4, Section 8.

Option Series Program, the strike price intervals for the related non-Short Term Option (“Related non-Short Term Option”) shall be the same as the strike price intervals for the Short Term Option.<sup>18</sup> Specifically, the Exchange may open for trading Short Term Option Series at strike price intervals of (i) \$0.50 or greater where the strike price is less than \$100, and \$1 or greater where the strike price is between \$100 and \$150 for all option classes that participate in the Short Term Options Series Program; (ii) \$0.50 for option classes that trade in one dollar increments and are in the Short Term Option Series Program; or (iii) \$2.50 or greater where the strike price is above \$150.<sup>19</sup> Additionally, the Exchange may list series of options pursuant to the \$1 Strike Price Interval Program,<sup>20</sup> the \$0.50 Strike Program,<sup>21</sup> the \$2.50 Strike Price Program,<sup>22</sup> and the \$5 Strike Program.<sup>23</sup> Options 3, Section 3 governs the minimum increment for bids and offers for both equity and index options. Pursuant to Options 3, Section 3, where the price of a series of options for the VanEck Bitcoin ETF is less than \$3.00 the minimum increment will be \$0.05, and where the price is \$3.00 or higher, the minimum increment will be \$0.10<sup>24</sup> consistent with the minimum increments for options on other ETFs listed on the Exchange. Any and all new series of VanEck Bitcoin ETF options that the Exchange lists will be consistent and comply with the expirations, strike prices,

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<sup>18</sup> See Supplementary Material .03(e) to Options 4, Section 5.

<sup>19</sup> Id.

<sup>20</sup> See Supplementary Material .01 to Options 4, Section 5.

<sup>21</sup> See Supplementary Material .05 to Options 4, Section 5.

<sup>22</sup> See Supplementary Material .02 to Options 4, Section 5.

<sup>23</sup> See Supplementary Material .06 to Options 4, Section 5.

<sup>24</sup> Options that are eligible to participate in the Penny Interval Program have a minimum increment of \$0.01 below \$3.00 and \$0.50 above \$3.00. See Supplementary Material .01 to Options 3, Section 3.

and minimum increments set forth in Options 4, Section 5 and Options 3, Section 3, as applicable.

VanEck Bitcoin ETF options will trade in the same manner as any other ETF options on the Exchange. The Exchange Rules that currently apply to the listing and trading of all ETF options on the Exchange, including, for example, Rules that govern listing criteria, expirations, exercise prices, minimum increments, margin requirements, customer accounts, and trading halt procedures will apply to the listing and trading of VanEck Bitcoin ETF options on the Exchange in the same manner as they apply to other options on all other ETFs that are listed and traded on the Exchange, including the precious metal backed commodity ETFs already deemed appropriate for options trading on the Exchange pursuant to current Options 4, Section 3(h)(iv).

Options 3A, Section 3(a) currently permits the Exchange to authorize for trading a FLEX option class on any equity security if it may authorize for trading a non-FLEX option class on that equity security pursuant to Options 4, Section 3 . The proposed rule change amends Options 3A, Section 3(a) to exclude the VanEck Bitcoin ETF from this provision.

The Exchange also proposes to amend Options 9, Sections 13 and 15. Specifically, the Exchange proposes to amend Options 9, Sections 13 to provide a position limit of 25,000 same side option contracts for the VanEck Bitcoin ETF option. Additionally, pursuant to Options 9, Sections 15, the exercise limits for options on the VanEck Bitcoin ETF will be equivalent to this proposed position limit.

Cboe determined these proposed position and exercise limits considering, among other things, the approximate six-month average daily volume (“ADV”) and outstanding

shares of the VanEck Bitcoin ETF (which as discussed above demonstrate that the VanEck Bitcoin ETF is widely held and actively traded and thus justify these conservatively proposed position limits), as set forth below, along with market capitalization (as of March 5, 2025):

| <b>Underlying Bitcoin Fund</b> | <b>Six-Month ADV (shares)</b> | <b>Outstanding Shares</b> | <b>Market Capitalization (\$)</b> |
|--------------------------------|-------------------------------|---------------------------|-----------------------------------|
| VanEck Bitcoin ETF             | 1,074,802                     | 49,900,000                | 1,271,859,416                     |

Cboe then compared the number of outstanding shares of the VanEck Bitcoin ETF to those of other ETFs. The following table provides the approximate average position (and exercise limit) of ETF options with similar outstanding shares (as of March 5, 2025), compared to the proposed position and exercise limit for the VanEck Bitcoin ETF options:

| <b>Underlying Bitcoin Fund</b> | <b>Average Limit of Other ETF Options (contracts)</b> | <b>Proposed Limit (contracts)</b> |
|--------------------------------|---|-----------------------------------|
| VanEck Bitcoin ETF             | 225,000   | 25,000                            |

Cboe considered current position and exercise limits of options on ETFs<sup>25</sup> with outstanding shares comparable to those of the VanEck Bitcoin ETF, with the proposed limit significantly lower (between two and ten times lower) than the average limits of the options on the other ETFs. As discussed above, the VanEck Bitcoin ETF is actively held and widely traded (all statistics as of March 5, 2025) because it: (1) had significantly more than 7,000,000 shares outstanding, which is the minimum number of shares of a corporate stock that the Exchange generally requires to list options on that

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<sup>25</sup> Over 90% of the ETFs used for comparison have a limit of at least 200,000, and more than 75% have a limit of 250,000.

stock pursuant to Options 4, Section 3(b)(1); had significantly more than 2,000 beneficial holders, which is the minimum number of holders the Exchange generally requires for corporate stock in order to list options on that stock pursuant to Options 4, Section 3(b)(2); and had a six-month trading volume substantially higher than 2,400,000 shares, which is the minimum 12-month volume the Exchange generally requires for a security in order to list options on that security as set forth in Options 4, Section 3(b)(4).

With respect to outstanding shares, if a market participant held the maximum number of positions possible pursuant to the proposed position and exercise limits, the equivalent shares represented by the proposed position/exercise limit would represent the following approximate percentage of current outstanding shares:

| <b>Underlying Bitcoin Fund</b> | <b>Proposed Position/Exercise Limit (in equivalent shares)</b> | <b>Outstanding Shares</b> | <b>Percentage of Outstanding Shares</b> |
|--------------------------------|--|---------------------------|---|
| VanEck Bitcoin ETF             | 2,500,000  | 49,900,000                | 5.01%                                   |

As this table demonstrates, if a market participant held the maximum permissible options positions in VanEck Bitcoin ETF options and exercised all of them at the same time, that market participant would control a small percentage of the outstanding shares of the VanEck Bitcoin ETF.

Options 9, Section 13(d) provides two methods of qualifying for a position limit tier above 25,000 option contracts. The first method is based on six-month trading volume in the underlying security, and the second method is based on slightly lower six-month trading volume and number of shares outstanding in the underlying security. An underlying stock or ETF that qualifies for method two based on trading volume and number of shares outstanding would be required to have the minimum number of

outstanding shares as shown in middle column of the table below.

The table from the Cboe VanEck Filing provides the equivalent shares of the position limits applicable to equity options, including ETFs, further represents the percentages of the minimum number of outstanding shares<sup>26</sup> that an underlying stock or ETF must have to qualify for that position limit (under the second method described above), all of which are higher than the percentages for the VanEck Bitcoin ETF.

| <b>Position/Exercise Limit<br/>(in equivalent shares)</b> | <b>Minimum Outstanding<br/>Shares</b> | <b>Percentage of<br/>Outstanding Shares</b> |
|---|---------------------------------------|---|
| 2,500,000   | 6,300,000                             | 40.0%                                       |
| 5,000,000   | 40,000,000                            | 12.5%                                       |
| 7,500,000   | 120,000,000                           | 6.3%  |
| 20,000,000  | 240,000,000                           | 8.3%  |
| 25,000,000  | 300,000,000                           | 8.3%  |

The equivalent shares represented by the proposed position and exercise limits for the VanEck Bitcoin ETF as a percentage of outstanding shares of the VanEck Bitcoin ETF is significantly lower than the percentage for the lowest possible position limit for equity options of 25,000 (under 6% compared to 40%) and is lower than that percentage for each current position limit bucket.<sup>27</sup>

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<sup>26</sup> This is the minimum number of outstanding shares an underlying security must have for the Exchange to continue to list options on that security, so this would be the smallest number of outstanding shares permissible for any corporate option that would have a position limit of 25,000 contract. See Options 4, Section 4(b). This rule applies to corporate stock options but not ETF options, which currently have no requirement regarding outstanding shares of the underlying ETF for the Exchange to continue listing options on that ETF. Therefore, there may be ETF options trading for which the 25,000 contract position limits represents an even larger percentage of outstanding shares of the underlying ETF than set forth above.

<sup>27</sup> As these percentages are based on the minimum number of outstanding shares an underlying security must have to qualify for the applicable position limit, these are the highest possible percentages that would apply to any option subject to that position and exercise limit.



Further, the proposed position and exercise limits for the VanEck Bitcoin ETF option are significantly below the limits that would otherwise apply pursuant to current Options 9, Section 13(d). These position and exercise limits are the lowest position and exercise limits available in the options industry, are extremely conservative and more than appropriate given the market capitalization, average daily volume, and high number of outstanding shares of the VanEck Bitcoin ETF.

All of the above information demonstrates that the proposed position and exercise limits for the VanEck Bitcoin ETF options are more than reasonable and appropriate. The trading volume, ADV, and outstanding shares of the VanEck Bitcoin ETF demonstrate that the trust is actively traded and widely held, and proposed position and exercise limits are well below those of other ETFs with similar market characteristics. The proposed position and exercise limits are the lowest position and exercise limits available for equity options in the industry are extremely conservative, and are more than appropriate given the VanEck Bitcoin ETF's market capitalization, ADV, and high number of outstanding shares.

Today, the Exchange has an adequate surveillance program in place for options. ISE intends to apply those same program procedures to options on the VanEck Bitcoin ETF that it applies to the Exchange's other options products.<sup>28</sup> ISE's market surveillance staff would have access to the surveillances conducted by Nasdaq<sup>29</sup> with respect to the VanEck Bitcoin ETF and would review activity in the underlying VanEck Bitcoin ETF when conducting surveillances for market abuse or manipulation in the

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<sup>28</sup> The surveillance program includes real-time patterns for price and volume movements and post-trade surveillance patterns (e.g., spoofing, marking the close, pinging, phishing).

<sup>29</sup> The Nasdaq Stock Market LLC is an affiliated market of ISE.

options on the VanEck Bitcoin ETF. Additionally, ISE is a member of the Intermarket Surveillance Group (“ISG”) under the Intermarket Surveillance Group Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. The Exchange would be able to obtain information regarding trading in shares of the VanEck Bitcoin ETF on other exchanges through ISG.

