

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103610; File No. SR-PEARL-2025-37]

## **Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Exchange Rule 402, Criteria for Underlying Securities, to List and Trade Options on the VanEck Bitcoin Trust**

July 31, 2025.

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 July 30, 2025, MIAX PEARL, LLC (“MIAX Pearl” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change as described in Items I and II below, which Items have been prepared by MIAX Pearl. 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 Exchange Rule 402, Criteria for Underlying Securities to list and trade options on the VanEck Bitcoin Trust (the “Trust”).

The text of the proposed rule change is available on the Exchange’s website at <https://www.miaxglobal.com/markets/us-equities/pearl-equities/rule-filings>, and at MIAX Pearl’s principal office.

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

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

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

In its filing with the Commission, MIAX Pearl 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. MIAX Pearl 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 Exchange Rule 402, Criteria for Underlying Securities,<sup>3</sup> to allow the Exchange to list and trade options on the Fund, designating it as appropriate for options trading on the Exchange.<sup>4</sup> This is a competitive filing based on a similar proposal submitted by Cboe Exchange, Inc. (“Cboe”), which was approved by the Securities and Exchange Commission (the “Commission”).<sup>5</sup>

Current Exchange Rule 402(i)(4) provides that, subject to certain other criteria set forth in that Rule, securities deemed appropriate for options trading include shares or other securities

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<sup>3</sup> The Exchange notes that its affiliate options exchanges, Miami International Securities Exchange, LLC (“MIAX”) and MIAX Sapphire, LLC (“MIAX Sapphire”), submitted (or will submit) substantively similar proposals. The Exchange notes that all the rules of Chapter III of MIAX, including Exchange Rules 307 and 309, are incorporated by reference into the MIAX Pearl and MIAX Sapphire rulebooks. The Exchange also notes that all of the rules of Chapter III of MIAX, including Exchange Rules 307 and 309, and the rules of Chapter IV of MIAX, including Exchange Rule 402, are incorporated by reference into the MIAX Emerald, LLC (“MIAX Emerald”) rulebook.

<sup>4</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 Units) (“Bitcoin ETP Approval Order”).

<sup>5</sup> See Securities Exchange Act Release No. 103569 (July 29, 2025) (SR-CBOE-2025-017) (Self-Regulatory Organizations; Cboe Exchange, Inc.; Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 4, to Amend Rules 4.3, 4.20, and 8.30, to Allow the Exchange to List and Trade Options on the VanEck Bitcoin ETF) (“Cboe Approval”).

(“Exchange Traded Fund Shares” or “ETFs”) that represent certain types of interests,<sup>6</sup> including interests in certain specific trusts that hold financial instruments, money market instruments, precious metals (which are deemed commodities).

The Fund is a Bitcoin-backed commodity ETF structured as a trust. Similar to any ETF currently deemed appropriate for options trading under Exchange Rule 402(i)(4), the investment objective of the Fund is for its shares to reflect the performance of Bitcoin (less the expenses of the Fund’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

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<sup>6</sup> See Exchange Rule 402(i), which permits options trading on exchange-traded funds that: (1) 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 (“Funds”), 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); (2) represent interests in a trust or similar entity that holds a specified non-U.S. currency or currencies deposited with the trust which 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”); (3) 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”); (4) are issued by the SPDR® Gold Trust, the iShares COMEX Gold Trust, the iShares Silver Trust, the Aberdeen Standard Silver ETF Trust, the Aberdeen Standard Physical Gold Trust, the Aberdeen Standard Palladium ETF Trust, the Aberdeen Standard Platinum ETF Trust, the Goldman Sachs Physical Gold ETF, the Sprott Physical Gold Trust, the iShares Bitcoin Trust, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust, the Bitwise Bitcoin ETF, the Fidelity Wise Origin Bitcoin Fund, the ARK 21Shares Bitcoin ETF, the Fidelity Ethereum Fund, the iShares Ethereum Trust, the Grayscale Ethereum Trust, the Grayscale Ethereum Mini Trust, or the Bitwise Ethereum ETF; or (5) represent 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 all of the conditions listed in (5)(i) and 5(ii) are met.

options trading, the Fund'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>7</sup> The Fund provides investors with cost-efficient alternatives that allow a level of participation in the Bitcoin market through the securities market.

