

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103406; File No. SR-NASDAQ-2025-008]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 2, to Amend the Rules Governing the Listing and Trading of the iShares Bitcoin Trust to Permit In-Kind Creations and Redemptions

July 9, 2025.

On January 24, 2025, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹, and Rule 19b-4 thereunder,² a proposed rule change to update certain representations relating to shares of the iShares Bitcoin Trust, currently listed and traded on the Exchange under Nasdaq Rule 5711(d), to allow for in-kind transfers of the trust’s bitcoin. On February 4, 2025, the Exchange filed Amendment No. 1 to the proposed rule change, which replaced and superseded the original filing in its entirety. The proposed rule change was published for comment in the Federal Register on February 12, 2025.³

On March 11, 2025, pursuant to Section 19(b)(2) of the Exchange Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 102366 (Feb. 6, 2025), 90 FR 9446.

⁴ 15 U.S.C. 78s(b)(2).

rule change.⁵ On May 13, 2025, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act,⁶ to determine whether to approve or disapprove the proposed rule change.⁷ On July 1, 2025, pursuant to Section 19(b)(2) of the Act,⁸ the Exchange filed Amendment No. 2 to the proposed rule change, which replaced and superseded the original filing, as amended by Amendment No. 1, in its entirety. The proposed rule change, as modified by Amendment No. 2, is described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 2, from interested persons.

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

The Exchange proposes to update certain representations made in the proposed rule change previously filed with and approved by the Commission relating to the shares of the iShares Bitcoin Trust (the "Trust"), specifically to allow for "in-kind" transfers of the Trust's bitcoin. Shares of Trust ("Shares") are currently listed and traded on the Exchange under Nasdaq Rule 5711(d). This Amendment No. 2 supersedes Amendment No. 1 in its entirety.

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

⁵ See Securities Exchange Act Release No. 102602, 90 FR 12421 (Mar. 17, 2025) (designating May 13, 2025, as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change).

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See Securities Exchange Act Release No. 103034, 90 FR 21352 (May 19, 2025).

⁸ 15 U.S.C. 78s(b)(2).

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item III 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 Commission approved the listing and trading of the Shares on the Exchange pursuant to Nasdaq Rule 5711(d)⁹ on January 10, 2024.¹⁰ iShares Delaware Trust Sponsor LLC, a Delaware limited liability company and an indirect subsidiary of BlackRock, Inc. (“BlackRock”), is the sponsor of the Trust (the “Sponsor”).

Coinbase Custody Trust Company, LLC (the “Bitcoin Custodian”) is the custodian for the Trust’s bitcoin holdings, and maintains a custody account for the Trust (“Custody Account”); Coinbase, Inc. (the “Prime Execution Agent”), an affiliate of the Bitcoin Custodian, is the prime broker for the Trust and maintains a trading account for the Trust (“Trading Account”); and

⁹ Nasdaq Rule 5711(d) governs the listing and trading of Commodity-Based Trust Shares, which means a security (1) that is issued by a trust that holds (a) a specified commodity deposited with the trust, or (b) a specified commodity and, in addition to such specified commodity, cash; (2) that is issued by such trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity and/or cash; and (3) that, when aggregated in the same specified minimum number, may be redeemed at a holder’s request by such trust which will deliver to the redeeming holder the quantity of the underlying commodity and/or cash. See Nasdaq Rule 5711(d)(iv)(A).

¹⁰ See Securities Exchange Act Release No. 99306 (January 10, 2024), 89 FR 3008 (January 17, 2024) (SR-NYSEARCA-2021-90; SR-NYSEARCA-2023-44; SR-NYSEARCA-2023-58; SR-NASDAQ-2023-016; SR-NASDAQ-2023-019; SR-CboeBZX-2023-028; SR-CboeBZX-2023-038; SR-CboeBZX-2023-040; SR-CboeBZX-2023-042; SR-CboeBZX-2023-044; SR-CboeBZX-2023-072) (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”).

