SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102863; File No. SR-MIAX-2025-18]

Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing of a Proposed Rule Change to Amend Exchange Rule 402, Criteria for Underlying Securities, Exchange Rule 307, Position Limits, and Exchange Rule 309, Exercise Limits to Allow the Exchange to List and Trade Options on the VanEck Bitcoin Trust

April 15, 2025.

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 April 1, 2025, Miami International Securities Exchange, LLC ("MIAX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a 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 Exchange Rule 402, Criteria for Underlying Securities, Exchange Rule 307, Position Limits, and Exchange Rule 309, Exercise Limits, 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-options/all-options-exchanges/rule-filings, at MIAX's principal office, and at the Commission's Public Reference Room.

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

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[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b-4.

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 Exchange Rule 402, Criteria for Underlying Securities, Exchange Rule 307, Position Limits, and Exchange Rule 309, Exercise Limits,[3] to allow the Exchange to list and trade options on the Trust, designating it as appropriate for options trading on the Exchange.[4] This is a competitive filing based on a similar proposal submitted by Cboe Exchange, Inc. ("Cboe"), which is currently pending with the Securities and Exchange Commission (the "Commission").[5]

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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[3] The Exchange notes that its affiliate options exchanges, MIAX PEARL, LLC ("MIAX Pearl") 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.

[4] 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").

[5] See Securities Exchange Act Release No. 102742 (March 28, 2025) (SR-CBOE-2025-017) (Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 3, to Amend Rules 4.3, 4.20, and 8.30, to Allow the Exchange to List and Trade Options on the VanEck Bitcoin Trust)("Cboe Proposal").

("Exchange Traded Fund Shares" or "ETFs") that represent certain types of interests,[6] including interests in certain specific trusts that hold financial instruments, money market instruments, precious metals (which are deemed commodities).

The Trust 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 Trust is for its shares to reflect the performance of Bitcoin (less the expenses of the Trust's operations), offering investors an opportunity to gain exposure to Bitcoin without the complexities of Bitcoin delivery. As is the case for ETFs currently deemed appropriate for options trading, the Trust's shares represent units of fractional undivided beneficial interest in the

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[6] 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, or the ARK 21 Shares Bitcoin 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.

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.[7] The Trust provides investors with cost-efficient alternatives that allow a level of participation in the Bitcoin market through the securities market.

The Exchange believes the Trust satisfies the Exchange's initial listing standards for ETFs on which the Exchange may list options. Specifically, the Trust 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),[8] 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 Trust 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 the Trust satisfies the criteria and guidelines set forth Exchange Rule 402(b). Pursuant to Rule

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

[8] 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.

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.[9] The Trust is an NMS Stock as defined in Rule 600 of Regulation NMS under the Act.[10] The Exchange believes the VanEck Bitcoin Trust 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 Proposal, the Trust had the following number of shares outstanding:

Bitcoin Fund	Shares Outstanding
VanEck Bitcoin Trust	49,900,000

The Trust 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 Trust is characterized by a substantial number of outstanding shares.

Further, the below table presented in the Cboe Proposal contains information regarding the number of beneficial holders of the Trust as of the specified dates:

Bitcoin Fund	Beneficial Holders	Date

[9] 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.

[10] 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").

VanEck Bitcoin Trust	32,469	1/31/25

As this table shows, the Trust 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 Trust are widely held.

The Exchange also believes the shares of the Trust are actively traded. As of March 5, 2025, based on the data presented in the Cboe Proposal, 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 September 5, 2024, through March 5, 2025, for the Trust was as follows:

Bitcoin Fund	**6-Month Trading Volume (Shares)**	**30-Day ADV (Shares)**	**30-Day ADV (Notional $)**
VanEck Bitcoin Trust	133,275,448	794,677	39,163,513.72

As demonstrated above, as of March 5, 2025, based on the data presented in the Cboe Proposal, the six-month trading volume for the Trust as of that date was substantially higher than 2,400,000 shares (approximately 55 times that amount), which is the minimum 12-month volume the Exchange generally requires for 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 Trust is characterized as having shares that are actively traded.

