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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2025 - * 30

Amendment No. (req. for Amendments *)

Filing by Nasdaq ISE, LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * ☒	Amendment * ☐	Withdrawal ☐	Section 19(b)(2) * ☒	Section 19(b)(3)(A) * ☐	Section 19(b)(3)(B) * ☐
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Pilot ☐	Extension of Time Period for Commission Action * ☐	Date Expires *
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Rule

☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
☐ 19b-4(f)(2)	☐ 19b-4(f)(5)
☐ 19b-4(f)(3)	☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) *

☐

Section 806(e)(2) *

☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) *

☐

Exhibit 2 Sent As Paper Document

☐

Exhibit 3 Sent As Paper Document

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Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Adopt Listing Criteria for Options on a Commodity-Based Trust that Holds Multiple Crypto Assets

Contact Information

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.

First Name *		Last Name *	
Title *			
E-mail *			
Telephone *		Fax	

Signature

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.

Date 09/26/2025

(Title *)

By John A. Zecca

(Name *)

EVP and Chief Legal Officer

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.

 Date: 2025.09.26 11:31:42 -04'00'

Required fields are shown with yellow backgrounds and astericks.

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-2025-30 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-2025-30 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.

☐

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

Add Remove View

SR-ISE-2025-30 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”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend Options 4, Section 3, Criteria for Underlying Securities, to adopt a listing criteria for options on a Commodity-Based Trust that holds multiple crypto assets.

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.

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:

[REDACTED]

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.



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

a. Purpose

The Exchange proposes to amend its listing rules at ISE Options 4, Section 3, Criteria for Underlying Securities. Specifically, the Exchange proposes to amend the criteria for listing options on Exchange-Traded Fund Shares (“ETFs”) at Options 4, Section 3(h).

The Exchange proposes to amend Options 4, Section 3 to adopt new listing criteria in subparagraph (h)(vii) to permit the listing and trading of options on a Commodity-Based Trust that meet the generic criteria of The Nasdaq Stock Market LLC (“Nasdaq”) Rule 5711(d),³ except that the Commodity-Based Trust holds multiple crypto assets.⁴ The Exchange proposes to amend Options 4, Section 3(h) to create a new subparagraph (4) that states,

³ Nasdaq Rule 5711(d) permits the listing and trading of certain qualifying exchange-traded products that physically hold commodities like precious metals and digital asset commodities on the Exchange. Pursuant to Nasdaq Rule 5711(d), the term “Commodity-Based Trust Shares” means a security that: (1) is issued by a trust, limited liability company, partnership, or other similar entity (“Trust”) that, if applicable, is operated by a registered commodity pool operator pursuant to the Commodity Exchange Act, and is not registered as an investment company pursuant to the Investment Company Act of 1940, or series or class thereof; (2) is designed to reflect the performance of one or more reference assets or an index of reference assets, less expenses and other liabilities; (3) in order to reflect the performance as provided in (d)(iii)(A)(2) above, is issued by a Trust that holds (a) one or more commodities or commodity-based assets as defined in (d)(iii)(C) below, and (b) in addition to such commodities or commodity-based assets, may hold securities, cash, and cash equivalents; (4) is issued by such Trust in a specified aggregate minimum number in return for a deposit of (a) a specified quantity of the underlying commodities, commodity-based assets, securities, cash, and/or cash equivalents, or (b) a cash amount with a value based on the next determined net asset value per Trust share; and (5) when aggregated in the same specified minimum number, may be redeemed at a holder's request by such Trust which will deliver to the redeeming holder (a) the specified quantity of the underlying commodities, commodity-based assets, securities, cash, and/or cash equivalents, or (b) a cash amount with a value based on the next determined net asset value per Trust share.

⁴ For purposes of this rule the term “crypto asset” means an asset that is generated, issued and/or transferred using a blockchain or similar distributive ledger technology network, including but

Additionally, with respect to a Commodity-Based Trust that meets the requirements of Options 4, Section 3(h)(vii), the following requirements are satisfied: (A) the total global supply of each underlying crypto asset held by the Commodity-Based Trust has an average daily market value of at least \$700 million over the last 12 months; and (B) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the Intermarket Surveillance Group. For purposes of this rule the term “crypto asset” means an asset that is generated, issued and/or transferred using a blockchain or similar distributive ledger technology network, including but not limited to, assets known as “tokens,” “digital assets,” “virtual currencies,” and “coins” and that relies on cryptographic protocols.

The proposed additional criteria would require a Commodity-Based Trust to: (1) meet the generic criteria of Nasdaq Rule 5711(d) and hold multiple crypto assets; (2) meet the criteria and guidelines set forth in Options 4, Section 3(a)⁵ and (b),⁶ or Options 4, Section 3(h)(1)(ii);⁷ and (3) meet the requirements in Options 4, Section 3(h)(4) prior to listing options on the Commodity-Based Trust.

not limited to, assets known as “tokens,” “digital assets,” “virtual currencies,” and “coins” and that relies on cryptographic protocols. See definition at proposed Options 4, Section 3(h)(4).

⁵ Options 4, Section 3(a) provides that a security (which includes an ETF) on which options may be listed and traded on the Exchange must be a security registered (with the Commission) and be an NMS stock (as defined in Rule 600 of Regulation NMS under the Act), and the security shall be characterized by a substantial number of outstanding shares that are widely held and actively traded.

⁶ Options 4, Section 3(b) provides criteria and guidelines when evaluating potential underlying securities for the listing of options.

⁷ Options 4, Section 3(h)(1)(ii) provides that 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.