Bank of New York Mellon is the custodian for the Trust's cash holdings (the "Cash Custodian" and together with the Bitcoin Custodian, the "Custodians") and the administrator of the Trust (the "Trust Administrator").

The Exchange now proposes to amend representations regarding the Trust's creation and redemption process as set forth in the previous rule filing to list and trade Shares, specifically to allow for in-kind transfers of the Trust's bitcoin.¹¹ The proposed in-kind transfer process will be an alternative to the Trust's current cash creation and redemption process. In order to effectuate this change, the Exchange proposes a number of changes to the Original IBIT Filing in the manner described below. Except for the changes described below, all other representations in the Original IBIT Filing remain unchanged and will continue to constitute continued listing requirements. In addition, the Trust will continue to comply with the terms of the Original IBIT Filing and the requirements in Rule 5711(d).

Proposal 1: Custody of the Trust's Bitcoin and Creation and Redemption

The Exchange proposes to amend the Original IBIT Filing section entitled "Custody of the Trust's Bitcoin and Creation and Redemption" to add further detail on how the Trust will handle transfers of bitcoin in connection with the proposed in-kind creation and redemption process, and make certain conforming changes to the description of the cash creation and redemption process. As proposed, the language in the "Custody of the Trust's Bitcoin and Creation and Redemption" section from the Original IBIT Filing will be deleted and replaced with the following language.

An investment in the Shares is backed by bitcoin held by the Bitcoin Custodian on behalf of the Trust. All of the Trust's bitcoin will be held in the Custody Account, other than the Trust's bitcoin which is temporarily maintained in the Trading Account under limited

¹¹ See Securities Exchange Act Release No. 99295 (January 8, 2024), 89 FR 2321 (January 12, 2024) (SR-NASDAQ-2023-016) (Notice of Filing of Amendment No. 1 to a Proposed Rule Change To List and Trade Shares of the iShares Bitcoin Trust Under Nasdaq Rule 5711(d)) (the "Original IBIT Filing").

circumstances, i.e., in connection with creation and redemption Basket¹² activity or sales of bitcoin deducted from the Trust's holdings in payment of Trust expenses or the Sponsor's fee (or, in extraordinary circumstances, upon liquidation of the Trust). The Custody Account includes all of the Trust's bitcoin held at the Bitcoin Custodian, but does not include the Trust's bitcoin temporarily maintained at the Prime Execution Agent in the Trading Account from time to time. The Bitcoin Custodian will keep all of the private keys associated with the Trust's bitcoin held in the Custody Account in "cold storage."¹³ The hardware, software, systems, and procedures of the Bitcoin Custodian may not be available or cost-effective for many investors to access directly.

The Trust's bitcoin holdings and cash holdings from time to time may temporarily be maintained in the Trading Account held with the Prime Execution Agent, an affiliate of the Bitcoin Custodian. Coinbase Inc. serves as the Trust's Prime Execution Agent pursuant to the Trust's agreement with the Prime Execution Agent ("Prime Execution Agent Agreement"). In this capacity, the Prime Execution Agent facilitates (1) the buying and selling of bitcoin by the Trust in response to cash creations and redemptions between the Trust and registered broker-dealers that are Depositary Trust Company ("DTC") participants that enter into an authorized participant agreement with the Sponsor and the Trustee ("Authorized Participants"), (2) the transfer of bitcoin between the Trust and an Authorized Participant, its designated agent or client as part of in-kind creations and redemptions, and (3) the sale of bitcoin to pay the Sponsor's fee, any other Trust expenses not assumed by the Sponsor, to the extent applicable, and in extraordinary circumstances, in connection with the liquidation of the Trust's bitcoin.

The Authorized Participants will deliver cash or bitcoin to create shares and will receive cash or bitcoin when redeeming shares.

For a cash creation or redemption of a Basket of Shares, the Authorized Participant will be required to submit the cash creation or redemption order by an early order cutoff time (the "Cash Order Cutoff Time"). The Cash Order Cutoff Time will initially be 6:00 p.m. ET on the business day prior to trade date.