Options on the Trust 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 Trust), 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 Trust will be physically settled contracts with American-style exercise.[11] 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

[11] 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).

month for options on the Trust[12] at the commencement of trading on the Exchange and may also list series of options on the Trust for trading on a weekly,[13] monthly,[14] or quarterly[15] 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.[16]

Pursuant to Exchange Rule 404, Interpretations and Policies .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 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

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12 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.

13 See Exchange Rule 404, Interpretations and Policies .02.

14 See Exchange Rule 404, Interpretations and Policies .13.

15 See Exchange Rule 404, Interpretations and Policies .03.

16 See Exchange Rule 406.

Short Term Option.[17] 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.[18] Additionally, the Exchange may list series of options pursuant to the $1 Strike Price Interval Program,[19] the $0.50 Strike Program,[20] and the $2.50 Strike Price Program.[21] 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[22] consistent with the minimum increments for options on other ETFs listed on the Exchange. Any and all new series of Trust options that the Exchange lists will be consistent and comply with the expirations, strike prices, and minimum increments set forth in Rules 404 and 510, as applicable.

Trust 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 Trust 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

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17 See Exchange Rule 404, Interpretations and Policies .02(e).

18 Id.

19 See Exchange Rule 404, Interpretation and Policy .01.

20 See Exchange Rule 404, Interpretation and Policy .04.

21 See Exchange Rule 404(f).

22 See Exchange Rule 510.

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).

The Exchange also proposes to amend Exchange Rules 307 and 309. Specifically, the Exchange proposes to amend Interpretations and Policies .01 to Exchange Rule 307 to provide a position limit of 25,000 same side option contracts for Trust option. Additionally, pursuant to the proposed change to Interpretations and Policies .01 to Exchange Rule 309, the exercise limits for options on the Trust will be equivalent to this proposed position limit.

In considering the appropriate position and exercise limits for the Trust options, the Exchange reviewed the data presented by Cboe in its proposal. The Exchange determined these proposed position and exercise limits considering, among other things, the approximate six-month ADV and outstanding shares of the Trust (which as discussed above demonstrate that the Trust is widely held and actively traded and thus justify these conservatively proposed position limits), based on the data presented on the Cboe Proposal, along with market capitalization (as of March 5, 2025):

Underlying Bitcoin Fund	Six-Month ADV (shares)	Outstanding Shares	Market Capitalization ($)
VanEck Bitcoin Trust	1,074,802	49,900,000	1,271,859,416

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

Underlying Bitcoin Fund	Average Limit of Other ETF Options (contracts)	Proposed Limit (contracts)

VanEck Bitcoin Trust	225,000[23]	25,000

The Exhange considered current position and exercise limits of options on ETFs with outstanding shares comparable to those of the Trust, with the proposed limit significantly lower (between two and ten times lower) than the average limits of the options on the other ETFs. As discussed above, the Trust is actively held and widely traded (all statistics as of March 5, 2025) because it: (1) had significantly more than 7,000,000 shares outstanding, which is the minimum number of shares of a corporate stock that the Exchange generally requires to list options on that stock pursuant to Exchange Rule 402(b)(1); (2) had significantly more than 2,000 beneficial holders, which is the minimum number of holders the Exchange generally requires for corporate stock in order to list options on that stock pursuant to Exchange Rule 402(b)(2); and (3) had a six-month trading volume substantially higher than 2,400,000 shares, which is the minimum 12-month volume the Exchange generally requires for a security in order to list options on that security as set forth in Exchange Rule 402(b)(4).

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

Underlying Bitcoin Fund	**Proposed Position/Exercise Limit (in equivalent shares)**	**Outstanding Shares**	**Percentage of Outstanding Shares**
VanEck Bitcoin Trust	2,500,000	49,900,000	5.01%

[23] Over 90% of the ETFs used for comparison have a limit of at least 200,000, and more than 75% have a limit of 250,000.

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

Exchange Rule 307(d) provides two methods of qualifying for a position limit tier above 25,000 option contracts. The first method is based on six-month trading volume in the underlying security, and the second method is based on slightly lower six-month trading volume and number of shares outstanding in the underlying security. An underlying stock or ETF that qualifies for method two based on trading volume and number of shares outstanding would be required to have the minimum number of outstanding shares as shown in middle column of the table below.