In addition, ISE has a Regulatory Services Agreement with the Financial Industry Regulatory Authority (“FINRA”). Pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate regulatory responsibilities to FINRA to conduct certain options-related market surveillance that are common to rules of all options exchanges.<sup>30</sup>

The underlying shares of spot bitcoin exchange-traded products (“ETPs”), including the VanEck Bitcoin ETF, are also subject to safeguards related to addressing market abuse and manipulation. As the Commission stated in its order approving proposals of several exchanges to list and trade shares of spot bitcoin-based ETPs:

Each Exchange has a comprehensive surveillance-sharing agreement with the CME via their common membership in the Intermarket Surveillance Group. This facilitates the sharing of information that is available to the CME through its surveillance of its markets, including its surveillance of the CME bitcoin futures market.<sup>31</sup>

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<sup>30</sup> Section 19(g)(1) of the Act, among other things, requires every SRO registered as a national securities exchange or national securities association to comply with the Act, the rules and regulations thereunder, and the SRO’s own rules, and, absent reasonable justification or excuse, enforce compliance by its members and persons associated with its members. See 15 U.S.C. 78q(d)(1) and 17 CFR 240.17d-2. Section 17(d)(1) of the Act allows the Commission to relieve an SRO of certain responsibilities with respect to members of the SRO who are also members of another SRO (“common members”). Specifically, Section 17(d)(1) allows the Commission to relieve an SRO of its responsibilities to: (i) receive regulatory reports from such members; (ii) examine such members for compliance with the Act and the rules and regulations thereunder, and the rules of the SRO; or (iii) carry out other specified regulatory responsibilities with respect to such members.

<sup>31</sup> See Bitcoin ETP Approval Order at 3009.

The Exchange states that, given the consistently high correlation between the CME Bitcoin futures market and the spot bitcoin market, as confirmed by the Commission through robust correlation analysis, the Commission was able to conclude that such surveillance sharing agreements could reasonably be “expected to assist in surveilling for fraudulent and manipulative acts and practices in the specific context of the [Bitcoin ETPs].”<sup>32</sup>

In light of surveillance measures related to both options and futures as well as the VanEck Bitcoin ETF,<sup>33</sup> the Exchange believes that existing surveillance procedures are designed to deter and detect possible manipulative behavior which might potentially arise from listing and trading the proposed options on the VanEck Bitcoin ETF. Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on the VanEck Bitcoin ETF.

The Exchange has also analyzed its capacity and represents that it believes the Exchange and the Options Price Reporting Authority or “OPRA” have the necessary systems capacity to handle the additional traffic associated with the listing of new series that may result from the introduction of options on the VanEck Bitcoin ETF up to the number of expirations currently permissible under the Exchange Rules. Because the proposal is limited to one class, the Exchange believes any additional traffic that may be generated from the introduction of the VanEck Bitcoin ETF options will be manageable.

The Exchange believes that offering options on the VanEck Bitcoin ETF will benefit investors by providing them with an additional, relatively lower cost investing

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<sup>32</sup> See Bitcoin ETP Approval Order, 89 FR at 3010-11.

<sup>33</sup> See supra note 4.

tool to gain exposure to the price of Bitcoin and hedging vehicle to meet their investment needs in connection with Bitcoin-related products and positions. The Exchange expects investors will transact in options on the VanEck Bitcoin ETF in the unregulated over-the-counter (“OTC”) options market,<sup>34</sup> but may prefer to trade such options in a listed environment to receive the benefits of trading listing options, including (1) enhanced efficiency initiating and closing out positions; (2) increased market transparency; and (3) heightened contra-party creditworthiness due to the role of OCC as issuer and guarantor of all listed options. The Exchange believes that listing the VanEck Bitcoin ETF options may cause investors to bring this liquidity to the Exchange, would increase market transparency and enhance the process of price discovery conducted on the Exchange through increased order flow. The ETFs that hold financial instruments, money market instruments, or precious metal commodities on which the Exchange may already list and trade options are trusts structured in substantially the same manner as the VanEck Bitcoin ETF and essentially offer the same objectives and benefits to investors, just with respect to different assets. The Exchange notes that it has not identified any issues with the continued listing and trading of any ETF options, including ETFs that hold commodities (i.e., precious metals) that it currently lists and trades on the Exchange.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the

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<sup>34</sup> The Exchange understands from customers that investors have historically transacted in options on ETFs in the OTC options market if such options were not available for trading in a listed environment.

Act,<sup>35</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>36</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

In particular, the Exchange believes that the proposal to list and trade options on the VanEck Bitcoin ETF will remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors because offering options on the VanEck Bitcoin ETF will provide investors with an opportunity to realize the benefits of utilizing options on the VanEck Bitcoin ETF, including cost efficiencies and increased hedging strategies. The Exchange believes that offering the VanEck Bitcoin ETF options will benefit investors by providing them with a relatively lower-cost risk management tool, which will allow them to manage their positions and associated risk in their portfolios more easily in connection with exposure to the price of Bitcoin and with Bitcoin-related products and positions. Additionally, the Exchange's offering of VanEck Bitcoin ETF options will provide investors with the ability to transact in such options in a listed market environment as opposed to in the unregulated OTC options market, which would increase market transparency and enhance the process of price discovery conducted on the Exchange through increased

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<sup>35</sup> 15 U.S.C. 78f(b).

<sup>36</sup> 15 U.S.C. 78f(b)(5).

order flow to the benefit of all investors. The Exchange also notes that it already lists options on other commodity-based ETFs,<sup>37</sup> which, as described above, are trusts structured in substantially the same manner as the VanEck Bitcoin ETF and essentially offer the same objectives and benefits to investors and for which the Exchange has not identified any issues with the continued listing and trading of commodity-backed ETF options it currently lists for trading.<sup>38</sup>

The Exchange also believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system, because it is consistent with current Exchange Rules previously filed with the Commission.<sup>39</sup> Options on the VanEck Bitcoin ETF satisfy the initial listing standards and continued listing standards currently in the Exchange Rules applicable to options on all ETFs, including ETFs that hold other commodities already deemed appropriate for options trading on the Exchange. Additionally, as demonstrated above, the VanEck Bitcoin ETF is characterized by a substantial number of shares that are widely held and actively traded. VanEck Bitcoin ETF options will trade in the same manner as any other ETF options — the same Exchange Rules that currently govern the listing and trading of all ETF options, including permissible expirations, strike prices and minimum increments, and applicable margin requirements, will govern the listing and trading of options on the VanEck Bitcoin ETF in the same manner. The Exchange believes the

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<sup>37</sup> See Options 3, Section 3(h)(iv).

<sup>38</sup> See Securities Exchange Act No. 101387 (October 18, 2024) 89 FR 84948 (October 24, 2024) (SRCBOE-2024-035) (Notice of Filing of Amendment Nos. 2 and 3 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos. 2 and 3, To Permit the Listing and Trading of Options on Bitcoin Exchange-Traded Funds).

<sup>39</sup> See id.

proposed rule change to exclude the VanEck Bitcoin ETF from being eligible for trading as FLEX options is consistent with the Act, because it will permit the Exchange to continue to participate in ongoing discussions with the Commission regarding appropriate position limits for ETF options.<sup>40</sup>

The Exchange believes the proposed position and exercise limits are designed to prevent fraudulent and manipulative acts and practices and promote just and equitable principles of trade, as they are designed to address potential manipulative schemes and adverse market impacts surrounding the use of options, such as disrupting the market in the security underlying the options. The proposed position and exercise limits in this proposal for the VanEck Bitcoin ETF options are 25,000 contracts, which is currently the lowest limit applicable to any equity options (including ETF options). The Exchange believes the proposed position and exercise limits are extremely conservative for the VanEck Bitcoin ETF option given the trading volume and outstanding shares for each. The information above demonstrates that the average position and exercise limits of options on ETFs with comparable outstanding shares and trading volume to those of the VanEck Bitcoin ETF is significantly higher than the proposed position and exercise limits for the VanEck Bitcoin ETF options. Therefore, the proposed position and exercise limits for the VanEck Bitcoin ETF options are conservative relative to options on ETFs with comparable market characteristics.

Further, given that the issuer of the VanEck Bitcoin ETF may create and redeem shares that represent an interest in Bitcoin, the Exchange believes it is relevant to

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<sup>40</sup> The Exchange may submit a separate rule filing that would permit the Exchange to authorize for trading FLEX options on the VanEck Bitcoin ETF (which filing may propose changes to existing FLEX option position limits for such options if appropriate).

compare the size of a position limit to the market capitalization of the Bitcoin market. Cboe noted that, as of March 5, 2025, the global supply of Bitcoin was 19,832,309, and the price of one Bitcoin was approximately \$90,608.57,<sup>41</sup> which equates to a market capitalization of approximately \$1.797 trillion. Consider the proposed position and exercise limit of 25,000 option contracts for the VanEck Bitcoin ETF option. A position and exercise limit of 25,000 same side contracts effectively restricts a market participant from holding positions that could result in the receipt of no more than 2,500,000 of VanEck Bitcoin ETF shares, as applicable (if that market participant exercised all of its options). The following table provided by Cboe shows the share price of the VanEck Bitcoin ETF on March 5, 2025, the value of 2,500,000 shares of the VanEck Bitcoin ETF at that price, and the approximate percentage of that value of the size of the Bitcoin market:

| <b>Bitcoin Fund</b>   | <b>March 5, 2025<br/>Share Price (\$)</b> | <b>Value of 2,500,000<br/>Shares of Bitcoin<br/>Fund (\$)</b> | <b>Percentage of<br/>Bitcoin Market</b> |
|-----------------------|---|---|---|
| VanEck Bitcoin<br>ETF | 25.60                                     | 64,000,000  | 0.0035%                                 |

Therefore, if a market participant with the maximum 25,000 same side contracts in VanEck Bitcoin ETF options exercised all positions at one time, such an event would have no practical impact on the Bitcoin market. The Exchange also believes the proposed limits are appropriate given position limits for Bitcoin futures. For example, the Chicago Mercantile Exchange (“CME”) imposes a position limit of 2,000 futures (for the initial spot month) on its Bitcoin futures contract.<sup>42</sup> Cboe noted that on March

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<sup>41</sup> See [Blockchain.com | Charts - Total Circulating Bitcoin](#).

<sup>42</sup> See CME Rulebook Chapter 350 (description of CME Bitcoin Futures) and Chapter 5, Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices. Each CME Bitcoin futures contract is valued at five Bitcoins as defined by the CME CF



5, 2025, CME Mar 25 Bitcoin Futures settled at \$90,935. A position of 2,000 CME Bitcoin futures, therefore, would have a notional value of \$909,350,000. The following table shows the share price of the VanEck Bitcoin ETF on March 5, 2025, and the approximate number of option contracts that equates to that notional value:

| <b>Bitcoin Fund</b> | <b>March 5, 2025 Share Price (\$)</b> | <b>Number of Option Contracts</b> |
|---------------------|---------------------------------------|-----------------------------------|
| VanEck Bitcoin ETF  | 25.60                                 | 355,214                           |

The approximate number of option contracts for the VanEck Bitcoin ETF that equate to the notional value of CME Bitcoin futures is significantly higher than the proposed limit of 25,000 options contract for the VanEck Bitcoin ETF option. The fact that many options ultimately expire out-of-the-money and thus are not exercised for shares of the underlying, while the delta of a Bitcoin Future is 1, further demonstrates how conservative the proposed limits of 25,000 options contracts are for the VanEck Bitcoin ETF options.

The Exchange notes, unlike options contracts, CME position limits are calculated on a net futures-equivalent basis by contract and include contracts that aggregate into one or more base contracts according to an aggregation ratio(s).<sup>43</sup> Therefore, if a portfolio includes positions in options on futures, CME would aggregate those positions into the underlying futures contracts in accordance with a table published by CME on a delta equivalent value for the relevant spot month, subsequent spot month, single month and all month position limits.<sup>44</sup> If a position exceeds position limits because of an

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Bitcoin Reference Rate (“BRR”). See CME Rule 35001.