As proposed, Options 4, Section 3(h)(4) requires a Commodity-Based Trust that meets the requirements of Options 4, Section 3(h)(vii) to also satisfy the following requirements: (A) the total global supply of each underlying crypto asset held by the Commodity-Based Trust has an average daily market value of at least \$700 million over the last 12 months; and (B) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the Intermarket Surveillance Group (“ISG”).

The Exchange defines a “crypto asset” at Options 4, Section 3(h)(4) to mean, for purposes of this rule, an asset that is generated, issued and/or transferred using a blockchain or similar distributive ledger technology network, including but not limited to, assets known as “tokens,” “digital assets,” “virtual currencies,” and “coins” and that relies on cryptographic protocols.

The market value for each underlying crypto asset will be calculated by taking the total global supply of the particular crypto asset multiplied by the token price.⁸ Total supply of crypto assets includes all crypto assets currently issued and does not include unissued crypto assets.⁹

Further, the Exchange has specified in proposed Options 4, Section 3(h)(4) that each crypto asset held by the Commodity-Based Trust must underlie a derivatives

⁸ The market supply information can be obtained from publicly available sources such as [coingecko.com](https://www.coingecko.com) or [coinmarketcap.com](https://www.coinmarketcap.com).

⁹ For example, if Bitcoin were the underlying crypto asset, the Exchange would consider the total supply of all Bitcoin currently issued instead of the maximum supply, which would be currently issued as well as unminted Bitcoin. As of September 12, 2025, Bitcoin’s total supply was 19,919,915 (the maximum supply was 21,000,000). See <https://www.coingecko.com/en/coins/bitcoin>. The Exchange would calculate market value by utilizing the total supply number multiplied by the Bitcoin price on that day.

contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in ISG.¹⁰ The Exchange will be required to ensure that this requirement is met prior to listing options on a Commodity-Based Trust pursuant to proposed Options 4, Section 3(h)(vii).

As a result of this amendment, the proposed listing criteria would permit a Commodity-Based Trust that is generically listed on Nasdaq pursuant to Rule 5711(d) and holds multiple crypto assets to qualify for the listing of options on that ETF, provided Options 4, Section 3(h)(4) has also been met, as well as the listing criteria in Options 4, Section 3(a) and (b) or Options 4, Section 3(h)(1)(ii).

Similar to options on any ETF, an option on a Commodity-Based Trust that meets the requirements of Options 4, Section 3(h)(vii) would also be subject to the Exchange's continued listing standards for options on ETFs set forth in Options 4, Section 4(g). Pursuant to Options 4, Section 4(g), ETFs approved for options 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)(5) of Options 4, Section 4¹¹ or the ETFs are halted or

¹⁰ For a list of the current members and affiliate members of ISG, see <https://isgportal.org/public-members>.

¹¹ Options 4, Section 4(b)(5) provides, if an underlying security is approved for options listing and trading under the provisions of Options 4, Section 3(c), the trading volume of the Original Security (as therein defined) prior to but not after the commencement of trading in the Restructure Security (as therein defined), including 'when-issued' trading, may be taken into account in determining whether the trading volume requirement of (3) of this paragraph (b) is satisfied.

suspended from trading on their primary market.¹² Additionally, options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii) may be subject to the suspension of opening transactions in any series of options of the class covering ETFs in any of the following circumstances:¹³

(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;¹⁴

(2) in the case of options covering Fund Shares approved pursuant to Options 4, Section 3(h)(ii),¹⁵ 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.

Consistent with current Options 4, Section 5, which governs the opening of options series on a specific underlying security (including ETFs), the Exchange would

¹² See Options 4, Section 4(g).

¹³ See id.

¹⁴ 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 Act. Options 4, Section 3(h)(i) refers to Financial Instruments and Money Market Instruments.

¹⁵ Options 4, Section 3(h)(ii) refers to Currency Trust Shares.

open at least one expiration month¹⁶ for options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii) and may also list series of options for trading on a weekly¹⁷ or quarterly¹⁸ basis. The Exchange may also list long-term equity option series (“LEAPS”) that expire from twelve to thirty-nine months from the time they are listed.¹⁹

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 an ETF, including ETFs listed pursuant to proposed Options 4, Section 3(h)(vii), would be \$1 or greater when the strike price is \$200 or less and \$5 or greater when the strike price is greater than \$200.²⁰ Additionally, the Exchange may list series of options pursuant to

¹⁶ See Options 4, Section 5(b). At the commencement of trading on the Exchange of a particular class of options, the Exchange will open a minimum of one (1) series of options in that class. The exercise price of that series will be fixed at a price per share, relative to the underlying stock price in the primary market at about the time that class of options is first opened for trading on the Exchange. The monthly expirations are subject to certain listing criteria for underlying securities described within Options 4, Section 5. Monthly listings expire the third Friday of the month. The term “expiration date” (unless separately defined elsewhere in the OCC By-Laws), when used in respect of an option contract (subject to certain exceptions), means the third Friday of the expiration month of such option contract, or if such Friday is a day on which the exchange on which such option is listed is not open for business, the preceding day on which such exchange is open for business. See OCC By-Laws Article I, Section 1. Pursuant to Options 4, Section 5(c), additional series of options of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying stock moves more than five strike prices from the initial exercise price or prices. The opening of a new series of options shall not affect the series of options of the same class previously opened. New series of options on an individual stock may be added until the beginning of the month in which the options contract will expire. Due to unusual market conditions, the Exchange, in its discretion, may add a new series of options on an individual stock until the close of trading on the business day prior to the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, on the second business day prior to expiration.

¹⁷ See Supplementary .03 to Options 4, Section 5.

¹⁸ See Supplementary .04 to Options 4, Section 5.

¹⁹ See Options 4, Section 8.

