

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104552; File No. SR-NYSEAMER-2025-74]

## Self-Regulatory Organizations; NYSE American LLC; Notice of Filing of Proposed Change to Amend Certain Rules to List and Trade Options on the Grayscale CoinDesk Crypto 5 ETF

January 7, 2026.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on December 24, 2025, NYSE American LLC (“NYSE American” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend certain Exchange rules to list and trade options on the Grayscale CoinDesk Crypto 5 ETF. The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.com) and at the principal office of the Exchange.

### 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 self-regulatory organization 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 those statements may be examined at the

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

The Exchange proposes to amend certain Exchange rules to list and trade options on shares or other securities (“Exchange-Traded Fund Shares”) that are principally traded on a national securities exchange and are defined as an “NMS Stock” under Rule 600 of Regulation NMS and that represent interests in the Grayscale CoinDesk Crypto 5 ETF (“GDLC”).<sup>4</sup>

Current Rule 915 provides that, subject to certain other criteria set forth in the Rule, securities deemed appropriate for options trading include Exchange-Traded Fund Shares (or ETFs), as defined in Commentary .06, that represent certain types of interests<sup>5</sup> and exchange-

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<sup>4</sup> See Securities Exchange Act Release No. 103996 (September 17, 2025) 90 FR 45440 (September 22, 2025) (Order Setting Aside Action by Delegated Authority and Approving a Proposed Rule Change, as Modified by Amendment No. 1, To Amend NYSE Arca Rule 8.500–E (Trust Units) and To List and Trade Shares of the Grayscale Digital Large Cap Fund LLC Under Amended NYSE Arca Rule 8.500–E (Trust Units) (SR-NYSEARCA-2024-87).

<sup>5</sup> See Rule 915, Commentary .06, which permits options trading on ETFs that are traded on a national securities exchange and are defined as an “NMS stock” in Rule 600(b)(55) of Regulation NMS, that represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities that hold portfolios of securities and/or financial instruments including, but not limited to, stock index futures contracts, options on futures, options on securities and indexes, equity caps, collars and floors, swap agreements, forward contracts, repurchase agreements and reverse purchase 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 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); interests in a trust or similar entity that holds a specified non-U.S. currency deposited with the trust or similar entity when aggregated in some specified minimum number may be surrendered to the trust by the beneficial owner to receive the specified non-U.S. currency and pays the beneficial owner interest and other distributions on deposited non-U.S. currency, if any, declared and paid by the trust (“Currency Trust Shares”); 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

traded products (“ETPs”) structured as trusts that hold precious metals (which are deemed commodities).<sup>6</sup> Like ETPs backed by precious metals (i.e., commodities), the Exchange proposes to allow options trading on GDLC.<sup>7</sup>

GDLC is one of the world’s largest diversified crypto investment funds by assets under management as of the date of this filing. GDLC has approximately \$479.7 million in assets under management,<sup>8</sup> and its shares have historically traded in the millions of dollars in daily volume and are held by more than a quarter of a million American investors accounts seeking exposure to the fund’s large cap digital assets<sup>9</sup> without the cost and complexity of purchasing any of the individual assets directly.<sup>10</sup>

Like ETFs and ETPs currently deemed appropriate for options trading, the investment objective of GDLC is for its shares to reflect the value of the fund’s components (less the fund’s expenses and other liabilities), offering investors an opportunity to gain investment exposure to

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Pool Units”); or represents an interest in a registered investment company (“Investment Company”) organized as an open-end management investment company or similar entity, that invests in a portfolio of securities selected by the Investment Company’s investment adviser consistent with the Investment Company’s investment objectives and policies, which is issued in a specified aggregate minimum number in return for a deposit of a specified portfolio of securities and/or a cash amount with a value equal to the next determined net asset value (“NAV”), and when aggregated in the same specified minimum number, may be redeemed at a holder’s request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the next determined NAV (“Managed Fund Share”), or represent interests in a Commodity-Based Trust that meet the generic criteria of NYSE Arca Rule 8.201-E (Generic), except that the Commodity-Based Trust holds a single crypto asset as defined in subparagraph (c); provided that all of the conditions listed in Rules 915 and 916 are met.