<sup>43</sup> See CME Rulebook Chapter 5, Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices.

<sup>44</sup> See id.

option assignment, CME permits market participants to liquidate the excess position within one business day without being considered in violation of its rules. Additionally, if at the close of trading, a position that includes options exceeds position limits for futures contracts, when evaluated using the delta factors as of that day's close of trading but does not exceed the limits when evaluated using the previous day's delta factors, then the position shall not constitute a position limit violation. Considering CME's position limits on futures for Bitcoin, the Exchange believes that the proposed same side position limits are more than appropriate for the VanEck Bitcoin ETF options.

The Exchange believes the proposed position and exercise limits in this proposal will have no material impact to the supply of Bitcoin. For example, consider again the proposed position limit of 25,000 option contracts for the VanEck Bitcoin ETF option. As noted above, a position limit of 25,000 same side contracts effectively restricts a market participant from holding positions that could result in the receipt of no more than 2,500,000 shares of the applicable VanEck Bitcoin ETF (if that market participant exercised all its options). Cboe noted that, as of March 5, 2025, the VanEck Bitcoin ETF had the number of shares outstanding set forth in the table below. The table below also sets forth the approximate number of market participants that could hold the maximum of 25,000 same side positions in the VanEck Bitcoin ETF that would equate to the number of shares outstanding of the VanEck Bitcoin:

| <b>Bitcoin Fund</b> | <b>Shares Outstanding</b> | <b>Number of Market Participants with 25,000 Same Side Positions</b> |
|---------------------|---------------------------|--|
| VanEck Bitcoin ETF  | 49,900,000                | 20   |

This means if 20 market participants had 25,000 same side positions in VanEck

Bitcoin ETF options, each of them would have to simultaneously exercise all of those options to create a scenario that may put the underlying security under stress. The Exchange believes it is highly unlikely for either such event to occur; however, even if either such event did occur, the Exchange would not expect the VanEck Bitcoin ETF to be under stress because such an event would merely induce the creation of more shares through the trust's creation and redemption process.

Cboe also noted that, as of March 5, 2025, the global supply of Bitcoin was approximately 19,832,309<sup>45</sup> and, based on the \$25.60 price of VanEck Bitcoin ETF share on March 5, 2025, a market participant could have redeemed one Bitcoin for approximately 3,539 VanEck Bitcoin ETF shares. Cboe also noted that another 70,194,417,201 VanEck Bitcoin ETF shares could be created before the supply of Bitcoin was exhausted. As a result, 28,078 market participants would have to simultaneously exercise 25,000 same side positions in VanEck Bitcoin ETF options to receive shares of the VanEck Bitcoin ETF holding the entire global supply of Bitcoin. Unlike the VanEck Bitcoin ETF, the number of shares that corporations may issue is limited. However, like corporations, which authorize additional shares, repurchase shares, or split their shares, the VanEck Bitcoin ETF may create, redeem, or split shares in response to demand. While the supply of Bitcoin is limited to 21,000,000, it is believed that it will take more than 100 years to fully mine the remaining Bitcoin. The supply of Bitcoin is larger than the available supply of most securities. Given the significant unlikelihood of any of these events ever occurring, the Exchange does not

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<sup>45</sup> See Blockchain.com | Charts - Total Circulating Bitcoin (which also shows the price of one Bitcoin equal to \$90,608.57).

believe options on the VanEck Bitcoin ETF should be subject to position and exercise limits even lower than those proposed (which are already equal to the lowest available limit for equity options in the industry) to protect the supply of Bitcoin.<sup>46</sup>

The Exchange believes the available supply of Bitcoin is not relevant to the determination of position and exercise limits for options overlying the VanEck Bitcoin ETF. Position and exercise limits are not a tool that should be used to address a potential limited supply of the underlying of an underlying. Position and exercise limits do not limit the total number of options that may be held, but rather they limit the number of positions a single customer may hold or exercise at one time.<sup>47</sup> “Since the inception of standardized options trading, the options exchanges have had rules imposing limits on the aggregate number of options contracts that a member or customer could hold or exercise.”<sup>48</sup> Position and exercise limit rules are intended “to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position. In particular, position and exercise limits are designed to minimize the potential for mini-manipulations and for corners or squeezes of the underlying market. In addition, such limits serve to reduce the possibility for disruption of the options market itself,

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<sup>46</sup> This would be even more unlikely with respect to the VanEck Bitcoin ETF for which the Exchange proposes lower position limits.

<sup>47</sup> For example, suppose an option has a position limit of 25,000 option contracts and there are a total of 10 investors trading that option. If all 10 investors max out their positions, that would result in 250,000 option contracts outstanding at that time. However, suppose 10 more investors decide to begin trading that option and also max out their positions. This would result in 500,000 option contracts outstanding at that time. An increase in the number of investors could cause an increase in outstanding options even if position limits remain unchanged.

<sup>48</sup> See Securities Exchange Act Release No. 39489 (December 24, 1997), 63 FR 276 (January 5, 1998) (SR-CBOE-1997-11).

especially in illiquid options classes.”<sup>49</sup>

The Exchange notes that a Registration Statement on Form S-1 was filed with the Commission for the VanEck Bitcoin ETF, each of which described the supply of Bitcoin as being limited to 21,000,000 (of which approximately 90% had already been mined), and that the limit would be reached around the year 2140.<sup>50</sup> The Registration Statement permits an unlimited number of shares of the applicable the VanEck Bitcoin ETF to be created. Further, the Commission approved proposed rule changes that permitted the listing and trading of shares of the VanEck Bitcoin ETF, which approval did not comment on the sufficient supply of Bitcoin or address whether there was a risk that permitting an unlimited number of shares for the VanEck Bitcoin ETF would impact the supply of Bitcoin.<sup>51</sup> Therefore, the Exchange believes the Commission had ample time and opportunity to consider whether the supply of Bitcoin was sufficient to permit the creation of unlimited the VanEck Bitcoin ETF shares, and does not believe considering this supply with respect to the establishment of position and exercise limits is appropriate given its lack of relevance to the purpose of position and exercise limits. However, given the significant size of the Bitcoin supply, the proposed positions limits are more than sufficient to protect investors and the market.

Based on the above information demonstrating, among other things, that the VanEck Bitcoin ETF is characterized by a substantial number of outstanding shares that are actively traded and widely held, the Exchange believes the proposed position and

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<sup>49</sup> See id.

<sup>50</sup> See Amendment No. 8 to Form S-1 Registration Statement No. 333-251808, filed January 9, 2024.

<sup>51</sup> See Bitcoin ETP Approval Order.

exercise limits are extremely conservative compared to those of ETF options with similar market characteristics. The proposed position and exercise limits reasonably and appropriately balance the liquidity provisioning in the market against the prevention of manipulation. The Exchange believes these proposed limits are effectively designed to prevent an individual customer or entity from establishing options positions that could be used to manipulate the market of the underlying as well as the Bitcoin market.<sup>52</sup>

The Exchange represents that it has the necessary systems capacity to support VanEck Bitcoin ETF options. As discussed above, the Exchange believes that its existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might arise from listing and trading ETF options, including VanEck Bitcoin ETF options.

#### 4. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act as the VanEck Bitcoin ETF will be equally available to all market participants who wish to trade such options and will trade generally in the same manner as other options. The Exchange Rules that currently apply to the listing and trading of all ETF options on the Exchange, including, for example, Rules that govern listing criteria, expirations, exercise prices, minimum increments,

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<sup>52</sup> See Securities Exchange Act Release No. 39489 (December 24, 1997), 63 FR 276 (January 5, 1998) (SR-CBOE-1997-11).

margin requirements, customer accounts, and trading halt procedures will apply to the listing and trading of the VanEck Bitcoin ETF options on the Exchange in the same manner as they apply to other options on all other ETFs that are listed and traded on the Exchange. Also, and as stated above, the Exchange already lists options on other commodity-based ETFs.<sup>53</sup> Further, the VanEck Bitcoin ETF would need to satisfy the maintenance listing standards set forth in the Exchange Rules in the same manner as any other ETF for the Exchange to continue listing options on them.

The Exchange does not believe that the proposal to list and trade options on the VanEck Bitcoin ETF will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the extent that the advent of the VanEck Bitcoin ETF options trading on the Exchange may make the Exchange a more attractive marketplace to market participants at other exchanges, such market participants are free to elect to become market participants on the Exchange. Additionally, other options exchanges are free to amend their listing rules, as applicable, to permit them to list and trade options on the VanEck Bitcoin ETF. The Exchange notes that listing and trading VanEck Bitcoin ETF options on the Exchange will subject such options to transparent exchange-based rules as well as price discovery and liquidity, as opposed to alternatively trading such options in the OTC market.

The Exchange believes that the proposed rule change may relieve any burden on, or otherwise promote, competition, as it is designed to increase competition for order flow on the Exchange in a manner that is beneficial to investors by providing them with a lower-cost option to hedge their investment portfolios. The Exchange notes that it

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<sup>53</sup> See Options 4, Section 3(h)(iv).

operates in a highly competitive market in which market participants can readily direct order flow to competing venues that offer similar products. Ultimately, the Exchange believes that offering VanEck Bitcoin ETF options for trading on the Exchange will promote competition by providing investors with an additional, relatively low-cost means to hedge their portfolios and meet their investment needs in connection with Bitcoin prices and Bitcoin-related products and positions on a listed options exchange.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Members, or Others

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

The Exchange does not consent to an extension of the time period for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)<sup>54</sup> of the Act and Rule 19b-4(f)(6) thereunder<sup>55</sup> in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The proposal does not significantly affect the protection of investors or the

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<sup>54</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>55</sup> 17 CFR 240.19b-4(f)(6).



public interest because offering VanEck Bitcoin ETF options will provide investors with an opportunity to realize the benefits of utilizing options on Bitcoin, including cost efficiencies and increased hedging strategies. Offering VanEck Bitcoin ETF options will benefit investors by providing them with a relatively lower-cost risk management tool, which will allow them to manage their positions and associated risk in their portfolios more easily in connection with exposure to the price of Bitcoin and with a Bitcoin-related product. Additionally, the Exchange's offering of VanEck Bitcoin ETF options will provide investors with the ability to transact in such options in a listed market environment as opposed to in the unregulated OTC options market, which would increase market transparency and enhance the process of price discovery conducted on the Exchange through increased order flow to the benefit of all investors. VanEck Bitcoin ETF options satisfy the initial listing standards and continued listing standards currently in the Exchange Rules applicable to options on all ETFs, including ETFs that hold other commodities already deemed appropriate for options trading on the Exchange. Additionally, as demonstrated above, VanEck Bitcoin ETF options is characterized by a substantial number of shares that are widely held and actively traded. VanEck Bitcoin ETF options will trade in the same manner as any other ETF options — the same Exchange Rules that currently govern the listing and trading of all ETF options, including permissible expirations, strike prices and minimum increments, and applicable margin requirements, will govern the listing and trading of VanEck Bitcoin ETF options in the same manner.

The proposal does not impose any significant burden on competition because VanEck Bitcoin ETF options would need to satisfy the initial listing standards set forth

in the Exchange Rules in the same manner as any other ETF before the Exchange could list options on them. Additionally, VanEck Bitcoin ETF options will be equally available to all market participants who wish to trade such options. The Exchange Rules currently applicable to the listing and trading of options on ETFs on the Exchange will apply in the same manner to the listing and trading of VanEck Bitcoin ETF options.