The table, presented in the Cboe Proposal, which provides the equivalent shares of the position limits applicable to equity options, including ETFs, further represents the percentages of the minimum number of outstanding shares that an underlying stock or ETF must have to qualify for that position limit (under the second method described above), all of which are higher than the percentages for the Trust.

Position/Exercise Limit (in equivalent shares)	**Minimum Outstanding Shares**	**Percentage of Outstanding Shares**
2,500,000	6,300,000[24]	40.0%
5,000,000	40,000,000	12.5%

[24] This is the minimum number of outstanding shares an underlying security must have for the Exchange to continue to list options on that security, so this would be the smallest number of outstanding shares permissible for any corporate option that would have a position limit of 25,000 contract. See Exchange Rule 403(b)(1). This rule applies to corporate stock options but not ETF options, which currently have no requirement regarding outstanding shares of the underlying ETF for the Exchange to continue listing options on that ETF. Therefore, there may be ETF options trading for which the 25,000 contract position limits represents an even larger percentage of outstanding shares of the underlying ETF than set forth above.

7,500,000	120,000,000	6.3%
20,000,000	240,000,000	8.3%
25,000,000	300,000,000	8.3%

The equivalent shares represented by the proposed position and exercise limits for the Trust as a percentage of outstanding shares of the Trust is significantly lower than the percentage for the lowest possible position limit for equity options of 25,000 (under 6% compared to 40%) and is lower than that percentage for each current position limit bucket.[25]

Further, the proposed position and exercise limits for the Trust option are significantly below the limits that would otherwise apply pursuant to current Exchange Rule 307. These position and exercise limits are the lowest position and exercise limits available in the options industry, are extremely conservative and more than appropriate given the market capitalization, average daily volume, and high number of outstanding shares of the Trust.

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

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

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 Trust that it applies to the Exchange's other options products.[26] The Exchange's market surveillance staff would have access to the surveillances conducted by its affiliate exchanges, MIAX Pearl and MIAX Sapphire, with respect to the Trust and would review activity in the underlying Trust when conducting surveillances for market abuse or manipulation in the options on the Trust. 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 Trust 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.[27]

The underlying shares of spot bitcoin exchange-traded products ("ETPs"), including the

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[26] 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).

[27] 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 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.

Trust, 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.[28]

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]."[29]

In light of surveillance measures related to both options and futures as well as the Trust,[30] 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 Trust. Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on the Trust.

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

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[28] See Bitcoin ETP Approval Order, 89 FR at 3009.

[29] See Bitcoin ETP Approval Order, 89 FR at 3010-11.

[30] See supra note 4.

of the Trust options will be manageable.

The Exchange believes that offering options on the Trust 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 Trust in the unregulated over-the-counter ("OTC") options market,[31] 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 Trust 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 Trust 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

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

[31] 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.

Section 6(b) of the Act.[32] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[33] 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)[34] 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 Trust 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 Trust will provide investors with a greater opportunity to realize the benefits of utilizing options on the Trust, including cost efficiencies and increased hedging strategies. The Exchange believes that offering options on the Trust 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 Trust options will provide investors with the ability to transact in such options in a listed market environment as opposed to in the unregulated OTC options market, which would increase market transparency and enhance

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32 15 U.S.C. 78f(b).

33 15 U.S.C. 78f(b)(5).

34 Id.

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,[35] which, as described above, are trusts structured in substantially the same manner as the Trust 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.[36]

The Exchange also believes the proposal to permit options on the Trust 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.[37] Options on the Trust 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 Trust is characterized by a substantial number of shares that are widely held and actively traded. Further, the Trust 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 and minimum increments, and applicable margin requirements, will govern the listing and trading of options on the Trust in the same manner.

The Exchange believes the proposed position and exercise limits are designed to prevent

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35 See Exchange Rule 402(i)(4).

36 See Securities Exchange Act No. 101717 (November 22, 2024) 89 FR 94828 (November 29, 2024) (SR-MIAX-2024-43) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 402, Criteria for Underlying Securities, Exchange Rule 307, Position Limits, and Exchange Rule 309, Exercise Limits 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")).