The Exchange believes the Fund satisfies the Exchange's initial listing standards for ETFs on which the Exchange may list options. Specifically, the Fund satisfies the initial listing standards set forth in Exchange Rule 402(a), as is the case for other ETFs on which the Exchange lists options (including trusts that hold commodities). Exchange Rule 402(i)(5)(i) requires that the ETFs must either (1) meet the criteria and standards set forth in Exchange Rule 402(a) or 402(b),<sup>8</sup> or (2) 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 Fund satisfies Exchange Rule 402(i)(5)(i), as it is subject to this creation and redemption process.

While not required by the Rules for purposes of options listings, the Exchange believes

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<sup>7</sup> The Trust may include minimal cash and cash equivalents (i.e., short-term instruments with maturities of less than three months).

<sup>8</sup> Subparagraphs (a) and (b) of Exchange Rule 402 provide for guidelines to be used by the Exchange when evaluating potential underlying securities for Exchange option transactions.

the Fund satisfies the criteria and guidelines set forth Exchange Rule 402(b). Pursuant to Rule 402(a), a security (which includes an ETF) on which options may be listed and traded on the Exchange must be registered (with the Commission) and be an NMS stock (as defined in Rule 600 of Regulation NMS under the Act, and be characterized by a substantial number of outstanding shares that are widely held and actively traded.<sup>9</sup> The Fund is an NMS Stock as defined in Rule 600 of Regulation NMS under the Act.<sup>10</sup> The Exchange believes that the Fund is characterized by a substantial number of outstanding shares that are widely held and actively traded.

As of March 5, 2025, based on the data presented in the Cboe filing,<sup>11</sup> the Fund had the following number of shares outstanding:

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

The Fund 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 Exchange Rule 402(b)(1). The Exchange believes this demonstrates that the Fund is characterized by a substantial number of outstanding shares.

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<sup>9</sup> The criteria and guidelines for a security to be considered widely held and actively traded are set forth in Exchange Rule 402(b), subject to exceptions.

<sup>10</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”).

<sup>11</sup> See supra note 5

Further, the below table, as presented in Cboe’s filing,<sup>12</sup> contains information regarding the number of beneficial holders of the Fund as of the specified dates:

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

As this table shows, the Fund 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 Exchange Rule 402(b)(2). Therefore, the Exchange believes the shares of the Fund are widely held.

The Exchange also believes the shares of the Fund are actively traded. As of March 5, 2025, based on the data presented in Cboe’s filing,<sup>13</sup> 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, 2024, through March 5, 2025, for the Fund 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, as of March 5, 2025, based on the data presented in Cboe’s filing,<sup>14</sup> the six-month trading volume for the Fund as of that date was substantially higher than

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<sup>12</sup> Id.

<sup>13</sup> See supra note 5.

<sup>14</sup> Id.

2,400,000 shares (approximately 55 times that amount), which is the minimum 12-month volume the Exchange generally requires for an underlying security in order to list options on that security as set forth in Exchange Rule 402(b)(4). The Exchange believes this data demonstrates the Fund is characterized as having shares that are actively traded.