²⁰ The Exchange notes that for options listed pursuant to the Short Term Option Series Program, the Quarterly Options Series Program, and the Monthly Options Series Program, Supplementary Material .03, .04 and .09 to Options 4, Section 5 set forth the intervals between strike prices on Short Term Option Series, Quarterly Options Series, and Monthly Options Series, respectively.

the \$1 Strike Price Interval Program,²¹ the \$0.50 Strike Program,²² the \$2.50 Strike Price Program,²³ and the \$5 Strike Program.²⁴ Pursuant to Options 3, Section 3, where the price of a series of options on an 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 \$0.10.²⁵ Any and all new series of options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii) would be subject to the expirations, strike prices, and minimum increments set forth in Options 4, Section 5 and Options 3, Section 3, as applicable.

Further, options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii) would trade in the same manner as options on other ETFs on the Exchange. The Exchange Rules that currently apply to the listing and trading of all options on ETFs on the Exchange, including, for example, Rules that govern listing criteria, expirations, exercise prices, minimum increments, position and exercise limits, margin requirements, customer accounts and trading halt procedures would apply to the listing and trading of options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii) in the same manner.

Position and exercise limits for options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii) would be determined pursuant to

²¹ See Supplementary Material .01 to Options 4, Section 5.

²² See Supplementary Material .05 to Options 4, Section 5.

²³ See Supplementary Material .02 to Options 4, Section 5.

²⁴ See Supplementary Material .06 to Options 4, Section 5.

²⁵ If options on a Commodity-Based Trust are eligible to participate in the Penny Interval Program, the minimum increment would be \$0.01 for series with a price below \$3.00 and \$0.05 for series with a price at or above \$3.00. See Supplementary Material .01 to Options 3, Section 3 (which describes the requirements for the Penny Interval Program).

Options 9, Sections 13 and 15, respectively, as is the case for other options on other ETFs. Position and exercise limits for options on ETFs vary according to the number of outstanding shares and the trading volumes of the underlying ETF over the past six months, where the largest in capitalization and the most frequently traded ETFs have an option position and exercise limit of 250,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market; and smaller capitalization ETFs have position and exercise limits of 200,000, 75,000, 50,000 or 25,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market. Further, Options 6C, Section 3, which governs margin requirements and is applicable to the trading of all options on the Exchange including options on ETFs, will also apply to the trading of options on Commodity-Based Trusts listed pursuant to proposed Options 4, Section 3(h)(vii).

The Exchange represents that the same surveillance procedures applicable to all other options on other ETFs currently listed and traded on the Exchange will apply to the trading of options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii). The Exchange represents that it has the necessary systems capacity to support the new option series. The Exchange believes that its existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might potentially arise from listing and trading options on ETFs, including the listing of options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii). Also, the Exchange may obtain information from designated contract markets that are members of the ISG related to a financial instrument that is based, in whole or in part, upon an interest in or performance of a crypto asset, as applicable. The

Exchange has specified in proposed Options 4, Section 3(h)(4) that each crypto asset held by the Commodity-Based Trust must underlie a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in ISG.²⁶ The Exchange will be required to ensure that this requirement is met prior to listing options on a Commodity-Based Trust listed pursuant to proposed Options 4, Section 3(h)(vii).

Additionally, 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 of ETFs, including the trading of options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii), up to the number of expirations currently permissible under the Exchange Rules.

Finally, today, the Exchange lists and trades options on ETFs that would qualify for listing as an option on a Commodity-Based Trust under proposed Options 4, Section 3(h)(vii),²⁷ and it has not identified any issues with the listing and trading of options on those ETFs.

b. Statutory Basis

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

²⁶ There are a number of futures contracts on digital asset commodities that are listed and trading on the CME and Coinbase Derivatives, both of which are ISG members. See <https://www.cmegroup.com/markets/cryptocurrencies.html#products>. See also <https://www.coinbase.com/derivatives>.

²⁷ The following ETFs currently have options listed on them on the Exchange: iShares Bitcoin Trust, the Fidelity Wise Origin Bitcoin Fund, the ARK21Shares Bitcoin ETF, the Grayscale Bitcoin Trust (BTC), the Grayscale Bitcoin Mini Trust BTC, and the Bitwise Bitcoin ETF. See Options 4, Section 3(h)(iv). The Exchange filed rule proposals and received the appropriate regulatory notice or approval to list the aforementioned options on the ETFs.

Act,²⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,²⁹ 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section (6)(b)(5)³⁰ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that its proposal to establish new listing criteria at Options 4, Section 3(h)(vii) with respect to options on Commodity-Based Trusts, without the need for additional approvals, 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 it would allow the Exchange to immediately list and trade qualifying options on Commodity-Based Trusts, provided the initial listing criteria has been met, without any additional approvals from the Commission.

Specifically, the Exchange's proposal to adopt Options 4, Section 3(h)(vii) to allow the listing and trading of options on units that represent interests in Commodity-Based Trusts that meet the generic criteria of Nasdaq Rule 5711(d),³¹ and hold multiple

²⁸ 15 U.S.C. 78f(b).

²⁹ 15 U.S.C. 78f(b)(5).

³⁰ 15 U.S.C. 78(f)(b)(5).

³¹ See supra note 3.

crypto assets, is consistent with the Act because it will permit the Exchange to offer options on certain Commodity-Based Trusts soon after the listing of the ETF on Nasdaq, provided all listing criteria have been met. Listing these options will avail market participants of the opportunity to hedge their positions in the Commodity-Based Trusts in a timely manner, thereby providing investors with the ability to hedge their exposure to the underlying Commodity-Based Trust. Options on Commodity-Based Trusts benefits investors, similar to the listing of any other option on an ETF, by providing investors with a relatively lower-cost risk management tool to manage their positions and associated risk in their portfolios more easily in connection with exposure to the price of a crypto asset. Additionally, listing options on Commodity-Based Trusts provides investors with the ability to transact in such options on a listed market as opposed to the OTC options market, which increases market transparency and enhances the process of price discovery to the benefit of all investors.