Furthermore, Rule 19b-4(f)(6)(iii)<sup>56</sup> requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that it may immediately list and trade VanEck Bitcoin ETF options which are able to trade on other options exchanges. The Exchange believes that permitting options to trade on

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<sup>56</sup> 17 CFR 240.19b-4(f)(6)(iii).

multiple venues provides market participants with a greater selection of exchanges that would accept and trade the VanEck Bitcoin ETF options.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission.

Cboe received approval to list and trade options on the VanEck Bitcoin ETF.<sup>57</sup>

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.
5. Text of the proposed rule change.

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<sup>57</sup> See Securities Exchange Act Release No. 103569 (July 29, 2025) (SR-Cboe-2025-017) (not yet noticed) (“Cboe VanEck Filing”).

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. \_\_\_\_\_; File No. SR-ISE-2025-23)

August \_\_, 2025

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to List and Trade Options on the VanEck Bitcoin ETF

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on August 7, 2025, Nasdaq ISE, LLC (“ISE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to list and trade options on the VanEck Bitcoin ETF.

The text of the proposed rule change is available on the Exchange’s Website at <https://listingcenter.nasdaq.com/rulebook/ise/rulefilings>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to list and trade options on the VanEck Bitcoin ETF by amending Options 4, Section 3, Criteria for Underlying Securities. Specifically, the Exchange proposes to list and trade options on an Exchange-Traded Fund or “ETF” that represent interests in the VanEck Bitcoin ETF.<sup>3</sup> Recently, Cboe Exchange, Inc. (“Cboe”) received approval to list and trade options on the VanEck Bitcoin ETF.<sup>4</sup>

Currently, Options 4, Section 3(h) provides that securities deemed appropriate for options trading shall include shares or other securities (“Exchange-Traded Fund Shares” or “ETFs”) that are traded on a national securities exchange and are defined as an “NMS” stock under Rule 600 of Regulation NMS, and that meet certain criteria specified in Options 4, Section 3(h), including that they:

(i) represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities that hold portfolios of securities and/or financial instruments, including, but not limited to, stock index futures contracts, options on futures, options on securities and indices, equity caps, collars and floors, swap agreements, forward contracts, repurchase agreements and reverse repurchase agreements (the “Financial Instruments”), and money market instruments, including, but not limited to, U.S. government securities and repurchase agreements (the “Money Market Instruments”) comprising or otherwise based on or representing investments in broad-based indexes or portfolios of securities and/or

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<sup>3</sup> See Securities Exchange Act Release No. 99306 (January 10, 2024), 89 FR 3008 (January 17, 2024) (SR-CboeBZX-2023-040) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, to List and Trade Bitcoin-Based Commodity-Based Trust Shares and Trust ETFs) (“Bitcoin ETP Approval Order”).

<sup>4</sup> See Securities Exchange Act Release No. 103569 (July 29, 2025) (SR-Cboe-2025-017) (not yet noticed) (“Cboe VanEck Filing”).

Financial Instruments and Money Market Instruments (or that hold securities in one or more other registered investment companies that themselves hold such portfolios of securities and/or Financial Instruments and Money Market Instruments) or

(ii) represent interests in a trust or similar entity that holds a specified non-U.S. currency or currencies deposited with the trust when aggregated in some specified minimum number may be surrendered to the trust or similar entity by the beneficial owner to receive the specified non-U.S. currency or currencies and pays the beneficial owner interest and other distributions on the deposited non-U.S. currency or currencies, if any, declared and paid by the trust (“Currency Trust Shares”) or

(iii) represent commodity pool interests principally engaged, directly or indirectly, in holding and/or managing portfolios or baskets of securities, commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or non-U.S. currency (“Commodity Pool ETFs”) or

(iv) represent interests in the iShares Ethereum Trust, the SPDR® Gold Trust, the iShares COMEX Gold Trust, the iShares Silver Trust, the Aberdeen Standard Physical Gold Trust, or the iShares Bitcoin Trust, or the Fidelity Wise Origin Bitcoin Fund, or the ARK21Shares Bitcoin ETF, or the Grayscale Bitcoin Trust (BTC), or the Grayscale Bitcoin Mini Trust BTC, or the Bitwise Bitcoin ETF or the Fidelity Ethereum Fund, the Bitwise Ethereum ETF, the Grayscale Ethereum Trust, and Grayscale Ethereum Mini Trust or

(v) represents an interest in a registered investment company (“Investment Company”) organized as an open-end management company or similar entity, that invests in a portfolio of securities selected by the Investment Company’s investment adviser consistent with the Investment Company’s investment objectives and policies, which is issued in a specified aggregate minimum number in return for a deposit of a specified portfolio of securities and/or a cash amount with a value equal to the next determined net asset value (“NAV”), and when aggregated in the same specified minimum number, may be redeemed at a holder’s request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the next determined NAV (“Managed Fund Share”).

In addition to the aforementioned requirements, Options 4, Section 3(h)(1) and (2) must be met to list options on ETFs.<sup>5</sup>

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<sup>5</sup> Options 4, Section 3(h)(1) and (2) state that the Exchange-Traded Fund Shares either (i) meet the

The VanEck Bitcoin ETF is a Bitcoin-backed commodity ETF structured as a trust. Similar to any ETF currently deemed appropriate for options trading under Options 4, Section 3(h), the investment objective of the VanEck Bitcoin ETF is for its shares to reflect the performance of Bitcoin (less the expenses of the trust's operations), offering investors an opportunity to gain exposure to Bitcoin without the complexities of Bitcoin delivery. As is the case for ETFs currently deemed appropriate for options trading, the VanEck Bitcoin ETF's shares represent units of fractional undivided beneficial interest in the trust, the assets of which consist principally of Bitcoin and are designed to track Bitcoin or the performance of the price of Bitcoin and offer access to the Bitcoin market.<sup>6</sup> The VanEck Bitcoin ETF provides investors with cost-efficient alternatives that allow a level of participation in the Bitcoin market through the securities market.

The Exchange believes the VanEck Bitcoin ETF satisfies the Exchange's initial listing standards for ETFs on which the Exchange may list options. Specifically, the VanEck Bitcoin ETF satisfies the initial listing standards set forth in Options 4, Section 3(h), as is the case for other ETFs on which the Exchange lists options (including trusts that hold commodities). Pursuant to Options 4, Section 3(h)(1) ETFs either (i) meet the

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criteria and guidelines set forth in paragraphs (a) and (b) described herein; or (ii) the Exchange-Traded Fund Shares are available for creation or redemption each business day from or through the issuing trust, investment company, commodity pool or other entity in cash or in kind at a price related to net asset value, and the issuer is obligated to issue Exchange-Traded Fund Shares in a specified aggregate number even if some or all of the investment assets and/or cash required to be deposited have not been received by the issuer, subject to the condition that the person obligated to deposit the investment assets has undertaken to deliver them as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the issuer of the Exchange-Traded Fund Shares, all as described in the Exchange-Traded Fund Shares' prospectus. Also, the Exchange-Traded Fund Shares based on international or global indexes, or portfolios that include non-U.S. securities, shall meet the criteria in Options 4, Section 3(h)(2)(A)-(F).

<sup>6</sup> The trust may include minimal cash and cash equivalents (i.e., short-term instruments with maturities of less than three months).

criteria and guidelines set forth in paragraphs (a) and (b) of Options 4, Section 3; or (ii) the ETFs must be available for creation or redemption each business day from or through the issuer in cash or in kind at a price related to net asset value, and the issuer must be obligated to issue ETFs in a specified aggregate number even if some or all of the investment assets required to be deposited have not been received by the issuer, subject to the condition that the person obligated to deposit the investments has undertaken to deliver the investment assets as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the issuer, as provided in the respective prospectus. The VanEck Bitcoin ETF satisfies Options 4, Section 3(h)(1)(ii), as each is subject to this creation and redemption process.

While not required by the Rules for purposes of options listings, the Exchange believes the VanEck Bitcoin ETF satisfies the criteria and guidelines set forth in Options 4, Section 3(a) which requires that a security (which includes a ETF) on which options may be listed and traded on the Exchange must be duly registered (with the Commission) and be an NMS stock (as defined in Rule 600 of Regulation NMS under the Securities Exchange Act of 1934, as amended (the “Act”)), and be characterized by a substantial number of outstanding shares that are widely held and actively traded.<sup>7</sup> The VanEck Bitcoin ETF is an NMS Stock as defined in Rule 600 of Regulation NMS under the Act.<sup>8</sup> The Exchange believes the VanEck Bitcoin ETF is characterized by a substantial number

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<sup>7</sup> The criteria and guidelines for a security to be considered widely held and actively traded are set forth in Options 4, Section 3(b), subject to exceptions.

<sup>8</sup> An “NMS stock” means any NMS security other than an option, and an “NMS security” means any security or class of securities for which transaction reports are collected, processed, and made available pursuant to an effective transaction reporting plan (or an effective national market system plan for reporting transaction in listed options). See 17 CFR § 242.600(b)(64) (definition of “NMS security”) and (65) (definition of “NMS stock”).



of outstanding shares that are widely held and actively traded.

Cboe VanEck Filing noted that, as of March 5, 2025, the VanEck Bitcoin ETF had the following number of shares outstanding:

| <b>Bitcoin Fund</b> | <b>Shares Outstanding</b> |
|---------------------|---------------------------|
| VanEck Bitcoin ETF  | 49,900,000                |

Cboe VanEck Filing noted that the VanEck Bitcoin ETF had significantly more than 7,000,000 shares outstanding (approximately 7 times that amount), which is the minimum number of shares of a corporate stock that the Exchange generally requires to list options on that stock pursuant to Options 4, Section 3(b)(1). The Exchange believes this demonstrates that the VanEck Bitcoin ETF is characterized by a substantial number of outstanding shares. Further, the below table that was provided in the Cboe VanEck Filing, contains information regarding the number of beneficial holders of the VanEck Bitcoin ETF as of the specified dates:

| <b>Bitcoin Fund</b> | <b>Beneficial Holders</b> | <b>Date</b> |
|---------------------|---------------------------|-------------|
| VanEck Bitcoin ETF  | 32,469                    | 1/31/25     |

This Cboe VanEck Filing table noted that the VanEck Bitcoin ETF has significantly more than 2,000 beneficial holders (approximately 16 times more), which is the minimum number of holders the Exchange generally requires for corporate stock in order to list options on that stock pursuant to Options 4, Section 3(b)(2). Therefore, the Exchange believes the shares of the VanEck Bitcoin ETF are widely held.

The Exchange also believes the shares of the VanEck Bitcoin ETF are actively traded. The Cboe VanEck Filing stated that, as of March 5, 2025, the total trading volume (by shares) for the trust for the six-month period of September 5, 2024, through

March 5, 2025, and the approximate average daily volume (“ADV”) (in shares and notional) over the 30-day period of January 21, 2025, through March 5, 2025, for the VanEck Bitcoin ETF was as follows:

| <b>Bitcoin Fund</b> | <b>6-Month Trading Volume (Shares)</b> | <b>30-Day ADV (Shares)</b> | <b>30-Day ADV (Notional \$)</b> |
|---------------------|--|----------------------------|---------------------------------|
| VanEck Bitcoin ETF  | 133,275,448                            | 794,677                    | 39,163,513.72                   |

As demonstrated above, Cboe noted that as of March 5, 2025, the six-month trading volume for the VanEck Bitcoin ETF as of that date was substantially higher than 2,400,000 shares (approximately 55 times that amount), which is the minimum 12-month volume the Exchange generally requires for a corporate stock in order to list options on that security as set forth in Options 4, Section 3(b)(4). The Exchange believes this data demonstrates the VanEck Bitcoin ETF is characterized as having shares that are actively traded.

