

1. Text of the Proposed Rule Change

(a) The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend certain representations made in the proposed rule change previously filed with the Commission relating to the Valkyrie Bitcoin Fund (the “Trust”), specifically to amend: (1) the Trust’s service providers, (2) certain representations relating to the Trust’s custodians, (3) the order cutoff time for creations and redemptions, (4) the Trust’s website, (5) the Trust’s alternative benchmark, and (6) the names of the Trust and Trustee (as defined below). Shares of Trust are currently listed and traded on the Exchange under Nasdaq Rule 5711(d) (“Commodity-Based Trust Shares”).

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

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

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

a. Purpose

The Commission approved the listing and trading of shares of the Trust (“Shares”) on the Exchange pursuant to Nasdaq Rule 5711(d)³ on January 10, 2024.⁴

The Exchange proposes to amend certain representations set forth in the Exchange’s previous rule filing to list and trade Shares, and to reflect changes to the Trust’s service providers as well as to the names of the Trust and Trustee.⁵ The Exchange notes that the proposed amendments herein are consistent with the Trust’s registration statement (as amended and supplemented from time to time, the “Registration

³ 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).

⁴ 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”).

⁵ See Securities Exchange Act Release No. 99287 (January 8, 2024), 89 FR 2281 (January 12, 2024) (SR-NASDAQ-2023-019) (Notice of Filing of Amendment No. 1 to a Proposed Rule Change To List and Trade Shares of the Valkyrie Bitcoin Fund Under Nasdaq Rule 5711(d), Commodity-Based Trust Shares) (“Amendment No. 1”).

Statement”).⁶ Specifically, Amendment No. 1 represented that Valkyrie Digital Assets, LLC was the sponsor of the Trust (the “Former Sponsor”). Now, the Exchange proposes to reflect that as of June 14, 2024, CoinShares Co. is the sponsor of the Trust (the “Current Sponsor”) following the resignation of the Former Sponsor.⁷

Amendment No. 1 also represented that Coinbase Custody Trust Company, LLC is the custodian (the “Current Custodian”) and will be responsible for the custody of the Trust’s bitcoin. Now, the Exchange proposes to provide that BitGo Trust Company, Inc. (“BitGo”) and Komainu (Jersey) Limited (“Komainu” and together with BitGo, the “Additional Custodians” and collectively with the Current Custodian, the “Custodians”) will also provide bitcoin custody services to the Trust in addition to the Current Custodian. BitGo is a South Dakota trust company organized and chartered under the South Dakota Banking Law, and Komainu is a private limited company incorporated in Jersey, Channel Islands and regulated by the Jersey Financial Services Commission in the conduct of a fund services business pursuant to the Financial Services (Jersey) Law 1998. The Additional Custodians are qualified custodians under Rule 206-4 of the Investment Adviser Act. The Exchange notes that BitGo is not an affiliate of the Current Sponsor whereas Komainu is an affiliate.⁸ The Additional Custodians will each custody the Trust’s bitcoin pursuant to a custodian agreement. Such custodian agreements with the Trust requires the Additional Custodians to maintain the Trust’s bitcoin in segregated

⁶ See Post-Effective Amendment No. 6 to the Registration Statement on Form S-1, dated November 14, 2024, and Supplement, dated December 6, 2024, to Prospectus, dated November 19, 2024 (File No. 333-252344).

⁷ See *id.*

⁸ In particular, CoinShares International Limited, the parent of the Sponsor, holds a minority equity interest in Komainu and is therefore an affiliate of the Sponsor. See *supra* note 6.

accounts; the segregation will be both from the assets held by the Additional Custodians as principal and the assets of any other customer.

The Exchange also proposes to amend language in the Amendment No. 1 section entitled “Custody of the Trust’s Bitcoins” related to specific security processes and procedures of the Current Custodian so that this section can apply to the Additional Custodians as well. Amendment No. 1 stated that “[t]he Custodian’s custodial operations will maintain custody of the private keys that have been deposited in cold storage at its various vaulting premises which are located in geographically dispersed locations across the world, including but not limited to the United States, Europe, including Switzerland and South America.”⁹ The Exchange now proposes to amend the foregoing statement by deleting “including but not limited to the United States, Europe, including Switzerland and South America” so that this statement more generally applies to all Custodians.