For an in-kind creation or redemption of a Basket of Shares, the Authorized Participant will be required to submit the in-kind creation or redemption order by an order cutoff ("In-Kind Order Cutoff Time"). The In-Kind Order Cutoff Time will initially be 3:59 p.m. ET on the trade date.

Cash Creations

¹² The Trust issues and redeems Shares only in blocks of 40,000 or integral multiples thereof. A block of 40,000 Shares is called a "Basket." These transactions take place in exchange for bitcoin.

¹³ The term "cold storage" refers to a safeguarding method by which the private keys corresponding to the Trust's bitcoins are generated and stored in an offline manner, subject to layers of procedures designed to enhance security. Private keys are generated by the Bitcoin Custodian in offline computers that are not connected to the internet so that they are more resistant to being hacked.

In connection with cash creations and cash redemptions, the Authorized Participants will submit orders to create or redeem Baskets of Shares exclusively in exchange for cash. The Trust will engage in bitcoin transactions to convert cash into bitcoin (in association with creation orders) and bitcoin into cash (in association with redemption orders). The Trust will conduct its bitcoin purchase and sale transactions by, in its sole discretion, choosing to trade directly with designated third parties (each, a “Bitcoin Trading Counterparty”), pursuant to written agreements between each such Bitcoin Trading Counterparty and the Trust, or choosing to trade through the Prime Execution Agent acting in an agency capacity with third parties through its Coinbase Prime service¹⁴ pursuant to the Prime Execution Agent Agreement. Bitcoin Trading Counterparties settle trades with the Trust using their own accounts at the Prime Execution Agent when trading with the Trust.

Following the Cash Order Cutoff Time for a creation order, the Trust will choose, in its sole discretion, to enter into a transaction with a Bitcoin Trading Counterparty or the Prime Execution Agent to buy bitcoin in exchange for the cash proceeds from such cash creation order. On settlement date for a cash creation, the Trust delivers Shares to the Authorized Participant in exchange for cash received from the Authorized Participant. Also, on or around the settlement date, the Bitcoin Trading Counterparty or Prime Execution Agent, as applicable, deposits the required bitcoin pursuant to its trade with the Trust into the Trust’s Trading Account in exchange for cash. In the event the Trust has not been able to successfully execute and complete settlement of a bitcoin transaction by the settlement date of the cash creation order, the Authorized Participant will be given the option to (1) cancel the cash creation order, or (2) accept that the Trust will continue to attempt to complete the execution, which will delay the settlement date of the cash creation order. With respect to a cash creation order, as between the Trust and the Authorized Participant, the Authorized Participant is responsible for the dollar cost of the difference between the bitcoin price utilized in calculating NAV per Share on trade date and the price at which the Trust acquires the bitcoin to the extent the price realized in buying the bitcoin is higher than the bitcoin price utilized in the NAV. To the extent the price realized in buying the bitcoin is lower than the price utilized in the NAV, the Authorized Participant shall get to keep the dollar impact of any such difference.

Because the Trust’s Trading Account may not be funded with cash on trade date for the purchase of bitcoin associated with a cash creation order, the Trust may borrow trade credits (“Trade Credits”) in the form of cash from Coinbase Credit, Inc. (the “Trade Credit Lender”), an affiliate of the Prime Execution Agent, under the trade financing agreement (“Trade Financing Agreement”) or may require the Authorized Participant to deliver the required cash for the cash creation order on trade date. The extension of Trade Credits on trade date allows the Trust to purchase bitcoin through the Prime

¹⁴ The Coinbase Prime service is an execution service pursuant to which Coinbase will execute bitcoin orders for the Trust by accessing liquidity from sources such as bitcoin trading platforms, which can include Coinbase’s own platform, and other liquidity providers. Trades can be executed according to an algorithm or on the basis of firm quotes sought by requests-for-quote (“RFQ”) for a two-way price sent to liquidity providers. Algorithmic trades can be self-directed or executed by Coinbase’s high touch execution desk, Coinbase Execution Services.