Options on the VanEck Bitcoin ETF will be subject to the Exchange’s continued listing standards set forth in Options 4, Section 4(g) for ETFs deemed appropriate for options trading pursuant to Options 4, Section 3(h). Specifically, ETFs approved for trading pursuant to Options 4, Section 3(h) will not be deemed to meet the requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts of the class covering such ETFs if the ETFs are delisted from trading as provided in subparagraph (b)(4) of Options 4, Section 4<sup>9</sup> or the ETFs are halted or suspended from trading on their primary market.<sup>10</sup> In addition, the Exchange shall

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<sup>9</sup> Options 4, Section 4(b)(4) states that the underlying security ceases to be an “NMS stock” as defined in Rule 600 of Regulation NMS under the Exchange Act.

<sup>10</sup> See Options 4, Section 4(g).

consider the suspension of opening transactions in any series of options of the class covering ETFs in any of the following circumstances:

(1) in the case of options covering Exchange-Traded Fund Shares approved pursuant to Options 4, Section 3(h)(i), in accordance with the terms of subparagraphs (b)(1), (2), (3) and (4) of Options 4, Section 4;<sup>11</sup>

(2) in the case of options covering Fund Shares approved pursuant to Options 4, Section 3(h)(ii),<sup>12</sup> following the initial twelve-month period beginning upon the commencement of trading in the Exchange-Traded Fund Shares on a national securities exchange and are defined as an “NMS stock” under Rule 600 of Regulation NMS, there were fewer than 50 record and/or beneficial holders of such Exchange-Traded Fund Shares for 30 or more consecutive trading days;

(3) the value of the index or portfolio of securities or non-U.S. currency, portfolio of commodities including commodity futures contracts, options on commodity futures contracts, swaps, forward contracts, options on physical commodities and/or Financial Instruments and Money Market Instruments, on which the Exchange-Traded Fund Shares are based is no longer calculated or available; or

(4) such other event occurs or condition exists that in the opinion of the Exchange makes further dealing in such options on the Exchange inadvisable.

Options on the VanEck Bitcoin ETF would be physically settled contracts with American-style exercise.<sup>13</sup> Consistent with current Options 4, Section 5, which governs the opening of options series on a specific underlying security (including ETFs), the

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<sup>11</sup> Options 4, Section 4(b)(1) through (4) provides, if: (1) there are fewer than 6,300,000 shares of the underlying security held by persons other than those who are required to report their security holdings under Section 16(a) of the Act, (2) there are fewer than 1,600 holders of the underlying security, (3) the trading volume (in all markets in which the underlying security is traded) has been less than 1,800,000 shares in the preceding twelve (12) months, or (4) the underlying security ceases to be an ‘NMS stock’ as defined in Rule 600 of Regulation NMS under the Exchange Act. Options 4, Section 3(h)(i) refers to Financial Instruments and Money Market Instruments.

<sup>12</sup> Options 4, Section 3(h)(ii) refers to Currency Trust Shares.

<sup>13</sup> See Options 4, Section 2, Rights and Obligations of Holders and Writers, which provides that the rights and obligations of holders and writers shall be as set forth in the Rules of the Clearing Corporation. See also OCC Rules, Chapter VIII, which governs exercise and assignment, and Chapter IX, which governs the discharge of delivery and payment obligations arising out of the exercise of physically settled stock option contracts. OCC Rules can be located at: [https://www.theocc.com/getmedia/9d3854cd-b782-450f-bcf7-33169b0576ce/occ\\_rules.pdf](https://www.theocc.com/getmedia/9d3854cd-b782-450f-bcf7-33169b0576ce/occ_rules.pdf).

Exchange will open at least one expiration month for options on the VanEck Bitcoin ETF and may also list series of options on the VanEck Bitcoin ETF for trading on a monthly,<sup>14</sup> weekly<sup>15</sup> or quarterly<sup>16</sup> basis. The Exchange may also list long-term equity option series (“LEAPS”)<sup>17</sup> that expire from twelve to thirty-nine months from the time they are listed.

Pursuant to Options 4, Section 5(d), which governs strike prices of series of options on ETFs, the interval between strike prices of series of options on ETFs approved for options trading pursuant to Section 3(h) of Options 4 shall be fixed at a price per share which is reasonably close to the price per share at which the underlying security is traded in the primary market at or about the same time such series of options is first open for trading on the Exchange, or at such intervals as may have been established on another options exchange prior to the initiation of trading on the Exchange. With respect to the Short Term Options Series or Weekly Program, during the month prior to expiration of an option class that is selected for the Short Term Option Series Program, the strike price intervals for the related non-Short Term Option (“Related non-Short Term Option”) shall be the same as the strike price intervals for the Short Term Option.<sup>18</sup> Specifically, the Exchange may open for trading Short Term Option Series at strike price intervals of (i) \$0.50 or greater where the strike price is less than \$100, and \$1 or greater where the strike price is between \$100 and \$150 for all option classes that participate in the Short Term Options Series Program; (ii) \$0.50 for option classes that trade in one dollar

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<sup>14</sup> See Supplementary Material .09 to Options 4, Section 5.

<sup>15</sup> See Supplementary Material .03 to Options 4, Section 5.

<sup>16</sup> See Supplementary Material .04 to Options 4, Section 5.

<sup>17</sup> See Options 4, Section 8.

<sup>18</sup> See Supplementary Material .03(e) to Options 4, Section 5.

increments and are in the Short Term Option Series Program; or (iii) \$2.50 or greater where the strike price is above \$150.<sup>19</sup> Additionally, the Exchange may list series of options pursuant to the \$1 Strike Price Interval Program,<sup>20</sup> the \$0.50 Strike Program,<sup>21</sup> the \$2.50 Strike Price Program,<sup>22</sup> and the \$5 Strike Program.<sup>23</sup> Options 3, Section 3 governs the minimum increment for bids and offers for both equity and index options. Pursuant to Options 3, Section 3, where the price of a series of options for the VanEck Bitcoin ETF is less than \$3.00 the minimum increment will be \$0.05, and where the price is \$3.00 or higher, the minimum increment will be \$0.10<sup>24</sup> consistent with the minimum increments for options on other ETFs listed on the Exchange. Any and all new series of VanEck Bitcoin ETF options that the Exchange lists will be consistent and comply with the expirations, strike prices, and minimum increments set forth in Options 4, Section 5 and Options 3, Section 3, as applicable.

VanEck Bitcoin ETF options will trade in the same manner as any other ETF options on the Exchange. The Exchange Rules that currently apply to the listing and trading of all ETF options on the Exchange, including, for example, Rules that govern listing criteria, expirations, exercise prices, minimum increments, margin requirements, customer accounts, and trading halt procedures will apply to the listing and trading of VanEck Bitcoin ETF options on the Exchange in the same manner as they apply to other

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<sup>19</sup> Id.

<sup>20</sup> See Supplementary Material .01 to Options 4, Section 5.

<sup>21</sup> See Supplementary Material .05 to Options 4, Section 5.

<sup>22</sup> See Supplementary Material .02 to Options 4, Section 5.

<sup>23</sup> See Supplementary Material .06 to Options 4, Section 5.

<sup>24</sup> Options that are eligible to participate in the Penny Interval Program have a minimum increment of \$0.01 below \$3.00 and \$0.50 above \$3.00. See Supplementary Material .01 to Options 3, Section 3.

options on all other ETFs that are listed and traded on the Exchange, including the precious metal backed commodity ETFs already deemed appropriate for options trading on the Exchange pursuant to current Options 4, Section 3(h)(iv).

Options 3A, Section 3(a) currently permits the Exchange to authorize for trading a FLEX option class on any equity security if it may authorize for trading a non-FLEX option class on that equity security pursuant to Options 4, Section 3 . The proposed rule change amends Options 3A, Section 3(a) to exclude the VanEck Bitcoin ETF from this provision.

The Exchange also proposes to amend Options 9, Sections 13 and 15. Specifically, the Exchange proposes to amend Options 9, Sections 13 to provide a position limit of 25,000 same side option contracts for the VanEck Bitcoin ETF option. Additionally, pursuant to Options 9, Sections 15, the exercise limits for options on the VanEck Bitcoin ETF will be equivalent to this proposed position limit.

Cboe determined these proposed position and exercise limits considering, among other things, the approximate six-month average daily volume (“ADV”) and outstanding shares of the VanEck Bitcoin ETF (which as discussed above demonstrate that the VanEck Bitcoin ETF is widely held and actively traded and thus justify these conservatively proposed position limits), as set forth below, along with market capitalization (as of March 5, 2025):

| <b>Underlying Bitcoin Fund</b> | <b>Six-Month ADV (shares)</b> | <b>Outstanding Shares</b> | <b>Market Capitalization (\$)</b> |
|--------------------------------|-------------------------------|---------------------------|-----------------------------------|
| VanEck Bitcoin ETF             | 1,074,802                     | 49,900,000                | 1,271,859,416                     |

Cboe then compared the number of outstanding shares of the VanEck Bitcoin ETF to those of other ETFs. The following table provides the approximate average

position (and exercise limit) of ETF options with similar outstanding shares (as of March 5, 2025), compared to the proposed position and exercise limit for the VanEck Bitcoin ETF options:

| <b>Underlying Bitcoin Fund</b> | <b>Average Limit of Other ETF Options (contracts)</b> | <b>Proposed Limit (contracts)</b> |
|--------------------------------|---|-----------------------------------|
| VanEck Bitcoin ETF             | 225,000   | 25,000                            |

Cboe considered current position and exercise limits of options on ETFs<sup>25</sup> with outstanding shares comparable to those of the VanEck Bitcoin ETF, with the proposed limit significantly lower (between two and ten times lower) than the average limits of the options on the other ETFs. As discussed above, the VanEck Bitcoin ETF is actively held and widely traded (all statistics as of March 5, 2025) because it: (1) had significantly more than 7,000,000 shares outstanding, which is the minimum number of shares of a corporate stock that the Exchange generally requires to list options on that stock pursuant to Options 4, Section 3(b)(1); had significantly more than 2,000 beneficial holders, which is the minimum number of holders the Exchange generally requires for corporate stock in order to list options on that stock pursuant to Options 4, Section 3(b)(2); and had a six-month trading volume substantially higher than 2,400,000 shares, which is the minimum 12-month volume the Exchange generally requires for a security in order to list options on that security as set forth in Options 4, Section 3(b)(4).

With respect to outstanding shares, if a market participant held the maximum number of positions possible pursuant to the proposed position and exercise limits, the equivalent shares represented by the proposed position/exercise limit would represent the

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<sup>25</sup> Over 90% of the ETFs used for comparison have a limit of at least 200,000, and more than 75% have a limit of 250,000.

following approximate percentage of current outstanding shares:

| <b>Underlying Bitcoin Fund</b> | <b>Proposed Position/Exercise Limit (in equivalent shares)</b> | <b>Outstanding Shares</b> | <b>Percentage of Outstanding Shares</b> |
|--------------------------------|--|---------------------------|---|
| VanEck Bitcoin ETF             | 2,500,000  | 49,900,000                | 5.01%                                   |

As this table demonstrates, if a market participant held the maximum permissible options positions in VanEck Bitcoin ETF options and exercised all of them at the same time, that market participant would control a small percentage of the outstanding shares of the VanEck Bitcoin ETF.