37 See Id.

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

Further, given that the issuer of the Trust may create and redeem shares that represent an interest in Bitcoin, the Exchange believes it is relevant to compare the size of a position limit to the market capitalization of the Bitcoin market. As of March 5, 2025, the global supply of Bitcoin was 19,832,309, and the price of one Bitcoin was approximately $90,608.57,[38] which equates to a market capitalization of approximately $1.797 trillion. Consider the proposed position and exercise limit of 25,000 option contracts for the Trust options. A position and exercise limit of 25,000 same side contracts effectively restricts a market participant from holding positions that could result in the receipt of no more than 2,500,000 of the Trust shares, as applicable (if that market participant exercised all of its options). The following table, as presented in the Cboe Proposal, shows the share price of the Trust on March 5, 2025, the value

[38] See Blockchain.com | Charts - Total Circulating Bitcoin.

of 2,500,000 shares of the Trust at that price, and the approximate percentage of that value of the size of the Bitcoin market:

Bitcoin Fund	March 5, 2025 Share Price ($)	Value of 2,500,000 Shares of Bitcoin Fund ($)	Percentage of Bitcoin Market
VanEck Bitcoin Trust	25.60	64,000,000	0.0035%

Therefore, if a market participant with the maximum 25,000 same side contracts in Trust options exercised all positions at one time, such an event would have no practical impact on the Bitcoin market.

The Exchange also believes the proposed limits are appropriate given position limits for Bitcoin futures. For example, the Chicago Mercantile Exchange ("CME") imposes a position limit of 2,000 futures (for the initial spot month) on its Bitcoin futures contract.[39] On March 5, 2025, CME Mar 25 Bitcoin Futures settled at $90,935. A position of 2,000 CME Bitcoin futures, therefore, would have a notional value of $909,350,000. The following table, as presented in the Cboe Proposal, shows the share price of the Trust on March 5, 2025, and the approximate number of option contracts that equates to that notional value:

Bitcoin Fund	March 5, 2025 Share Price ($)	Number of Option Contracts
VanEck Bitcoin Trust	25.60	355,214

The approximate number of option contracts for the Trust that equate to the notional value of

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

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

The Exchange notes, unlike options contracts, CME position limits are calculated on a net futures-equivalent basis by contract and include contracts that aggregate into one or more base contracts according to an aggregation ratio(s).[40] Therefore, if a portfolio includes positions in options on futures, CME would aggregate those positions into the underlying futures contracts in accordance with a table published by CME on a delta equivalent value for the relevant spot month, subsequent spot month, single month and all month position limits.[41] If a position exceeds position limits because of an option assignment, CME permits market participants to liquidate the excess position within one business day without being considered in violation of its rules. Additionally, if at the close of trading, a position that includes options exceeds position limits for futures contracts, when evaluated using the delta factors as of that day's close of trading but does not exceed the limits when evaluated using the previous day's delta factors, then the position shall not constitute a position limit violation. Considering CME's position limits on futures for Bitcoin, the Exchange believes that that the proposed same side position limits are more than appropriate for the Trust options.

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

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[40] See CME Rulebook Chapter 5, Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices. Each CME Bitcoin futures contract is valued at five Bitcoins as defined by the CME CF Bitcoin Reference Rate ("BRR"). See CME Rule 35001.

[41] Id.

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

Bitcoin Fund	Shares Outstanding	Number of Market Participants with 25,000 Same Side Positions
VanEck Bitcoin Trust	49,900,000	20

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

As of March 5, 2025, the global supply of Bitcoin was approximately 19,832,309.[42] Based on the $25.60 price of Trust share on March 5, 2025, a market participant could have redeemed one Bitcoin for approximately 3,539 Trust shares. Another 70,194,417,201 Trust

[42] See Blockchain.com | Charts - Total Circulating Bitcoin (which also shows the price of one Bitcoin equal to $90,608.57).