Also, this proposal would permit options on certain Commodity-Based Trusts to be listed on the Exchange in the same manner as options on ETFs that are subject to the current listing criteria in Options 4, Section 3(h). The Exchange notes that the majority of ETFs are able to list and trade options once the initial listing criteria have been met without the need for additional approvals. The proposed rule change would allow options on certain Commodity-Based Trusts to likewise list and trade once the proposed listing criteria have been met without the need for additional approvals.

As proposed, the Exchange would list options in a Commodity-Based Trust that met the generic criteria of Nasdaq Rule 5711(d), provided the Commodity-Based Trust held multiple crypto assets. Further, these options on Commodity-Based Trusts would

also be required to satisfy the conditions in proposed Options 4, Section 3(h)(4). Specifically, a Commodity-Based Trust that met the requirements of proposed Options 4, Section 3(h)(vii) would also have to satisfy the following requirements in proposed Options 4, Section 3(h)(4): (A) the total global supply of each underlying crypto asset held by the Commodity-Based Trust has an average daily market value of at least \$700 million over the last 12 months; and (B) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the ISG.

These requirements are consistent with the Act and the protection of investors as they should ensure that the underlying ETF has sufficient liquidity prior to listing options, which will serve to prevent disruption to the underlying market. The Exchange believes that market supply serves as a good measure of liquidity to prevent the addition of options trading on the Commodity-Based Trust from disrupting the market for the underlying security. Requiring each underlying crypto asset to have a requisite amount of deliverable supply, in addition to all the other criteria the ETF is required to have under Nasdaq Rule 5711, should ensure adequate liquidity prior to listing. Further, ensuring each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the ISG, will provide the Exchange with information to adequately surveil options on qualifying Commodity-Based Trusts. Today, the Exchange has a comprehensive surveillance sharing agreement in place with both the CME and Coinbase Derivatives

through its common membership in ISG. This facilitates the sharing of information that is available to the CME and Coinbase Derivatives through their surveillance of their respective markets, including their surveillance of their respective digital asset futures markets.

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. Options on qualifying Commodity-Based Trusts must 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 crypto assets already deemed appropriate for options trading on the Exchange in addition to the proposed criteria. Options on qualifying Commodity-Based Trusts would 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 position and exercise limits and margin requirements, will govern the listing and trading of options on qualifying Commodity-Based Trusts.

The Exchange represents that it has the necessary systems capacity to support the listing and trading of options on qualifying Commodity-Based Trusts. 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 of these options on Commodity-Based Trust, particularly in light of the additional requirement that each crypto asset held by the Commodity-Based Trust underlies a

derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in ISG.

Finally, today, the Exchange lists and trades options on ETFs that would qualify for listing as an option on a Commodity-Based Trust under proposed Options 4, Section 3(h)(vii),³² and it has not identified any issues with the listing and trading of options on those ETFs.

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 proposal to amend the listing criteria at Options 4, Section 3(h)(vii), with respect to ETFs, to adopt new criteria to permit the listing and trading of options on certain Commodity-Based Trusts that hold multiple crypto assets and that were listed pursuant to Nasdaq Rule 5711(d), without the need for additional approvals, will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Options on qualifying Commodity-Based Trusts 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, options on qualifying Commodity-

³² The following ETFs currently have options listed on them on the Exchange: iShares Bitcoin Trust, the Fidelity Wise Origin Bitcoin Fund, the ARK21Shares Bitcoin ETF, the Grayscale Bitcoin Trust (BTC), the Grayscale Bitcoin Mini Trust BTC, and the Bitwise Bitcoin ETF. See Options 4, Section 3(h)(iv). The Exchange filed rule proposals and received the appropriate regulatory notice or approval to list the aforementioned options on the ETFs.

Based Trusts 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 all options on qualifying Commodity-Based Trusts.

Additionally, the Exchange notes that listing and trading options on qualifying Commodity-Based Trusts 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 in a timely manner.

The Exchange does not believe that the proposal to adopt new listing criteria at Options 4, Section 3(h)(vii) to permit the listing and trading of certain options on a Commodity-Based Trust, without the need for additional approvals, will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Other options exchanges are free to amend their listing rules, as applicable, to permit them to list and trade options on Commodity-Based Trusts.

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

Not applicable.

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

Not applicable.

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.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION****[Release No. 34- ; File No. SR-ISE-2025-30]****Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing of Proposed Rule Change to Adopt Listing Criteria for Options on a Commodity-Based Trust that Holds Multiple Crypto Assets**

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹, and Rule 19b-4 thereunder,² notice is hereby given that on September 26, 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 amend Options 4, Section 3, Criteria for Underlying Securities, to adopt a listing criteria for options on a Commodity-Based Trust that holds multiple crypto assets.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 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 amend its listing rules at ISE Options 4, Section 3, Criteria for Underlying Securities. Specifically, the Exchange proposes to amend the criteria for listing options on Exchange-Traded Fund Shares ("ETFs") at Options 4, Section 3(h).