<sup>6</sup> See Rule 915, Commentary .10 (permitting the listing and trading of options on shares of the following trusts: SPDR Gold Trust, the iShares COMEX Gold Trust the iShares Silver Trust, the ETFS Gold Trust, and the ETFS Silver Trust, pursuant to Rules 915 and 916).

<sup>7</sup> See proposed Rule 915, Commentary .10(a) (added to include the listing and trading of options on shares of GDLC, pursuant to Rules 915 and 916).

<sup>8</sup> As of November 21, 2025.

<sup>9</sup> As of November 21, 2025, GDLC’s components and their weightings were Bitcoin (76.02%), Ether (14.90%), XRP (5.26%), Solana (3.15%), and Cardano (0.67%).

<sup>10</sup> As of the date of this filing.

the digital assets held by the fund. Each share of GDLC represents units of fractional undivided beneficial interest in the fund, the assets of which consist of five of the most widely-held digital assets and is designed to track such digital assets or the performance of the price of such digital assets and offer access to the digital asset market.<sup>11</sup> GDLC provides investors with cost-efficient alternatives that allow a level of participation in the digital assets held by the fund through the securities market. The primary substantive difference between GDLC and Exchange-Traded Fund Shares currently deemed appropriate for options trading are that Exchange-Traded Fund Shares may hold securities, certain financial instruments, and specified precious metals (which are deemed commodities), while GDLC holds bitcoin and other digital assets (which are also deemed commodities).

The Exchange believes GDLC satisfies the Exchange's initial listing standards set forth in Commentary .01 to Rule 915.<sup>12</sup> The Exchange notes that GDLC also satisfies the listing standard applied to ETFs traded on the Exchange that they be available for creation and redemption each business day as set forth in Commentary .06(a)(ii).<sup>13</sup>

As an initial matter, GDLC satisfies the criteria and guidelines set forth in Rule 915(a). Pursuant to Rule 915(a), a security on which options may be listed and traded on the Exchange must be duly registered (with the Commission) and be an NMS stock (as defined in Rule 600 of

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<sup>11</sup> The trust may include minimal cash.

<sup>12</sup> Commentary .01 to Rule 915 provides for guidelines to be by the Exchange when evaluating potential underlying securities for Exchange option transactions.

<sup>13</sup> Commentary .06(a)(ii) requires that ETFs must 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.

Regulation NMS under the Act) and be characterized by a substantial number of outstanding shares that are widely held and actively traded.<sup>14</sup> GDLC is an NMS Stock as defined in Rule 600 of Regulation NMS under the Act.<sup>15</sup> The Exchange believes GDLC is characterized by a substantial number of outstanding shares that are widely held and actively traded.

As of November 21, 2025, GDLC had the following number of shares outstanding (and corresponding market capitalization):

<b>Underlying Fund</b>	<b>Shares Outstanding</b>	<b>Market Value (11/21/2025)</b>
GDLC	12,007,400	\$480.1 million

As shown above, GDLC has 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 Commentary .01(1) to Rule 915. The Exchange believes this demonstrates that GDLC is characterized by a substantial number of outstanding shares.

Further, the table below contains information regarding the number of beneficial holders of GDLC, as of September 24, 2024:

<b>Underlying Fund</b>	<b>Beneficial Holders (9/24/2024)</b>
GDLC	16,121

As the table above shows, GDLC has significantly more than 2,000 beneficial holders (approximately 8 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 pursuant to

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<sup>14</sup> The criteria and guidelines for a security to be considered widely held and actively traded are set forth in Commentary .01 to Rule 915, subject to exceptions.