Options on the Fund will be subject to the Exchange's continued listing standards set forth in Exchange Rule 403(g), for ETFs deemed appropriate for options trading pursuant to Exchange Rule 402(i). Specifically, Exchange Rule 403(g) provides that ETFs that were initially approved for options trading pursuant to Exchange Rule 402(i) shall be deemed not 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 that such ETFs, if the ETFs cease to be an NMS stock or the ETFs, are delisted from trading pursuant to Exchange Rule 403(b)(4), are halted or suspended from trading in their primary market. Additionally, options on ETFs may be subject to the suspension of opening transactions in any of the following circumstances: (1) in the case of options covering ETFs approved for trading under Exchange Rule 402(i)(5)(i)(A), in accordance with the terms of paragraphs (b)(1), (2), and (3) of Exchange Rule 403; (2) in the case of options covering ETFs approved for trading under Exchange Rule 402(i)(5)(i)(B)(as is the case for the Fund), following the initial twelve-month period beginning upon the commencement of trading in the ETFs on a national securities exchange and are defined as an NMS stock, there are fewer than 50 record and/or beneficial holders of such ETFs for 30 or more consecutive trading days; (3) the value of the index or portfolio of securities, non-U.S. currency, or portfolio of commodities including commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or financial instruments and money market instruments on which the ETFs are based is no longer calculated or available;

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

Options on the Fund will be physically settled contracts with American-style exercise.<sup>15</sup> Consistent with current Exchange Rule 404, 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 Fund<sup>16</sup> at the commencement of trading on the Exchange and may also list series of options on the Fund for trading on a weekly,<sup>17</sup> monthly,<sup>18</sup> or quarterly<sup>19</sup> basis. The Exchange may also list long-term equity option series (“LEAPS”) that expire from 12 to 39 months from the time they are listed.<sup>20</sup>

Pursuant to Exchange Rule 404, Interpretation and Policy .06, 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 Exchange Rule 402(i) shall be fixed at a price per

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<sup>15</sup> See Exchange Rule 401, which provides that the rights and obligations of holders and writers are set forth in the Rules of the Options Clearing Corporation (“OCC”); see also OCC Rules, Chapters 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).

<sup>16</sup> See Exchange Rule 404(b). The monthly expirations are subject to certain listing criteria for underlying securities described within Exchange Rule 404 and its Interpretations and Policies. 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 Exchange Rule 404(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. Pursuant to Exchange Rule 404(e), 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 expiration.

<sup>17</sup> See Exchange Rule 404, Interpretation and Policy .02.

<sup>18</sup> See Exchange Rule 404, Interpretation and Policy .13.

<sup>19</sup> See Exchange Rule 404, Interpretation and Policy .03.

<sup>20</sup> See Exchange Rule 406.



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>21</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>22</sup> Additionally, the Exchange may list series of options pursuant to the \$1 Strike Price Interval Program,<sup>23</sup> the \$0.50 Strike Program,<sup>24</sup> and the \$2.50 Strike Price Program.<sup>25</sup> Pursuant to Exchange Rule 510, where the price of a series of options for a Bitcoin Fund 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>26</sup> consistent with the minimum increments for options on other ETFs listed on the Exchange. Any and all new series of Fund options that the Exchange lists will be consistent and comply with the expirations, strike prices, and minimum

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<sup>21</sup> See Exchange Rule 404, Interpretation and Policy .02(e).

<sup>22</sup> Id.

<sup>23</sup> See Exchange Rule 404, Interpretation and Policy .01.

<sup>24</sup> See Exchange Rule 404, Interpretation and Policy .04.

<sup>25</sup> See Exchange Rule 404(f).

<sup>26</sup> See Exchange Rule 510.

increments set forth in Rules 404 and 510, as applicable.

Fund 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 ETFs options on the Exchange, including, for example, Exchange 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 Fund 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 Exchange Rule 402(i)(4).