The Exchange proposes to amend Options 4, Section 3 to adopt new listing criteria in subparagraph (h)(vii) to permit the listing and trading of options on a Commodity-Based Trust that meet the generic criteria of The Nasdaq Stock Market LLC ("Nasdaq") Rule 5711(d),³

³ Nasdaq Rule 5711(d) permits the listing and trading of certain qualifying exchange-traded products that physically hold commodities like precious metals and digital asset commodities on the Exchange. Pursuant to Nasdaq Rule 5711(d), the term "Commodity-Based Trust Shares" means a security that: (1) is issued by a trust, limited liability company, partnership, or other similar entity ("Trust") that, if applicable, is operated by a registered commodity pool operator pursuant to the Commodity Exchange Act, and is not registered as an investment company pursuant to the Investment Company Act of 1940, or series or class thereof; (2) is designed to reflect the performance of one or more reference assets or an index of reference assets, less expenses and other liabilities; (3) in order to reflect the performance as provided in (d)(iii)(A)(2) above, is issued by a Trust that holds (a) one or more commodities or commodity-based assets as defined in (d)(iii)(C) below, and (b) in addition to such commodities or commodity-based assets, may hold securities, cash, and cash equivalents; (4) is issued by such Trust in a specified aggregate minimum number in return for a deposit of (a) a specified quantity of the underlying commodities, commodity-based assets, securities, cash, and/or cash equivalents, or (b) a cash amount with a value based on the next determined net asset value per Trust share; and (5) when aggregated in the same specified minimum number, may be redeemed at a holder's request by such Trust which will deliver to the redeeming holder (a) the specified quantity of the underlying commodities, commodity-based assets, securities, cash, and/or cash equivalents, or (b) a cash amount with a value based on the next determined net asset value per Trust share.

except that the Commodity-Based Trust holds multiple crypto assets.⁴ The Exchange proposes to amend Options 4, Section 3(h) to create a new subparagraph (4) that states,

Additionally, with respect to a Commodity-Based Trust that meets the requirements of Options 4, Section 3(h)(vii), the following requirements are satisfied: (A) the total global supply of each underlying crypto asset held by the Commodity-Based Trust has an average daily market value of at least \$700 million over the last 12 months; and (B) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the Intermarket Surveillance Group. For purposes of this rule the term “crypto asset” means an asset that is generated, issued and/or transferred using a blockchain or similar distributive ledger technology network, including but not limited to, assets known as “tokens,” “digital assets,” “virtual currencies,” and “coins” and that relies on cryptographic protocols.

The proposed additional criteria would require a Commodity-Based Trust to: (1) meet the generic criteria of Nasdaq Rule 5711(d) and hold multiple crypto assets; (2) meet the criteria and guidelines set forth in Options 4, Section 3(a)⁵ and (b),⁶ or Options 4, Section 3(h)(1)(ii);⁷ and (3) meet the requirements in Options 4, Section 3(h)(4) prior to listing options on the Commodity-Based Trust.

⁴ For purposes of this rule the term “crypto asset” means an asset that is generated, issued and/or transferred using a blockchain or similar distributive ledger technology network, including but not limited to, assets known as “tokens,” “digital assets,” “virtual currencies,” and “coins” and that relies on cryptographic protocols. See definition at proposed Options 4, Section 3(h)(4).

⁵ Options 4, Section 3(a) provides that a security (which includes an ETF) on which options may be listed and traded on the Exchange must be a security registered (with the Commission) and be an NMS stock (as defined in Rule 600 of Regulation NMS under the Act), and the security shall be characterized by a substantial number of outstanding shares that are widely held and actively traded.

⁶ Options 4, Section 3(b) provides criteria and guidelines when evaluating potential underlying securities for the listing of options.

⁷ Options 4, Section 3(h)(1)(ii) provides that 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.

As proposed, Options 4, Section 3(h)(4) requires a Commodity-Based Trust that meets the requirements of Options 4, Section 3(h)(vii) to also satisfy the following requirements: (A) the total global supply of each underlying crypto asset held by the Commodity-Based Trust has an average daily market value of at least \$700 million over the last 12 months; and (B) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the Intermarket Surveillance Group (“ISG”).

The Exchange defines a “crypto asset” at Options 4, Section 3(h)(4) to mean, for purposes of this rule, an asset that is generated, issued and/or transferred using a blockchain or similar distributive ledger technology network, including but not limited to, assets known as “tokens,” “digital assets,” “virtual currencies,” and “coins” and that relies on cryptographic protocols.

The market value for each underlying crypto asset will be calculated by taking the total global supply of the particular crypto asset multiplied by the token price.⁸ Total supply of crypto assets includes all crypto assets currently issued and does not include unissued crypto assets.⁹

Further, the Exchange has specified in proposed Options 4, Section 3(h)(4) that each crypto asset held by the Commodity-Based Trust must underlie a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement,

⁸ The market supply information can be obtained from publicly available sources such as [coingecko.com](https://www.coingecko.com) or [coinmarketcap.com](https://www.coinmarketcap.com).

⁹ For example, if Bitcoin were the underlying crypto asset, the Exchange would consider the total supply of all Bitcoin currently issued instead of the maximum supply, which would be currently issued as well as unminted Bitcoin. As of September 12, 2025, Bitcoin’s total supply was 19,919,915 (the maximum supply was 21,000,000). See <https://www.coingecko.com/en/coins/bitcoin>. The Exchange would calculate market value by utilizing the total supply number multiplied by the Bitcoin price on that day.

whether directly or through common membership in ISG.¹⁰ The Exchange will be required to ensure that this requirement is met prior to listing options on a Commodity-Based Trust pursuant to proposed Options 4, Section 3(h)(vii).

As a result of this amendment, the proposed listing criteria would permit a Commodity-Based Trust that is generically listed on Nasdaq pursuant to Rule 5711(d) and holds multiple crypto assets to qualify for the listing of options on that ETF, provided Options 4, Section 3(h)(4) has also been met, as well as the listing criteria in Options 4, Section 3(a) and (b) or Options 4, Section 3(h)(1)(ii).