shares could be created before the supply of Bitcoin was exhausted. As a result, 28,078 market participants would have to simultaneously exercise 25,000 same side positions in Trust options to receive shares of the Trust holding the entire global supply of Bitcoin. Unlike the Trust, the number of shares that corporations may issue is limited. However, like corporations, which authorize additional shares, repurchase shares, or split their shares, the Trust may create, redeem, or split shares in response to demand. While the supply of Bitcoin is limited to 21,000,000, it is believed that it will take more than 100 years to fully mine the remaining Bitcoin. The supply of Bitcoin is larger than the available supply of most securities.[43] Given the significant unlikelihood of any of these events ever occurring, the Exchange does not believe options on the Trust should be subject to position and exercise limits even lower than those proposed (which are already equal to the lowest available limit for equity options in the industry) to protect the supply of Bitcoin.[44]

The Exchange believes the available supply of Bitcoin is not relevant to the determination of position and exercise limits for options overlying the Trust. Position and exercise limits are not a tool that should be used to address a potential limited supply of the underlying of an underlying. Position and exercise limits do not limit the total number of options that may be held, but rather they limit the number of positions a single customer may hold or exercise at one time.[45] "Since the inception of standardized options trading, the options

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43 The market capitalization of Bitcoin would rank in the top 10 among securities. See https://companiesmarketcap.com/usa/largest-companies-in-the-usa-by-market-cap/.

44 This would be even more unlikely with respect to the Trust for which the Exchange proposes lower position limits.

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

exchanges have had rules imposing limits on the aggregate number of options contracts that a member or customer could hold or exercise."[46] Position and exercise limit rules are intended "to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position. In particular, position and exercise limits are designed to minimize the potential for mini-manipulations and for corners or squeezes of the underlying market. In addition, such limits serve to reduce the possibility for disruption of the options market itself, especially in illiquid options classes."[47]

The Exchange notes that a Registration Statement on Form S-1 was filed with the Commission for the Trust, each of which described the supply of Bitcoin as being limited to 21,000,000 (of which approximately 90% had already been mined), and that the limit would be reached around the year 2140.[48] The Registration Statement permits an unlimited number of shares of the applicable the Trust to be created. Further, the Commission approved proposed rule changes that permitted the listing and trading of shares of the Trust, which approval did not comment on the sufficient supply of Bitcoin or address whether there was a risk that permitting an unlimited number of shares for the Trust would impact the supply of Bitcoin.[49] Therefore, the Exchange believes the Commission had ample time and opportunity to consider whether the supply of Bitcoin was sufficient to permit the creation of unlimited the Trust shares, and does not believe considering this supply with respect to the establishment of position and exercise limits is appropriate given its lack of relevance to the purpose of position and exercise limits. However, given the significant size of the Bitcoin supply, the proposed positions limits are more than

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

47 Id.

48 See Amendment No. 8 to Form S-1 Registration Statement No. 333-251808, filed January 9, 2024.

49 See Bitcoin ETP Approval Order.

sufficient to protect investors and the market.

Based on the above information demonstrating, among other things, that the Trust is characterized by a substantial number of outstanding shares that are actively traded and widely held, the Exchange believes the proposed position and exercise limits are extremely conservative compared to those of ETF options with similar market characteristics. The proposed position and exercise limits reasonably and appropriately balance the liquidity provisioning in the market against the prevention of manipulation. The Exchange believes these proposed limits are effectively designed to prevent an individual customer or entity from establishing options positions that could be used to manipulate the market of the underlying as well as the Bitcoin market.[50]

The Exchange represents that it has the necessary systems capacity to support the Trust 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 Trust 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.[51]

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

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[50] See Securities Exchange Act Release No. 39489 (December 24, 1997), 63 FR 276 (January 5, 1998) (SR-CBOE-1997-11).

[51] See supra note 5.

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 Trust 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 Trust 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.[52] Further, the Trust 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 Trust 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 Trust 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 Trust. The Exchange notes that listing and trading the Trust options on the Exchange will subject such options to transparent exchange-based rules as well as price discovery and liquidity, as opposed to alternatively trading such options in the OTC market.

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[52] See Exchange Rule 402(i)(4).

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 Trust 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

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

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-MIAX-2025-18 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-MIAX-2025-18. 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 submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. 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-MIAX-2025-18 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.[53]

Sherry R. Haywood,
Assistant Secretary.

[53] 17 CFR 200.30-3(a)(12).