The Exchange also proposes to delete the following, as this language does not apply to the Additional Custodians:¹⁰

In addition to multiple signing vaults, the Custodian maintains multiple “back-up vaults” in which backup private keys are stored. In the event that one or more of the “signing vaults” is compromised, the back-up vaults would be activated and used as signing vaults to complete a transaction within 72 hours. As such, if any one signing vault is compromised, it would have no impact on the ability of the Trust to access its bitcoins, other than a possible delay in operations of 72 hours, while one or more of the “backup vaults” is transitioned to a signing vault. These Security Procedures ensure that there is no single point of failure in the protection of the Trust’s assets.

The Exchange had originally included the specific details described above for the Current Custodian in Amendment No. 1 as additional background. The Exchange,

⁹ See Amendment No. 1 at 2282.

¹⁰ See Amendment No. 1 at 2283.

however, does not believe these details are strictly necessary to demonstrate compliance with the Act with respect to the Trust's custody arrangements. The remaining language in Amendment No. 1 section "Custody of the Trust's Bitcoin," which is applicable to all Custodians, indicates, among other things, that all Custodians will continue to keep private keys associated with the Trust's bitcoin in segregated and secure vault accounts. Accordingly, the Exchange believes that the remaining, more generic language is still sufficient to meet the standards under the Act.

Bitcoin owned by the Trust will at all times be held by, and in the control of, the Custodians, and transfer of such bitcoin to or from the Custodians will occur only in connection with creation and redemptions of the Shares or allocations among the Custodians. The Additional Custodians will be bound by all representations made in Amendment No. 1 applicable to the Current Custodian, as amended herein.

Amendment No. 1 also represented that the Trust and the Former Sponsor have licensed use of the Lukka Prime Reference Rate (the "Secondary Index") as an alternative benchmark to the CME CF Bitcoin Reference Rate - New York Variant (the "Index"), which could be utilized in the certain events specified in Amendment No. 1.¹¹ The Exchange now proposes to remove the Lukka Prime Reference Rate as the alternative benchmark. While the Sponsor is currently not using another alternative benchmark, the Sponsor will retain the ability to use one in the future. Therefore, the following sentence

¹¹ Amendment No. 1 stated that for example, if the Index deviates by more than a pre-determined amount from an alternate benchmark available to the Former Sponsor, then the Former Sponsor may determine to utilize the alternate benchmark. See Amendment No. 1 at 2283.

will be deleted from Amendment No. 1: “The Trust and the Sponsor have licensed use of the Lukka Prime Reference Rate as such an alternative benchmark.”¹²

The Exchange also proposes to amend the order cutoff time for both creations and redemptions. Specifically, Amendment No. 1 represented that creation orders must be placed no later than 12:59:59 p.m. Eastern Time on each Business Day, and that redemption orders must likewise be placed no later than 12:59:59 p.m. Eastern Time on each business day.¹³ The Exchange proposes to move this cutoff time for both creation and redemption orders to 2:00 p.m. Eastern Time on each Business Day.¹⁴

The Exchange further proposes to update the Trust’s website as set forth in Amendment No. 1. Specifically, the Trust’s website will be <https://coinshares.com/us/etf/brrr/>, which will continue to include, free of charge, quantitative information about the Trust, the Shares, and the Index as set forth in Amendment No. 1. Lastly, the Exchange proposes to reflect changes to the Trustee’s name and the Trust’s name, each as set forth in the Registration Statement.¹⁵ The Trustee’s name is CSC Delaware Trust Company (formerly Delaware Trust Company), and the Trust’s name is the CoinShares Valkyrie Bitcoin Fund (formerly Valkyrie Bitcoin Fund).

Except for the above changes, all other representations in Amendment No. 1 remain unchanged and will continue to constitute continued listing requirements. In

¹² See Amendment No. 1 at 2283.

¹³ See Amendment No. 1 at 2284.

¹⁴ The Current Sponsor intends to file an amendment to the Registration Statement for this change, and this change will not take effect until that amendment is filed.

¹⁵ See supra note 6.

addition, the Trust will continue to comply with the terms of Amendment No. 1 and the requirements in Rule 5711(d).

b. Statutory Basis

The Exchange believes that the proposal is consistent with Section 6(b) of the Act¹⁶ in general and Section 6(b)(5) of the Act¹⁷ in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in 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.