Similar to options on any ETF, an option on a Commodity-Based Trust that meets the requirements of Options 4, Section 3(h)(vii) would also be subject to the Exchange's continued listing standards for options on ETFs set forth in Options 4, Section 4(g). Pursuant to Options 4, Section 4(g), ETFs approved for options 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)(5) of Options 4, Section 4¹¹ or the ETFs are halted or suspended from trading on their primary market.¹² Additionally, options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii) may be

¹⁰ For a list of the current members and affiliate members of ISG, see <https://isgportal.org/public-members>.

¹¹ Options 4, Section 4(b)(5) provides, if an underlying security is approved for options listing and trading under the provisions of Options 4, Section 3(c), the trading volume of the Original Security (as therein defined) prior to but not after the commencement of trading in the Restructure Security (as therein defined), including 'when-issued' trading, may be taken into account in determining whether the trading volume requirement of (3) of this paragraph (b) is satisfied.

¹² See Options 4, Section 4(g).

subject to the suspension of opening transactions in any series of options of the class covering ETFs in any of the following circumstances:¹³

- (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;¹⁴
- (2) in the case of options covering Fund Shares approved pursuant to Options 4, Section 3(h)(ii),¹⁵ 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.

Consistent with current Options 4, Section 5, which governs the opening of options series on a specific underlying security (including ETFs), the Exchange would open at least one expiration month¹⁶ for options on Commodity-Based Trusts that are approved subject to Options

¹³ See id.

¹⁴ 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 Act. Options 4, Section 3(h)(i) refers to Financial Instruments and Money Market Instruments.

¹⁵ Options 4, Section 3(h)(ii) refers to Currency Trust Shares.

¹⁶ See Options 4, Section 5(b). At the commencement of trading on the Exchange of a particular class of options, the Exchange will open a minimum of one (1) series of options in that class. The exercise price of that series will be fixed at a price per share, relative to the underlying stock price in the primary market at about the time that class of options is first opened for trading on the Exchange. The monthly expirations are subject to certain listing criteria for underlying securities described within Options 4, Section 5. Monthly listings expire the third Friday of the month. The term “expiration date” (unless separately defined elsewhere in the OCC By-Laws), when used in respect of an option contract (subject to certain

4, Section 3(h)(vii) and may also list series of options for trading on a weekly¹⁷ or quarterly¹⁸ basis. The Exchange may also list long-term equity option series (“LEAPS”) that expire from twelve to thirty-nine months from the time they are listed.¹⁹

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 an ETF, including ETFs listed pursuant to proposed Options 4, Section 3(h)(vii), would be \$1 or greater when the strike price is \$200 or less and \$5 or greater when the strike price is greater than \$200.²⁰ Additionally, the Exchange may list series of options pursuant to the \$1 Strike Price Interval Program,²¹ the \$0.50 Strike Program,²² the \$2.50 Strike Price Program,²³ and the \$5 Strike Program.²⁴ Pursuant to Options 3, Section 3, where the price of a series of options on an ETF is less than \$3.00, the minimum increment will be \$0.05, and where the price is \$3.00 or higher, the minimum

exceptions), means the third Friday of the expiration month of such option contract, or if such Friday is a day on which the exchange on which such option is listed is not open for business, the preceding day on which such exchange is open for business. See OCC By-Laws Article I, Section 1. Pursuant to Options 4, Section 5(c), additional series of options of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying stock moves more than five strike prices from the initial exercise price or prices. The opening of a new series of options shall not affect the series of options of the same class previously opened. New series of options on an individual stock may be added until the beginning of the month in which the options contract will expire. Due to unusual market conditions, the Exchange, in its discretion, may add a new series of options on an individual stock until the close of trading on the business day prior to the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, on the second business day prior to expiration.

¹⁷ See Supplementary .03 to Options 4, Section 5.

¹⁸ See Supplementary .04 to Options 4, Section 5.

¹⁹ See Options 4, Section 8.

²⁰ The Exchange notes that for options listed pursuant to the Short Term Option Series Program, the Quarterly Options Series Program, and the Monthly Options Series Program, Supplementary Material .03, .04 and .09 to Options 4, Section 5 set forth the intervals between strike prices on Short Term Option Series, Quarterly Options Series, and Monthly Options Series, respectively.

²¹ See Supplementary Material .01 to Options 4, Section 5.

²² See Supplementary Material .05 to Options 4, Section 5.

²³ See Supplementary Material .02 to Options 4, Section 5.

²⁴ See Supplementary Material .06 to Options 4, Section 5.

increment will be \$0.10.²⁵ Any and all new series of options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii) would be subject to the expirations, strike prices, and minimum increments set forth in Options 4, Section 5 and Options 3, Section 3, as applicable.

Further, options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii) would trade in the same manner as options on other ETFs on the Exchange. The Exchange Rules that currently apply to the listing and trading of all options on ETFs on the Exchange, including, for example, Rules that govern listing criteria, expirations, exercise prices, minimum increments, position and exercise limits, margin requirements, customer accounts and trading halt procedures would apply to the listing and trading of options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii) in the same manner.

Position and exercise limits for options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii) would be determined pursuant to Options 9, Sections 13 and 15, respectively, as is the case for other options on other ETFs. Position and exercise limits for options on ETFs vary according to the number of outstanding shares and the trading volumes of the underlying ETF over the past six months, where the largest in capitalization and the most frequently traded ETFs have an option position and exercise limit of 250,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market; and smaller capitalization ETFs have position and exercise limits of 200,000, 75,000, 50,000 or 25,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market. Further, Options 6C, Section 3, which governs margin requirements and is applicable to the

²⁵ If options on a Commodity-Based Trust are eligible to participate in the Penny Interval Program, the minimum increment would be \$0.01 for series with a price below \$3.00 and \$0.05 for series with a price at or above \$3.00. See Supplementary Material .01 to Options 3, Section 3 (which describes the requirements for the Penny Interval Program).

trading of all options on the Exchange including options on ETFs, will also apply to the trading of options on Commodity-Based Trusts listed pursuant to proposed Options 4, Section 3(h)(vii).