Options 9, Section 13(d) provides two methods of qualifying for a position limit tier above 25,000 option contracts. The first method is based on six-month trading volume in the underlying security, and the second method is based on slightly lower six-month trading volume and number of shares outstanding in the underlying security. An underlying stock or ETF that qualifies for method two based on trading volume and number of shares outstanding would be required to have the minimum number of outstanding shares as shown in middle column of the table below.

The table from the Cboe VanEck Filing provides the equivalent shares of the position limits applicable to equity options, including ETFs, further represents the percentages of the minimum number of outstanding shares<sup>26</sup> that an underlying stock or

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<sup>26</sup> This is the minimum number of outstanding shares an underlying security must have for the Exchange to continue to list options on that security, so this would be the smallest number of outstanding shares permissible for any corporate option that would have a position limit of 25,000 contract. See Options 4, Section 4(b). This rule applies to corporate stock options but not ETF options, which currently have no requirement regarding outstanding shares of the underlying ETF for the Exchange to continue listing options on that ETF. Therefore, there may be ETF options trading for which the 25,000 contract position limits represents an even larger percentage of outstanding shares of the underlying ETF than set forth above.



ETF must have to qualify for that position limit (under the second method described above), all of which are higher than the percentages for the VanEck Bitcoin ETF.

| <b>Position/Exercise Limit<br/>(in equivalent shares)</b> | <b>Minimum Outstanding<br/>Shares</b> | <b>Percentage of<br/>Outstanding Shares</b> |
|---|---------------------------------------|---|
| 2,500,000   | 6,300,000                             | 40.0%                                       |
| 5,000,000   | 40,000,000                            | 12.5%                                       |
| 7,500,000   | 120,000,000                           | 6.3%  |
| 20,000,000  | 240,000,000                           | 8.3%  |
| 25,000,000  | 300,000,000                           | 8.3%  |

The equivalent shares represented by the proposed position and exercise limits for the VanEck Bitcoin ETF as a percentage of outstanding shares of the VanEck Bitcoin ETF is significantly lower than the percentage for the lowest possible position limit for equity options of 25,000 (under 6% compared to 40%) and is lower than that percentage for each current position limit bucket.<sup>27</sup>

Further, the proposed position and exercise limits for the VanEck Bitcoin ETF option are significantly below the limits that would otherwise apply pursuant to current Options 9, Section 13(d). These position and exercise limits are the lowest position and exercise limits available in the options industry, are extremely conservative and more than appropriate given the market capitalization, average daily volume, and high number of outstanding shares of the VanEck Bitcoin ETF.

All of the above information demonstrates that the proposed position and exercise

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<sup>27</sup> As these percentages are based on the minimum number of outstanding shares an underlying security must have to qualify for the applicable position limit, these are the highest possible percentages that would apply to any option subject to that position and exercise limit.

limits for the VanEck Bitcoin ETF options are more than reasonable and appropriate.

The trading volume, ADV, and outstanding shares of the VanEck Bitcoin ETF demonstrate that the trust is actively traded and widely held, and proposed position and exercise limits are well below those of other ETFs with similar market characteristics. The proposed position and exercise limits are the lowest position and exercise limits available for equity options in the industry are extremely conservative, and are more than appropriate given the VanEck Bitcoin ETF's market capitalization, ADV, and high number of outstanding shares.

Today, the Exchange has an adequate surveillance program in place for options. ISE intends to apply those same program procedures to options on the VanEck Bitcoin ETF that it applies to the Exchange's other options products.<sup>28</sup> ISE's market surveillance staff would have access to the surveillances conducted by Nasdaq<sup>29</sup> with respect to the VanEck Bitcoin ETF and would review activity in the underlying VanEck Bitcoin ETF when conducting surveillances for market abuse or manipulation in the options on the VanEck Bitcoin ETF. Additionally, ISE is a member of the Intermarket Surveillance Group ("ISG") under the Intermarket Surveillance Group Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. The Exchange would be able to obtain information regarding trading in shares of the VanEck Bitcoin ETF on other exchanges through ISG.

In addition, ISE has a Regulatory Services Agreement with the Financial Industry Regulatory Authority ("FINRA"). Pursuant to a multi-party 17d-2 joint plan, all options

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<sup>28</sup> The surveillance program includes real-time patterns for price and volume movements and post-trade surveillance patterns (e.g., spoofing, marking the close, ping, phishing).

<sup>29</sup> The Nasdaq Stock Market LLC is an affiliated market of ISE.

exchanges allocate regulatory responsibilities to FINRA to conduct certain options-related market surveillance that are common to rules of all options exchanges.<sup>30</sup>

The underlying shares of spot bitcoin exchange-traded products (“ETPs”), including the VanEck Bitcoin ETF, are also subject to safeguards related to addressing market abuse and manipulation. As the Commission stated in its order approving proposals of several exchanges to list and trade shares of spot bitcoin-based ETPs:

Each Exchange has a comprehensive surveillance-sharing agreement with the CME via their common membership in the Intermarket Surveillance Group. This facilitates the sharing of information that is available to the CME through its surveillance of its markets, including its surveillance of the CME bitcoin futures market.<sup>31</sup>

The Exchange states that, given the consistently high correlation between the CME Bitcoin futures market and the spot bitcoin market, as confirmed by the Commission through robust correlation analysis, the Commission was able to conclude that such surveillance sharing agreements could reasonably be “expected to assist in surveilling for fraudulent and manipulative acts and practices in the specific context of the [Bitcoin ETPs].”<sup>32</sup>

In light of surveillance measures related to both options and futures as well as the

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<sup>30</sup> Section 19(g)(1) of the Act, among other things, requires every SRO registered as a national securities exchange or national securities association to comply with the Act, the rules and regulations thereunder, and the SRO’s own rules, and, absent reasonable justification or excuse, enforce compliance by its members and persons associated with its members. See 15 U.S.C. 78q(d)(1) and 17 CFR 240.17d-2. Section 17(d)(1) of the Act allows the Commission to relieve an SRO of certain responsibilities with respect to members of the SRO who are also members of another SRO (“common members”). Specifically, Section 17(d)(1) allows the Commission to relieve an SRO of its responsibilities to: (i) receive regulatory reports from such members; (ii) examine such members for compliance with the Act and the rules and regulations thereunder, and the rules of the SRO; or (iii) carry out other specified regulatory responsibilities with respect to such members.

<sup>31</sup> See Bitcoin ETP Approval Order at 3009.

<sup>32</sup> See Bitcoin ETP Approval Order, 89 FR at 3010-11.

VanEck Bitcoin ETF,<sup>33</sup> the Exchange believes that existing surveillance procedures are designed to deter and detect possible manipulative behavior which might potentially arise from listing and trading the proposed options on the VanEck Bitcoin ETF. Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on the VanEck Bitcoin ETF.

The Exchange has also analyzed its capacity and represents that it believes the Exchange and the Options Price Reporting Authority or “OPRA” have the necessary systems capacity to handle the additional traffic associated with the listing of new series that may result from the introduction of options on the VanEck Bitcoin ETF up to the number of expirations currently permissible under the Exchange Rules. Because the proposal is limited to one class, the Exchange believes any additional traffic that may be generated from the introduction of the VanEck Bitcoin ETF options will be manageable.

The Exchange believes that offering options on the VanEck Bitcoin ETF will benefit investors by providing them with an additional, relatively lower cost investing tool to gain exposure to the price of Bitcoin and hedging vehicle to meet their investment needs in connection with Bitcoin-related products and positions. The Exchange expects investors will transact in options on the VanEck Bitcoin ETF in the unregulated over-the-counter (“OTC”) options market,<sup>34</sup> but may prefer to trade such options in a listed environment to receive the benefits of trading listing options, including (1) enhanced efficiency initiating and closing out positions; (2) increased market transparency; and (3)

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<sup>33</sup> See supra note 4.

<sup>34</sup> The Exchange understands from customers that investors have historically transacted in options on ETFs in the OTC options market if such options were not available for trading in a listed environment.

heightened contra-party creditworthiness due to the role of OCC as issuer and guarantor of all listed options. The Exchange believes that listing the VanEck Bitcoin ETF options may cause investors to bring this liquidity to the Exchange, would increase market transparency and enhance the process of price discovery conducted on the Exchange through increased order flow. The ETFs that hold financial instruments, money market instruments, or precious metal commodities on which the Exchange may already list and trade options are trusts structured in substantially the same manner as the VanEck Bitcoin ETF and essentially offer the same objectives and benefits to investors, just with respect to different assets. The Exchange notes that it has not identified any issues with the continued listing and trading of any ETF options, including ETFs that hold commodities (i.e., precious metals) that it currently lists and trades on the Exchange.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>35</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>36</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

In particular, the Exchange believes that the proposal to list and trade options on

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<sup>35</sup> 15 U.S.C. 78f(b).

<sup>36</sup> 15 U.S.C. 78f(b)(5).

the VanEck Bitcoin ETF will remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors because offering options on the VanEck Bitcoin ETF will provide investors with an opportunity to realize the benefits of utilizing options on the VanEck Bitcoin ETF, including cost efficiencies and increased hedging strategies. The Exchange believes that offering the VanEck Bitcoin ETF options will benefit investors by providing them with a relatively lower-cost risk management tool, which will allow them to manage their positions and associated risk in their portfolios more easily in connection with exposure to the price of Bitcoin and with Bitcoin-related products and positions. Additionally, the Exchange's offering of VanEck Bitcoin ETF options will provide investors with the ability to transact in such options in a listed market environment as opposed to in the unregulated OTC options market, which would increase market transparency and enhance the process of price discovery conducted on the Exchange through increased order flow to the benefit of all investors. The Exchange also notes that it already lists options on other commodity-based ETFs,<sup>37</sup> which, as described above, are trusts structured in substantially the same manner as the VanEck Bitcoin ETF and essentially offer the same objectives and benefits to investors and for which the Exchange has not identified any issues with the continued listing and trading of commodity-backed ETF options it currently lists for trading.<sup>38</sup>

The Exchange also believes the proposed rule change will remove impediments to

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<sup>37</sup> See Options 3, Section 3(h)(iv).

<sup>38</sup> See Securities Exchange Act No. 101387 (October 18, 2024) 89 FR 84948 (October 24, 2024) (SRCBOE-2024-035) (Notice of Filing of Amendment Nos. 2 and 3 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos. 2 and 3, To Permit the Listing and Trading of Options on Bitcoin Exchange-Traded Funds).

and perfect the mechanism of a free and open market and a national market system, because it is consistent with current Exchange Rules previously filed with the Commission.<sup>39</sup> Options on the VanEck Bitcoin ETF satisfy the initial listing standards and continued listing standards currently in the Exchange Rules applicable to options on all ETFs, including ETFs that hold other commodities already deemed appropriate for options trading on the Exchange. Additionally, as demonstrated above, the VanEck Bitcoin ETF is characterized by a substantial number of shares that are widely held and actively traded. VanEck Bitcoin ETF options will trade in the same manner as any other ETF options — the same Exchange Rules that currently govern the listing and trading of all ETF options, including permissible expirations, strike prices and minimum increments, and applicable margin requirements, will govern the listing and trading of options on the VanEck Bitcoin ETF in the same manner. The Exchange believes the proposed rule change to exclude the VanEck Bitcoin ETF from being eligible for trading as FLEX options is consistent with the Act, because it will permit the Exchange to continue to participate in ongoing discussions with the Commission regarding appropriate position limits for ETF options.<sup>40</sup>

The Exchange believes the proposed position and exercise limits are designed to prevent fraudulent and manipulative acts and practices and promote just and equitable principles of trade, as they are designed to address potential manipulative schemes and adverse market impacts surrounding the use of options, such as disrupting the market in

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<sup>39</sup> See id.