Execution Agent on trade date, with such bitcoin being deposited in the Trust's Trading Account. On settlement date for a cash creation order, the Trust delivers Shares to the Authorized Participant in exchange for cash received from the Authorized Participant. To the extent Trade Credits were utilized, the Trust uses the cash to repay the Trade Credits borrowed from the Trade Credit Lender. On settlement date for a cash creation order, the bitcoin purchased is swept from the Trust's Trading Account to the Trust's Custody Account pursuant to a regular end-of-day sweep process.

In-Kind Creations

In connection with in-kind creations, the Authorized Participants will submit orders by the In-Kind Order Cutoff Time to create Baskets of Shares in exchange for bitcoin.

On settlement date for an in-kind creation, the Trust delivers Shares to the Authorized Participant in exchange for bitcoin received from the Authorized Participant, or its designated agent or client. The Authorized Participant or its designated agent or client will deposit such bitcoin to the Trust's Trading Account at the Prime Execution Agent. In the event the Authorized Participant, its designated agent or client, has not deposited the bitcoin to the Trust's Trading Account at the Prime Execution Agent by the applicable time on the settlement date of the in-kind creation order, the Authorized Participant will be given the option to (1) cancel the in-kind creation order, (2) delay settlement of the order to enable delivery of bitcoin at a later date, or (3) accept that the Trust will execute a bitcoin transaction required for the creation and the Authorized Participant will deliver the U.S. dollars required for this purchase. In the case of (3) only, the Authorized Participant is responsible for the dollar cost of the difference between the bitcoin price utilized in calculating NAV per Share on trade date and the price at which the Trust acquires the bitcoin to the extent the price realized in buying the bitcoin is higher than the bitcoin price utilized in the NAV. To the extent the price realized in buying the bitcoin is lower than the price utilized in the NAV, the Authorized Participant shall get to keep the dollar impact of any such difference.

Cash Redemption

Following the Cash Order Cutoff Time for a cash redemption order, the Trust may choose, in its sole discretion, to enter into a transaction with a Bitcoin Trading Counterparty or the Prime Execution Agent, to sell bitcoin in exchange for cash. After the Cash Order Cutoff Time, the Trust instructs the Bitcoin Custodian to prepare to move the associated bitcoin from the Trust's Custody Account to the Trust's Trading Account. On settlement date for a redemption order, the Authorized Participant delivers the necessary Shares to the Trust, and on or around settlement date, a Bitcoin Trading Counterparty or Prime Execution Agent, as applicable, delivers the cash associated with the Trust's sale of bitcoin to the Trust in exchange for the Trust's bitcoin, and the Trust delivers cash to the Authorized Participant. In the event the Trust has not been able to successfully execute and complete settlement of a bitcoin transaction by the settlement date, the Authorized Participant will be given the option to (1) cancel the redemption order, or (2) accept that the Trust will continue to attempt to complete the execution,

which will delay the settlement date. With respect to a cash redemption order, between the Trust and the Authorized Participant, the Authorized Participant will be responsible for the dollar cost of the difference between the bitcoin price utilized in calculating the NAV per Share on trade date and the price realized in selling the bitcoin to raise the cash needed for the cash redemption order to the extent the price realized in selling the bitcoin is lower than the bitcoin price utilized in the NAV. To the extent the price realized in selling the bitcoin is higher than the price utilized in the NAV, the Authorized Participant will get to keep the dollar impact of any such difference.

The Trust may use financing in connection with a cash redemption order when bitcoin remains in the Trust's Custody Account at the point of intended execution of a sale of bitcoin. In those circumstances, the Trust may borrow Trade Credits in the form of bitcoin from the Trade Credit Lender, which allows the Trust to sell bitcoin through the Prime Execution Agent on trade date, and the cash proceeds are deposited in the Trust's Trading Account. On settlement date for a redemption order, the Trust delivers cash to the Authorized Participant in exchange for Shares received from the Authorized Participant. In the event financing was used, the Trust will use the bitcoin moved from the Trust's Custody Account to the Trading Account to repay the Trade Credits borrowed from the Trade Credit Lender.