The Exchange represents that the same surveillance procedures applicable to all other options on other ETFs currently listed and traded on the Exchange will apply to the trading of options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii). The Exchange represents that it has the necessary systems capacity to support the new option series. The Exchange believes that its existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might potentially arise from listing and trading options on ETFs, including the listing of options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii). Also, the Exchange may obtain information from designated contract markets that are members of the ISG related to a financial instrument that is based, in whole or in part, upon an interest in or performance of a crypto asset, as applicable. The Exchange has specified in proposed Options 4, Section 3(h)(4) that each crypto asset held by the Commodity-Based Trust must underlie a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in ISG.²⁶ The Exchange will be required to ensure that this requirement is met prior to listing options on a Commodity-Based Trust listed pursuant to proposed Options 4, Section 3(h)(vii).

Additionally, 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 of ETFs,

²⁶ There are a number of futures contracts on digital asset commodities that are listed and trading on the CME and Coinbase Derivatives, both of which are ISG members. See <https://www.cmegroup.com/markets/cryptocurrencies.html#products>. See also <https://www.coinbase.com/derivatives>.

including the trading of options on Commodity-Based Trusts that are approved subject to Options 4, Section 3(h)(vii), up to the number of expirations currently permissible under the Exchange Rules.

Finally, today, the Exchange lists and trades options on ETFs that would qualify for listing as an option on a Commodity-Based Trust under proposed Options 4, Section 3(h)(vii),²⁷ and it has not identified any issues with the listing and trading of options on those ETFs.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,²⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,²⁹ 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section (6)(b)(5)³⁰ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that its proposal to establish new listing criteria at

²⁷ The following ETFs currently have options listed on them on the Exchange: iShares Bitcoin Trust, the Fidelity Wise Origin Bitcoin Fund, the ARK21Shares Bitcoin ETF, the Grayscale Bitcoin Trust (BTC), the Grayscale Bitcoin Mini Trust BTC, and the Bitwise Bitcoin ETF. See Options 4, Section 3(h)(iv). The Exchange filed rule proposals and received the appropriate regulatory notice or approval to list the aforementioned options on the ETFs.

²⁸ 15 U.S.C. 78f(b).

²⁹ 15 U.S.C. 78f(b)(5).

³⁰ 15 U.S.C. 78(f)(b)(5).

Options 4, Section 3(h)(vii) with respect to options on Commodity-Based Trusts, without the need for additional approvals, 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 it would allow the Exchange to immediately list and trade qualifying options on Commodity-Based Trusts, provided the initial listing criteria has been met, without any additional approvals from the Commission.

Specifically, the Exchange's proposal to adopt Options 4, Section 3(h)(vii) to allow the listing and trading of options on units that represent interests in Commodity-Based Trusts that meet the generic criteria of Nasdaq Rule 5711(d),³¹ and hold multiple crypto assets, is consistent with the Act because it will permit the Exchange to offer options on certain Commodity-Based Trusts soon after the listing of the ETF on Nasdaq, provided all listing criteria have been met. Listing these options will avail market participants of the opportunity to hedge their positions in the Commodity-Based Trusts in a timely manner, thereby providing investors with the ability to hedge their exposure to the underlying Commodity-Based Trust. Options on Commodity-Based Trusts benefits investors, similar to the listing of any other option on an ETF, by providing investors with a relatively lower-cost risk management tool to manage their positions and associated risk in their portfolios more easily in connection with exposure to the price of a crypto asset. Additionally, listing options on Commodity-Based Trusts provides investors with the ability to transact in such options on a listed market as opposed to the OTC options market, which increases market transparency and enhances the process of price discovery to the benefit of all investors.

³¹ See supra note 3.

Also, this proposal would permit options on certain Commodity-Based Trusts to be listed on the Exchange in the same manner as options on ETFs that are subject to the current listing criteria in Options 4, Section 3(h). The Exchange notes that the majority of ETFs are able to list and trade options once the initial listing criteria have been met without the need for additional approvals. The proposed rule change would allow options on certain Commodity-Based Trusts to likewise list and trade once the proposed listing criteria have been met without the need for additional approvals.

As proposed, the Exchange would list options in a Commodity-Based Trust that met the generic criteria of Nasdaq Rule 5711(d), provided the Commodity-Based Trust held multiple crypto assets. Further, these options on Commodity-Based Trusts would also be required to satisfy the conditions in proposed Options 4, Section 3(h)(4). Specifically, a Commodity-Based Trust that met the requirements of proposed Options 4, Section 3(h)(vii) would also have to satisfy the following requirements in proposed Options 4, Section 3(h)(4): (A) the total global supply of each underlying crypto asset held by the Commodity-Based Trust has an average daily market value of at least \$700 million over the last 12 months; and (B) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the ISG.

These requirements are consistent with the Act and the protection of investors as they should ensure that the underlying ETF has sufficient liquidity prior to listing options, which will serve to prevent disruption to the underlying market. The Exchange believes that market supply serves as a good measure of liquidity to prevent the addition of options trading on the Commodity-Based Trust from disrupting the market for the underlying security. Requiring each

underlying crypto asset to have a requisite amount of deliverable supply, in addition to all the other criteria the ETF is required to have under Nasdaq Rule 5711, should ensure adequate liquidity prior to listing. Further, ensuring each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the ISG, will provide the Exchange with information to adequately surveillance options on qualifying Commodity-Based Trusts. Today, the Exchange has a comprehensive surveillance sharing agreement in place with both the CME and Coinbase Derivatives through its common membership in ISG. This facilitates the sharing of information that is available to the CME and Coinbase Derivatives through their surveillance of their respective markets, including their surveillance of their respective digital asset futures markets.