The Exchange believes that the proposed changes to update the representations in Amendment No. 1 about the Trust's service providers (i.e., the replacement of the Former Sponsor with the Current Sponsor, the inclusion of the Additional Custodians, and the removal of the Secondary Index), and to update the names of the Trust and Trustee will promote transparency and accuracy to the benefit of all market participants because the proposed changes will be consistent with the Trust's Registration Statement. Similarly, the Exchange believes that updating the Trust's website referenced in Amendment No. 1 to the current website will promote transparency and accuracy, and also consistency with the Registration Statement. As it relates to the removal of the Secondary Index, the

¹⁶ 15 U.S.C. 78f.

¹⁷ 15 U.S.C. 78f(b)(5).

Exchange notes that at least one spot bitcoin exchange-traded product (“ETP”) has similarly not designated a secondary index as an alternate to its primary index.¹⁸

Further, the Exchange believes that the Additional Custodians would mitigate and diversify potential third-party service provider risk in the event the Current Custodian was unable to provide custody services. As discussed above, the Additional Custodians will each custody the Trust’s bitcoin pursuant to a custodian agreement, which requires the Additional Custodians to maintain the Trust’s bitcoin in segregated accounts (such segregation would be both from the assets held by the Additional Custodians as principal and the assets of any other customer). The Exchange also believes that the proposed deletions relating to the Current Custodian’s security processes and procedures are consistent with the Act. As discussed above, the remaining language in Amendment No. 1 section “Custody of the Trust’s Bitcoin” indicates that all Custodians will continue to keep private keys associated with the Trust’s bitcoin in segregated and secure vault accounts. Accordingly, the Exchange believes that the remaining, more generic language is still sufficient to meet the standards under the Act. Further, as noted above, the Additional Custodians will be bound by all representations made in Amendment No. 1 applicable to the Current Custodian.

Moving the order cutoff time from 12:59:59 p.m. to 2:00 p.m. Eastern Time would provide additional time for Authorized Participants to submit creation and redemption orders, which may result in additional creation and/or redemption units on the

¹⁸ For example, Cboe BZX Exchange, Inc.’s proposal to list and trade shares of Ark 21Shares Bitcoin ETF did not provide for a secondary index. See Amendment No. 5 to Proposed Rule Change to List and Trade Shares of the ARK 21Shares Bitcoin ETF under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares (SR-CboeBZX-2023-028), filed Jan. 5, 2024, available at <https://www.sec.gov/comments/sr-cboebzx-2023-028/srcboebzx2023028-358679-884202.pdf>. See also Bitcoin ETP Approval in note 4.

day. This, in turn, could lead to tighter spreads and a more efficient market, to the benefit of all market participants.

Except for the above changes, all other representations in Amendment No. 1 remain unchanged and will continue to constitute continued listing requirements. In addition, the Trust will continue to comply with the terms of Amendment No. 1 and the requirements in Rule 5711(d). Accordingly, the Exchange believes that this proposed rule change raises no novel regulatory issues.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Act. As discussed above, the proposed changes are intended to amend certain representations set forth in Amendment No. 1, and to reflect changes to the Trust's service providers as well as to the names of the Trust and Trustee. The Exchange believes these changes will not impose any burden on competition.

5. 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.

6. Extension of Time Period for Commission Action

Not applicable.

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

The foregoing rule change has become effective pursuant to Section

19(b)(3)(A)(iii)¹⁹ of the Act and Rule 19b-4(f)(6) thereunder²⁰ in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange notes that the Shares have been approved to list and trade on the Exchange by the Commission. As discussed in detail above, the proposed rule change amends certain representations set forth in Amendment No. 1, and updates the Trust's service providers and related representations as well as the names of the Trust and Trustee. Except for the changes described in the purpose section above, all other representations in Amendment No. 1 remain unchanged, and will continue to constitute continued listing requirements. In addition, the Trust will continue to comply with the terms of Amendment No. 1 and the requirements in Rule 5711(d). Further, as noted above, the Additional Custodians will be bound by all representations made in Amendment No. 1 applicable to the Current Custodian. The Exchange therefore believes that the proposed rule change does not significantly affect the protection of investors or the public interest, and does not impose any significant burden on competition.

Furthermore, Rule 19b-4(f)(6)(iii)²¹ requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that

¹⁹ 15 U.S.C. 78s(b)(3)(A)(iii).

²⁰ 17 CFR 240.19b-4(f)(6).

²¹ 17 CFR 240.19b-4(f)(6)(iii).

subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

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

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) so that the proposed changes described above can be implemented without delay.

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

Not applicable.

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

Not applicable.

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

Not applicable.

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.