<sup>40</sup> The Exchange may submit a separate rule filing that would permit the Exchange to authorize for trading FLEX options on the VanEck Bitcoin ETF (which filing may propose changes to existing FLEX option position limits for such options if appropriate).

the security underlying the options. The proposed position and exercise limits in this proposal for the VanEck Bitcoin ETF options are 25,000 contracts, which is currently the lowest limit applicable to any equity options (including ETF options). The Exchange believes the proposed position and exercise limits are extremely conservative for the VanEck Bitcoin ETF option given the trading volume and outstanding shares for each. The information above demonstrates that the average position and exercise limits of options on ETFs with comparable outstanding shares and trading volume to those of the VanEck Bitcoin ETF is significantly higher than the proposed position and exercise limits for the VanEck Bitcoin ETF options. Therefore, the proposed position and exercise limits for the VanEck Bitcoin ETF options are conservative relative to options on ETFs with comparable market characteristics.

Further, given that the issuer of the VanEck Bitcoin ETF may create and redeem shares that represent an interest in Bitcoin, the Exchange believes it is relevant to compare the size of a position limit to the market capitalization of the Bitcoin market. Cboe noted that, as of March 5, 2025, the global supply of Bitcoin was 19,832,309, and the price of one Bitcoin was approximately \$90,608.57,<sup>41</sup> which equates to a market capitalization of approximately \$1.797 trillion. Consider the proposed position and exercise limit of 25,000 option contracts for the VanEck Bitcoin ETF option. A position and exercise limit of 25,000 same side contracts effectively restricts a market participant from holding positions that could result in the receipt of no more than 2,500,000 of VanEck Bitcoin ETF shares, as applicable (if that market participant exercised all of its options). The following table provided by Cboe shows the share price of the VanEck

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<sup>41</sup> See [Blockchain.com | Charts - Total Circulating Bitcoin](https://blockchain.com/charts).



Bitcoin ETF on March 5, 2025, the value of 2,500,000 shares of the VanEck Bitcoin ETF at that price, and the approximate percentage of that value of the size of the Bitcoin market:

| <b>Bitcoin Fund</b> | <b>March 5, 2025 Share Price (\$)</b> | <b>Value of 2,500,000 Shares of Bitcoin Fund (\$)</b> | <b>Percentage of Bitcoin Market</b> |
|---------------------|---------------------------------------|---|-------------------------------------|
| VanEck Bitcoin ETF  | 25.60                                 | 64,000,000  | 0.0035%                             |

Therefore, if a market participant with the maximum 25,000 same side contracts in VanEck Bitcoin ETF options exercised all positions at one time, such an event would have no practical impact on the Bitcoin market. The Exchange also believes the proposed limits are appropriate given position limits for Bitcoin futures. For example, the Chicago Mercantile Exchange (“CME”) imposes a position limit of 2,000 futures (for the initial spot month) on its Bitcoin futures contract.<sup>42</sup> Cboe noted that on March 5, 2025, CME Mar 25 Bitcoin Futures settled at \$90,935. A position of 2,000 CME Bitcoin futures, therefore, would have a notional value of \$909,350,000. The following table shows the share price of the VanEck Bitcoin ETF on March 5, 2025, and the approximate number of option contracts that equates to that notional value:

| <b>Bitcoin Fund</b> | <b>March 5, 2025 Share Price (\$)</b> | <b>Number of Option Contracts</b> |
|---------------------|---------------------------------------|-----------------------------------|
| VanEck Bitcoin ETF  | 25.60                                 | 355,214                           |

The approximate number of option contracts for the VanEck Bitcoin ETF that equate to the notional value of CME Bitcoin futures is significantly higher than the

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<sup>42</sup> See CME Rulebook Chapter 350 (description of CME Bitcoin Futures) and Chapter 5, Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices. Each CME Bitcoin futures contract is valued at five Bitcoins as defined by the CME CF Bitcoin Reference Rate (“BRR”). See CME Rule 35001.

proposed limit of 25,000 options contract for the VanEck Bitcoin ETF option. The fact that many options ultimately expire out-of-the-money and thus are not exercised for shares of the underlying, while the delta of a Bitcoin Future is 1, further demonstrates how conservative the proposed limits of 25,000 options contracts are for the VanEck Bitcoin ETF options.

The Exchange notes, unlike options contracts, CME position limits are calculated on a net futures-equivalent basis by contract and include contracts that aggregate into one or more base contracts according to an aggregation ratio(s).<sup>43</sup> Therefore, if a portfolio includes positions in options on futures, CME would aggregate those positions into the underlying futures contracts in accordance with a table published by CME on a delta equivalent value for the relevant spot month, subsequent spot month, single month and all month position limits.<sup>44</sup> If a position exceeds position limits because of an option assignment, CME permits market participants to liquidate the excess position within one business day without being considered in violation of its rules. Additionally, if at the close of trading, a position that includes options exceeds position limits for futures contracts, when evaluated using the delta factors as of that day's close of trading but does not exceed the limits when evaluated using the previous day's delta factors, then the position shall not constitute a position limit violation. Considering CME's position limits on futures for Bitcoin, the Exchange believes that the proposed same side position limits are more than appropriate for the VanEck Bitcoin ETF options.

The Exchange believes the proposed position and exercise limits in this proposal

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<sup>43</sup> See CME Rulebook Chapter 5, Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices.

<sup>44</sup> See id.

will have no material impact to the supply of Bitcoin. For example, consider again the proposed position limit of 25,000 option contracts for the VanEck Bitcoin ETF option. As noted above, a position limit of 25,000 same side contracts effectively restricts a market participant from holding positions that could result in the receipt of no more than 2,500,000 shares of the applicable VanEck Bitcoin ETF (if that market participant exercised all its options). Cboe noted that, as of March 5, 2025, the VanEck Bitcoin ETF had the number of shares outstanding set forth in the table below. The table below also sets forth the approximate number of market participants that could hold the maximum of 25,000 same side positions in the VanEck Bitcoin ETF that would equate to the number of shares outstanding of the VanEck Bitcoin:

| <b>Bitcoin Fund</b> | <b>Shares Outstanding</b> | <b>Number of Market Participants with 25,000 Same Side Positions</b> |
|---------------------|---------------------------|--|
| VanEck Bitcoin ETF  | 49,900,000                | 20   |

This means if 20 market participants had 25,000 same side positions in VanEck Bitcoin ETF options, each of them would have to simultaneously exercise all of those options to create a scenario that may put the underlying security under stress. The Exchange believes it is highly unlikely for either such event to occur; however, even if either such event did occur, the Exchange would not expect the VanEck Bitcoin ETF to be under stress because such an event would merely induce the creation of more shares through the trust's creation and redemption process.

Cboe also noted that, as of March 5, 2025, the global supply of Bitcoin was approximately 19,832,309<sup>45</sup> and, based on the \$25.60 price of VanEck Bitcoin ETF share

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<sup>45</sup> See [Blockchain.com | Charts - Total Circulating Bitcoin](https://blockchain.com/charts) (which also shows the price of one

on March 5, 2025, a market participant could have redeemed one Bitcoin for approximately 3,539 VanEck Bitcoin ETF shares. Cboe also noted that another 70,194,417,201 VanEck Bitcoin ETF shares could be created before the supply of Bitcoin was exhausted. As a result, 28,078 market participants would have to simultaneously exercise 25,000 same side positions in VanEck Bitcoin ETF options to receive shares of the VanEck Bitcoin ETF holding the entire global supply of Bitcoin. Unlike the VanEck Bitcoin ETF, the number of shares that corporations may issue is limited. However, like corporations, which authorize additional shares, repurchase shares, or split their shares, the VanEck Bitcoin ETF may create, redeem, or split shares in response to demand. While the supply of Bitcoin is limited to 21,000,000, it is believed that it will take more than 100 years to fully mine the remaining Bitcoin. The supply of Bitcoin is larger than the available supply of most securities. Given the significant unlikelihood of any of these events ever occurring, the Exchange does not believe options on the VanEck Bitcoin ETF should be subject to position and exercise limits even lower than those proposed (which are already equal to the lowest available limit for equity options in the industry) to protect the supply of Bitcoin.<sup>46</sup>

The Exchange believes the available supply of Bitcoin is not relevant to the determination of position and exercise limits for options overlying the VanEck Bitcoin ETF. Position and exercise limits are not a tool that should be used to address a potential limited supply of the underlying of an underlying. Position and exercise limits do not limit the total number of options that may be held, but rather they limit the number of

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Bitcoin equal to \$90,608.57).

<sup>46</sup> This would be even more unlikely with respect to the VanEck Bitcoin ETF for which the Exchange proposes lower position limits.

positions a single customer may hold or exercise at one time.<sup>47</sup> “Since the inception of standardized options trading, the options exchanges have had rules imposing limits on the aggregate number of options contracts that a member or customer could hold or exercise.”<sup>48</sup> Position and exercise limit rules are intended “to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position. In particular, position and exercise limits are designed to minimize the potential for mini-manipulations and for corners or squeezes of the underlying market. In addition, such limits serve to reduce the possibility for disruption of the options market itself, especially in illiquid options classes.”<sup>49</sup>

The Exchange notes that a Registration Statement on Form S-1 was filed with the Commission for the VanEck Bitcoin ETF, each of which described the supply of Bitcoin as being limited to 21,000,000 (of which approximately 90% had already been mined), and that the limit would be reached around the year 2140.<sup>50</sup> The Registration Statement permits an unlimited number of shares of the applicable the VanEck Bitcoin ETF to be created. Further, the Commission approved proposed rule changes that permitted the listing and trading of shares of the VanEck Bitcoin ETF, which approval did not

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<sup>47</sup> For example, suppose an option has a position limit of 25,000 option contracts and there are a total of 10 investors trading that option. If all 10 investors max out their positions, that would result in 250,000 option contracts outstanding at that time. However, suppose 10 more investors decide to begin trading that option and also max out their positions. This would result in 500,000 option contracts outstanding at that time. An increase in the number of investors could cause an increase in outstanding options even if position limits remain unchanged.

<sup>48</sup> See Securities Exchange Act Release No. 39489 (December 24, 1997), 63 FR 276 (January 5, 1998) (SR-CBOE-1997-11).

<sup>49</sup> See id.

<sup>50</sup> See Amendment No. 8 to Form S-1 Registration Statement No. 333-251808, filed January 9, 2024.

comment on the sufficient supply of Bitcoin or address whether there was a risk that permitting an unlimited number of shares for the VanEck Bitcoin ETF would impact the supply of Bitcoin.<sup>51</sup> Therefore, the Exchange believes the Commission had ample time and opportunity to consider whether the supply of Bitcoin was sufficient to permit the creation of unlimited the VanEck Bitcoin ETF shares, and does not believe considering this supply with respect to the establishment of position and exercise limits is appropriate given its lack of relevance to the purpose of position and exercise limits. However, given the significant size of the Bitcoin supply, the proposed positions limits are more than sufficient to protect investors and the market.