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. Options on qualifying Commodity-Based Trusts must 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 crypto assets already deemed appropriate for options trading on the Exchange in addition to the proposed criteria. Options on qualifying Commodity-Based Trusts would 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 position and exercise limits and margin requirements, will govern the listing and trading of options on qualifying Commodity-Based Trusts.

The Exchange represents that it has the necessary systems capacity to support the listing and trading of options on qualifying Commodity-Based Trusts. 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 of these options on Commodity-Based Trust, particularly in light of the additional requirement that each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in ISG.

Finally, today, the Exchange lists and trades options on ETFs that would qualify for listing as an option on a Commodity-Based Trust under proposed Options 4, Section 3(h)(vii),³² and it has not identified any issues with the listing and trading of options on those ETFs.

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 proposal to amend the listing criteria at Options 4, Section 3(h)(vii), with respect to ETFs, to adopt new criteria to permit the listing and trading of options on certain Commodity-Based Trusts that hold multiple crypto assets and that were listed pursuant to Nasdaq Rule 5711(d), without the need for additional approvals, will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Options on qualifying Commodity-Based Trusts would need to satisfy the initial listing standards set forth in the Exchange Rules in the same manner as any other ETF

³² The following ETFs currently have options listed on them on the Exchange: iShares Bitcoin Trust, the Fidelity Wise Origin Bitcoin Fund, the ARK21Shares Bitcoin ETF, the Grayscale Bitcoin Trust (BTC), the Grayscale Bitcoin Mini Trust BTC, and the Bitwise Bitcoin ETF. See Options 4, Section 3(h)(iv). The Exchange filed rule proposals and received the appropriate regulatory notice or approval to list the aforementioned options on the ETFs.

before the Exchange could list options on them. Additionally, options on qualifying Commodity-Based Trusts 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 all options on qualifying Commodity-Based Trusts.

Additionally, the Exchange notes that listing and trading options on qualifying Commodity-Based Trusts 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 in a timely manner.

The Exchange does not believe that the proposal to adopt new listing criteria at Options 4, Section 3(h)(vii) to permit the listing and trading of certain options on a Commodity-Based Trust, without the need for additional approvals, will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Other options exchanges are free to amend their listing rules, as applicable, to permit them to list and trade options on Commodity-Based Trusts.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds

such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be 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. Please include file number SR-ISE-2025-30 on the subject line.

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-2025-30. 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-2025-30 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.³³

Sherry R. Haywood,

Assistant Secretary.

³³ 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 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, 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"); or (vii) represent interests in a Commodity-Based Trust that meet the generic criteria of The Nasdaq Stock Market LLC Rule 5711(d), except that the Commodity-Based Trust holds multiple crypto assets as defined in subparagraph (4) below, provided that:

(1) The Exchange-Traded Fund Shares either (i) meet the criteria and guidelines set forth in paragraphs (a) and (b) above; 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.

(2) Exchange-Traded Fund Shares based on international or global indexes, or portfolios that include non-U.S. securities, shall meet the following criteria:

(A) are listed pursuant to generic listing standards under which a comprehensive surveillance sharing agreement is not required; or

(B) any non-U.S. component securities of an index on which the Exchange-Traded Fund Shares are based or if not available or applicable, the Exchange-Traded Fund's portfolio of securities that are not subject to comprehensive surveillance sharing agreements do not in the aggregate represent more than 50% of the weight of the index or portfolio;

(C) component securities of an index on which the Exchange-Traded Fund Shares are based or if not available or applicable, the Exchange-Traded Fund's portfolio of securities for which the primary market is in any one country that is not subject to a comprehensive surveillance sharing agreement do not represent 20% or more of the weight of the index or portfolio; and

(D) component securities of an index on which the Exchange-Traded Fund Shares are based or if not available or applicable, the Exchange-Traded Fund's portfolio of securities for which the primary market is in any two countries that are not

subject to comprehensive surveillance sharing agreements do not represent 33% or more of the weight of the index or portfolio.

(E) For Currency Trust Shares, the Exchange has entered into an appropriate comprehensive surveillance sharing agreement with the marketplace or marketplaces with last sale reporting that represent(s) the highest volume in derivatives (options or futures) on the specified non-U.S. currency or currencies, which are utilized by the national securities exchange where the underlying Currency Trust Shares are listed and traded; and

(F) For Commodity Pool ETFs that engage in holding and/or managing portfolios or baskets commodity futures contracts, options on commodity futures contracts, swaps, forward contracts, options on physical commodities, options on non-U.S. currency and/or securities, the Exchange has entered into a comprehensive surveillance sharing agreement with the marketplace or marketplaces with last sale reporting that represent(s) the highest volume in such commodity futures contracts and/or options on commodity futures contracts on the specified commodities or non-U.S. currency, which are utilized by the national securities exchange where the underlying Commodity Pool ETFs are listed and traded.

(4) Additionally, with respect to a Commodity-Based Trust that meets the requirements of Options 4, Section 3(h)(vii), the following requirements are satisfied: (A) the total global supply of each underlying crypto asset held by the Commodity-Based Trust has an average daily market value of at least \$700 million over the last 12 months; and (B) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the Intermarket Surveillance Group. For purposes of this rule the term “crypto asset” means an asset that is generated, issued and/or transferred using a blockchain or similar distributive ledger technology network, including but not limited to, assets known as “tokens,” “digital assets,” “virtual currencies,” and “coins” and that relies on cryptographic protocols.

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