As mentioned above, the rules for position and exercise limits for options on ETFs, including the Fund options, are determined pursuant to MIAX Rules 307 and 309, respectively, as incorporated by reference into the MIAX Pearl Rulebook. Position and exercise limits for ETF options 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. The Exchange further notes that MIAX Rule 1502, which governs margin requirements applicable to trading on the Exchange, including options on ETFs, will also apply to the trading of the Fund options, as MIAX Chapter XV (Margins) is also incorporated by reference into the MIAX Pearl Rulebook. Notwithstanding the position limits in MIAX Rule 307(d) and exercise limits in MIAX Rule 309, the Exchange proposes the position and exercise limits for the Fund to be

25,000 contracts on the same side pursuant to proposed Interpretation and Policy.01 to MIAX Rule 307 and proposed Interpretation and Policy .01 to MIAX Rule 309.

Today, the Exchange has an adequate surveillance program in place for options. The Exchange intends to apply those same program procedures to options on the Fund that it applies to the Exchange's other options products.<sup>27</sup> The Exchange's market surveillance staff would have access to the surveillances conducted by its affiliate exchanges, MIAX and MIAX Sapphire, with respect to the Fund and would review activity in the underlying Fund when conducting surveillances for market abuse or manipulation in the options on the Fund. Additionally, the Exchange is a member of the Intermarket Surveillance Group ("ISG") under the ISG Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. In addition to obtaining information from the Exchange's affiliates, the Exchange would be able to obtain information regarding trading of shares of the Fund from Cboe and other markets through ISG.

In addition, the Exchange has a Regulatory Services Agreement with the Financial Industry Regulatory Authority ("FINRA") for certain market surveillance, investigation and examinations functions. Pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate amongst themselves and FINRA responsibilities to conduct certain options-related market surveillance that are common to rules of all options exchanges.<sup>28</sup>

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<sup>27</sup> The surveillance program includes surveillance patterns for price and volume movements as well as patterns for potential manipulation (e.g., spoofing and marking the close).

<sup>28</sup> Section 19(g)(1) of the Act, among other things, requires every self-regulatory organization ("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

The underlying shares of spot bitcoin exchange-traded products (“ETPs”), including the Fund, 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>29</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>30</sup>

In light of surveillance measures related to both options and futures as well as the Fund,<sup>31</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 Fund. Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on the Fund.

The Exchange has also analyzed its capacity and represents that it believes the Exchange and Options Price Reporting Authority (“OPRA”) have the necessary systems capacity to handle the additional traffic associated with the listing of new series that may result from the

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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>29</sup> See Bitcoin ETP Approval Order, 89 FR at 3009.

<sup>30</sup> See Bitcoin ETP Approval Order, 89 FR at 3010-11.

<sup>31</sup> See supra note 4.

introduction of options on Fund up to the number of expirations currently permissible under the Rules. The Exchange believes any additional traffic that may be generated from the introduction of the Fund options will be manageable.

The Exchange believes that offering options on the Fund 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 Fund in the unregulated over-the-counter (“OTC”) options market,<sup>32</sup> but may prefer to trade such options in a listed environment to receive the benefits of trading listing options, including (1) enhanced efficiency in 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 Fund 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 Fund 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 options on ETFs, including ETFs that hold commodities (i.e., precious metals) that it currently lists and trades on the Exchange.

## 2. Statutory Basis

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<sup>32</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.

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>33</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>34</sup> requirements that the rules of an exchange be 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)<sup>35</sup> 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 the proposal to list and trade options on the Fund 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 Fund will provide investors with a greater opportunity to realize the benefits of utilizing options on the Fund, including cost efficiencies and increased hedging strategies. The Exchange believes that offering options on the Fund will benefit investors by providing them with a relatively lower-cost risk management tool, which will allow them to manage their positions and associated risks in their portfolios more easily in connection with to the price of Bitcoin and with Bitcoin-related products and positions. Additionally, the Exchange's offering of Fund options will provide

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<sup>33</sup> 15 U.S.C. 78f(b).

<sup>34</sup> 15 U.S.C. 78f(b)(5).

<sup>35</sup> Id.