Based on the above information demonstrating, among other things, that the VanEck Bitcoin ETF is characterized by a substantial number of outstanding shares that are actively traded and widely held, the Exchange believes the proposed position and exercise limits are extremely conservative compared to those of ETF options with similar market characteristics. The proposed position and exercise limits reasonably and appropriately balance the liquidity provisioning in the market against the prevention of manipulation. The Exchange believes these proposed limits are effectively designed to prevent an individual customer or entity from establishing options positions that could be used to manipulate the market of the underlying as well as the Bitcoin market.<sup>52</sup>

The Exchange represents that it has the necessary systems capacity to support VanEck Bitcoin ETF options. As discussed above, the Exchange believes that its existing surveillance and reporting safeguards are designed to deter and detect possible

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<sup>51</sup> See Bitcoin ETP Approval Order.

<sup>52</sup> See Securities Exchange Act Release No. 39489 (December 24, 1997), 63 FR 276 (January 5, 1998) (SR-CBOE-1997-11).

manipulative behavior which might arise from listing and trading ETF options, including VanEck Bitcoin ETF options.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act as the VanEck Bitcoin ETF will be equally available to all market participants who wish to trade such options and will trade generally in the same manner as other options. The Exchange Rules that currently apply to the listing and trading of all ETF options on the Exchange, including, for example, Rules that govern listing criteria, expirations, exercise prices, minimum increments, margin requirements, customer accounts, and trading halt procedures will apply to the listing and trading of the VanEck Bitcoin ETF options on the Exchange in the same manner as they apply to other options on all other ETFs that are listed and traded on the Exchange. Also, and as stated above, the Exchange already lists options on other commodity-based ETFs.<sup>53</sup> Further, the VanEck Bitcoin ETF would need to satisfy the maintenance listing standards set forth in the Exchange Rules in the same manner as any other ETF for the Exchange to continue listing options on them.

The Exchange does not believe that the proposal to list and trade options on the VanEck Bitcoin ETF will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the extent that the

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<sup>53</sup> See Options 4, Section 3(h)(iv).

advent of the VanEck Bitcoin ETF options trading on the Exchange may make the Exchange a more attractive marketplace to market participants at other exchanges, such market participants are free to elect to become market participants on the Exchange. Additionally, other options exchanges are free to amend their listing rules, as applicable, to permit them to list and trade options on the VanEck Bitcoin ETF. The Exchange notes that listing and trading VanEck Bitcoin ETF options on the Exchange will subject such options to transparent exchange-based rules as well as price discovery and liquidity, as opposed to alternatively trading such options in the OTC market.

The Exchange believes that the proposed rule change may relieve any burden on, or otherwise promote, competition, as it is designed to increase competition for order flow on the Exchange in a manner that is beneficial to investors by providing them with a lower-cost option to hedge their investment portfolios. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues that offer similar products. Ultimately, the Exchange believes that offering VanEck Bitcoin ETF options for trading on the Exchange will promote competition by providing investors with an additional, relatively low-cost means to hedge their portfolios and meet their investment needs in connection with Bitcoin prices and Bitcoin-related products and positions on a listed options exchange.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on



competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>54</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>55</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-ISE-2025-23 on the subject line.

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<sup>54</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>55</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-ISE-2025-23. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-ISE-2025-23 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>56</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

*New text is underlined; deleted text is in brackets.*

**Nasdaq ISE, LLC Rules**

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**Options Rules**

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**Options 3A FLEX Options Trading Rules**

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**Section 3. FLEX Option Listings**

(a) **FLEX Option Classes.** The Exchange may authorize for trading a FLEX Option class on any equity security (except the Fidelity Wise Origin Bitcoin Fund, the ARK21Shares Bitcoin ETF, the VanEck Bitcoin ETF, the iShares Ethereum Trust ETF, the Fidelity Ethereum Fund, the Bitwise Ethereum ETF, the Grayscale Ethereum Trust, and the Grayscale Ethereum Mini Trust) or index if it may authorize for trading a non-FLEX Option class on that equity security or index pursuant to Options 4, Section 3 and Options 4A, Section 3, respectively, even if the Exchange does not list that non-FLEX Option class for trading.

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**Options 4 Options Listing Rules**

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**Section 3. Criteria for Underlying Securities**

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(h) Securities deemed appropriate for options trading shall include shares or other securities ("Exchange-Traded Fund Shares") that are traded on a national securities exchange and are defined as an "NMS" stock under Rule 600 of Regulation NMS, and that (i) represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities that hold portfolios of securities and/or financial instruments, including, but not limited to, stock index futures contracts, options on futures, options on securities and indices, equity caps, collars and floors, swap agreements, forward contracts, repurchase agreements and reverse repurchase agreements (the "Financial Instruments"), and money market instruments, including, but not limited to, U.S. government securities and repurchase agreements (the "Money Market Instruments") comprising or otherwise based on or representing investments in broad-based indexes or portfolios of securities and/or Financial Instruments and Money Market Instruments (or that hold securities in

one or more other registered investment companies that themselves hold such portfolios of securities and/or Financial Instruments and Money Market Instruments) or (ii) represent interests in a trust or similar entity that holds a specified non-U.S. currency or currencies deposited with the trust when aggregated in some specified minimum number may be surrendered to the trust or similar entity by the beneficial owner to receive the specified non-U.S. currency or currencies and pays the beneficial owner interest and other distributions on the deposited non-U.S. currency or currencies, if any, declared and paid by the trust ("Currency Trust Shares") or (iii) represent commodity pool interests principally engaged, directly or indirectly, in holding and/or managing portfolios or baskets of securities, commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or non-U.S. currency ("Commodity Pool ETFs") or (iv) represent interests in the iShares Ethereum Trust, the SPDR® Gold Trust, the iShares COMEX Gold Trust, the iShares Silver Trust, the Aberdeen Standard Physical Gold Trust, or the iShares Bitcoin Trust, or the Fidelity Wise Origin Bitcoin Fund, or the ARK21Shares Bitcoin ETF, or the Grayscale Bitcoin Trust (BTC), or the Grayscale Bitcoin Mini Trust BTC, or the Bitwise Bitcoin ETF or the Fidelity Ethereum Fund, the Bitwise Ethereum ETF, the Grayscale Ethereum Trust, [and]or Grayscale Ethereum Mini Trust, or the VanEck Bitcoin ETF, or (v) represents an interest in a registered investment company ("Investment Company") organized as an open-end management company or similar entity, that invests in a portfolio of securities selected by the Investment Company's investment adviser consistent with the Investment Company's investment objectives and policies, which is issued in a specified aggregate minimum number in return for a deposit of a specified portfolio of securities and/or a cash amount with a value equal to the next determined net asset value ("NAV"), and when aggregated in the same specified minimum number, may be redeemed at a holder's request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the next determined NAV ("Managed Fund Share"); provided that:

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## Options 9 Business Conduct

\* \* \* \* \*

## Section 13. Position Limits

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## Supplementary Material to Options 9, Section 13

.01 The position limits applicable to option contracts on the securities listed in the chart below are as follows:

| Security Underlying Option                         | Position Limit    |
|--|-------------------|
| SPDR Dow Jones® Industrial Average ETF Trust (DIA) | 300,000 contracts |

|  |                         |
|--|-------------------------|
| SPDR® S&P 500® ETF Trust (SPY)                               | 3,600,000 contracts     |
| iShares® Russell 2000® ETF (IWM)                             | 1,000,000 contracts     |
| INVESCO QQQ Trust <sup>SM</sup> , Series 1 (QQQ)             | 1,800,000 contracts     |
| iShares MSCI Emerging Markets ETF (EEM)                      | 1,000,000 contracts     |
| iShares China Large-Cap ETF (FXI)                            | 1,000,000 contracts     |
| iShares MSCI EAFE ETF (EFA)                                  | 1,000,000 contracts     |
| iShares MSCI Brazil Capped ETF (EWZ)                         | 500,000 contracts       |
| iShares 20+ Year Treasury Bond Fund ETF (TLT)                | 500,000 contracts       |
| iShares MSCI Japan ETF (EWJ)                                 | 500,000 contracts       |
| iShares iBoxx High Yield Corporate Bond Fund (HYG)           | 500,000 contracts       |
| Financial Select Sector SPDR Fund (XLF)                      | 500,000 contracts       |
| iShares iBoxx \$ Investment Grade Corporate Bond ETF (“LQD”) | 500,000 contracts       |
| VanEck Vectors Gold Miners ETF (“GDX”)                       | 500,000 contracts       |
| Fidelity Wise Origin Bitcoin Fund                            | 25,000 contracts        |
| ARK 21Shares Bitcoin ETF                                     | 25,000 contracts        |
| <u>VanEck Bitcoin ETF</u>                                    | <u>25,000 contracts</u> |
| Fidelity Ethereum Fund                                       | 25,000 contracts        |
| Bitwise Ethereum ETF   | 25,000 contracts        |
| Grayscale Ethereum Trust                                     | 25,000 contracts        |
| Grayscale Ethereum Mini Trust                                | 25,000 contracts        |

\* \* \* \* \*

## Section 15. Exercise Limits

\* \* \* \* \*

## Supplementary Material to Option 9, Section 15

.01 The exercise limits applicable to option contracts on the securities listed in the chart below is as follows:

| Security Underlying Option                         | Exercise Limit      |
|--|---------------------|
| SPDR Dow Jones® Industrial Average ETF Trust (DIA) | 300,000 contracts   |
| SPDR® S&P 500® ETF Trust (SPY)                     | 3,600,000 contracts |
| iShares® Russell 2000® ETF (IWM)                   | 1,000,000 contracts |
| INVESCO QQQTrust <sup>SM</sup> , Series 1 (QQQ)    | 1,800,000 contracts |
| iShares MSCI Emerging Markets ETF (EEM)            | 1,000,000 contracts |
| iShares China Large-Cap ETF (FXI)                  | 1,000,000 contracts |
| iShares MSCI EAFE ETF (EFA)                        | 1,000,000 contracts |

|  |                         |
|--|-------------------------|
| iShares MSCI Brazil Capped ETF (EWZ)                         | 500,000 contracts       |
| iShares 20+ Year Treasury Bond Fund ETF (TLT)                | 500,000 contracts       |
| iShares MSCI Japan ETF (EWJ)                                 | 500,000 contracts       |
| iShares iBoxx High Yield Corporate Bond Fund (HYG)           | 500,000 contracts       |
| Financial Select Sector SPDR Fund (XLF)                      | 500,000 contracts       |
| iShares iBoxx \$ Investment Grade Corporate Bond ETF (“LQD”) | 500,000 contracts       |
| VanEck Vectors Gold Miners ETF (“GDX”)                       | 500,000 contracts       |
| Fidelity Wise Origin Bitcoin Fund                            | 25,000 contracts        |
| ARK 21Shares Bitcoin ETF                                     | 25,000 contracts        |
| <u>VanEck Bitcoin ETF</u>                                    | <u>25,000 contracts</u> |
| Fidelity Ethereum Fund                                       | 25,000 contracts        |
| Bitwise Ethereum ETF   | 25,000 contracts        |
| Grayscale Ethereum Trust                                     | 25,000 contracts        |
| Grayscale Ethereum Mini Trust                                | 25,000 contracts        |

\* \* \* \* \*