In-Kind Redemptions

In connection with in-kind redemptions, the Authorized Participants will submit orders by the In-Kind Order Cutoff Time to redeem Baskets of Shares in exchange for bitcoin.

On settlement date for an in-kind redemption, the Trust delivers bitcoin to the account of the Authorized Participant or its designated agent or client at the Prime Execution Agent in exchange for Shares received from the Authorized Participant.

Proposal 2: Creation and Redemption of Shares

The Exchange also proposes to modify the Original IBIT Filing section "Creation and Redemption of Shares" to integrate the proposed in-kind creation and redemption process. Specifically, the Original IBIT Filing currently states that Baskets are only issued or redeemed in exchange for an amount of cash determined by the Trustee on each day that Nasdaq is open for regular trading. No Shares are issued unless the Cash Custodian has allocated to the Trust's account the corresponding amount of cash. The amount of cash necessary for the creation of a Basket, or to be received upon redemption of a Basket, will decrease over the life of the Trust, due to the payment or accrual of fees and other expenses or liabilities payable by the Trust.

The Exchange now proposes to delete the above language from the Original IBIT Filing, and replace it with the following: Baskets are only issued or redeemed in exchange for an amount of bitcoin and/or cash determined by the Trustee on each day that Nasdaq is open for regular trading. No Shares are issued unless the Authorized Participant has properly delivered the requisite amount of cash or bitcoin to the Trust's account.¹⁵ The amount of bitcoin or cash necessary for the creation of a Basket, or to be received upon redemption of a Basket, will decrease over the life of the Trust, due to the payment or accrual of fees and other expenses or liabilities payable by the Trust.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁷ in particular, in that it is designed to promote just and equitable principles of trade, 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.

The Exchange believes that permitting in-kind transfers with respect to the Trust's creation and redemption process promotes just and equitable principles of trade and helps remove impediments to and perfect the mechanism of a free and open market and a national market system. As discussed above, the proposed changes would permit the Trust to utilize an in-kind creation and redemption process in addition to the cash creation and redemption process. This added ability would make the Trust (and the market more generally) operate more efficiently because Authorized Participants, their designated agents or clients, would be able to

¹⁵ The amount of cash or bitcoin is based on the NAV of the Trust on the trade date.

¹⁶ 15 U.S.C. 78f(b).

¹⁷ 15 U.S.C. 78f(b)(5).

source bitcoin rather than to provide cash to the Trust and/or receive bitcoin from the Trust. This means that the Authorized Participant, its designated agent or client, would be responsible for buying and selling the bitcoin rather than the Trust itself, which would potentially lessen the impact on the market of the Trust on both sides of the transaction by allowing the Authorized Participant to decide how and where to source the underlying bitcoin for creations and deciding how, where, and whether to sell the underlying bitcoin for redemptions. This could lead to improvements in the creation and redemption process for both Authorized Participants and the Trust, and could potentially increase efficiency, and ultimately benefit the end investors in the Trust.

Except for the changes described above, all other representations in the Original IBIT Filing remain unchanged and will continue to constitute continued listing requirements. In addition, the Trust will continue to comply with the terms of the Original IBIT Filing and the requirements in Rule 5711(d).

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 not necessary or appropriate in furtherance of the purposes of the Act. As discussed above, the proposed amendments are intended to reflect changes to the Trust's creation and redemption process, specifically to allow for in-kind transfers. As discussed above, the Exchange believes that the proposed rule change would increase operational efficiencies for the Trust (and the market more generally). The Exchange believes these changes will not impose any burden on competition.

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

No written comments were either solicited or received.

III. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, as modified by Amendment No. 2, 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-NASDAQ-2025-008 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-NASDAQ-2025-008. 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-NASDAQ-2025-008 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.¹⁸

Sherry R. Haywood,

Assistant Secretary.

¹⁸ 17 CFR 200.30-3(a)(12).