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>36</sup> which, as described above, are trusts structured in substantially the same manner as the Fund 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-based ETF options it currently lists for trading.<sup>37</sup>

The Exchange also believes the proposal to permit options on the Fund 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>38</sup> Options on the Fund 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 Fund is characterized by a substantial number of shares that are widely held and actively traded. Further, the Fund options will trade in the same manner as any other options on ETFs — the same Exchange Rules that currently govern the listing and trading of options on ETFs, including permissible expirations, strike prices, minimum increments, position and exercise limits (including as proposed in the filing

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<sup>36</sup> See Exchange Rule 402(i)(4).

<sup>37</sup> See Securities Exchange Act No. 101719 (November 22, 2024) 89 FR 94812 (November 29, 2024) (SR-PEARL-2024-54) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 402, Criteria for Underlying Securities, To Allow the Exchange To List and Trade Options on the Fidelity Wise Origin Bitcoin Fund (the “Fidelity Fund”) and the ARK 21Shares Bitcoin ETF (the “ARK 21 Fund”)).

<sup>38</sup> See Id.

submitted by Exchange's affiliate, MIAX) and margin requirements, will govern the listing and trading of options on the Fund in the same manner.

The Exchange believes the proposed position and exercise limits, as proposed in the filing submitted by Exchange's affiliate, MIAX, 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 for options for the Fund is 25,000 contracts, which is currently the lowest limit applicable to any equity options (including ETF options) and the position and exercise limits that apply to comparable ETFs that hold Bitcoin. The Exchange believes the proposed position and exercise limits are extremely conservative for the Fund options given the trading volume and outstanding shares for the Fund.

The Exchange represents that it has the necessary systems capacity to support the Fund 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 options on ETFs, including the Fund 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. In this regard and as indicated above, the Exchange notes that the rule change is being proposed as a competitive response to the filing submitted by Cboe.<sup>39</sup>

The Exchange does not believe that the proposed rule change will impose any burden on

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<sup>39</sup> See supra note 5.



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 Fund 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 options on ETFs 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 Fund 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 securities.<sup>40</sup> Further, the Fund would need to satisfy the maintenance listing standards set forth in the Exchange Rules in the same manner as any other ETFs for the Exchange to continue listing options on them.

The Exchange does not believe that the proposal to list and trade options on the Fund 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 Fund 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 Fund. The Exchange notes that listing and trading the Fund 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

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<sup>40</sup> See Exchange Rule 402(i)(4).

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 the Fund 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

Written comments were neither solicited nor received.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>41</sup> and Rule 19b-4(f)(6) thereunder.<sup>42</sup> 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

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<sup>41</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>42</sup> 17 CFR 240.19b-4(f)(6).

pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>43</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>44</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>45</sup> under the Act does not normally become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>46</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Commission previously approved the listing and trading of options on the VanEck Bitcoin Trust.<sup>47</sup> The Exchange has provided information regarding the underlying Fund, including, among other things, information regarding trading volume, the number of beneficial holders, and the average daily trading volume of the Fund. The proposal also establishes position and exercise limits for options on the Fund and provides information regarding the surveillance procedures that will apply to Fund options. The Commission believes that waiver of the operative delay could benefit investors by providing an additional venue for trading Fund options. Therefore, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission

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<sup>43</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>44</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 the pre-filing requirement.

<sup>45</sup> 17 CFR 240.19b-4(f)(6).

<sup>46</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>47</sup> See Securities Exchange Act Release No. 103569 (July 29, 2025) (Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 4, to Amend Rules 4.3, 4.20, and 8.30, to Allow the Exchange to List and Trade Options on the VanEck Bitcoin ETF) (SR-CBOE-2025-017).

hereby waives the 30-day operative delay and designates the proposed rule change as operative upon filing.<sup>48</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-PEARL-2025-37 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.

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<sup>48</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

All submissions should refer to file number SR-PEARL-2025-37. 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 also 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-PEARL-2025-37 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>49</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>49</sup> 17 CFR 200.30-3(a)(12), (59).