<sup>15</sup> An “NMS stock” means any NMS security other than an option, and an “NMS security” means any security or class of securities for which transaction reports are collected, processed, and made available pursuant to an effective transaction reporting plan (or an effective national market system plan for reporting transaction in listed options). See 17 CFR § 242.600(b)(64) (definition of “NMS security”) and (65) (definition of “NMS stock”).

Commentary .01(2) to Rule 915. Therefore, the Exchange believes the shares of GDLC are widely held.

In addition, the Exchange believes the shares of GDLC are actively traded. As of November 21, 2025, the total trading volume (by shares and notional) for GDLC since it began trading<sup>16</sup> and the average daily volume (“ADV”) over the 30-day period of October 21 through November 21, 2025, was as follows:<sup>17</sup>

<b>Underlying Fund</b>	<b>Trading Volume (Shares)</b>	<b>Trading Volume (Notional \$)</b>	<b>ADV (Shares)</b>
GDLC	9,220,524	\$483.195M	199,137

As demonstrated above, even though GDLC has been trading for less than one year, its trading volume is substantially higher than 2,400,000 shares (approximately four times that amount), which is the minimum 12-month volume the Exchange generally requires for a corporate stock in order to list options on that security as set forth in Commentary .01 to Rule 915. The Exchange believes this data demonstrates that GDLC is characterized by a substantial number of outstanding shares that are actively traded.

In addition to satisfying the Exchange’s initial listing standards, options on GDLC will be subject to the Exchange’s continued listing standards as set forth in Commentary .07 to Rule 916.<sup>18</sup> Pursuant to Commentary .07 to Rule 916, the Exchange will not open for trading any additional series of option contracts covering a fund traded on the Exchange if such fund ceases to be an

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<sup>16</sup> GDLC began trading on September 9, 2025. Thus, the measurement period for the trading volume (shares/notional) is September 9, 2025 through November 21, 2025 for GDLC (i.e., two months).

<sup>17</sup> See FactSet, 11/21/2025, <https://www.factset.com/data-attribution>.

<sup>18</sup> The Exchange proposes to amend Commentary .11 to Rule 916 to include GDLC in the list of ETPs deemed “Exchange-Traded Fund Shares” -- of ETFs -- for purposes of the continued listing standards set forth in Commentary .07 to Rule 916. See proposed Commentary .11 to Rule 916. For avoidance of doubt, the Exchange refers “funds” rather than “ETFs” to make clear that GDLC is subject to these continued listing standards.

“NMS stock” as provided for Commentary .01(5) to Rule 915 or the fund is halted from trading on its primary market.<sup>19</sup> Additionally, options on funds traded on the Exchange may be subject to the suspension of opening transactions as follows: (1) the fund no longer meets the terms of Commentary .01 to Rule 916; (2) following the initial twelve-month period beginning upon the commencement of trading of the fund, there are fewer than 50 record and/or beneficial holders of the fund for 30 or more consecutive trading days; (3) the value of the underlying commodity is no longer calculated or available; or (4) such other event occurs or condition exists that in the opinion of the Exchange makes further dealing on the Exchange inadvisable.

Options on GDLC will be physically settled contracts with American-style exercise.<sup>20</sup> Consistent with Rule 903, which governs the opening of options series on a specific underlying security (including ETFs and ETPs), the Exchange will open at least one expiration month for options on GDLC<sup>21</sup> at the commencement of trading on the Exchange and may also list series of

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<sup>19</sup> See Commentary .07 to Rule 916.

<sup>20</sup> See Rule 902 (Rights and Obligations of Holders and Writers), which provides that the rights and obligations of holders and writers of option contracts of any class of options dealt in on the Exchange shall be as set forth in the Rules of the Clearing Corporation. See also OCC Rules, Chapter 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. OCC Rules can be located at: [https://www.theocc.com/getmedia/9d3854cd-b782-450f-bcf7-33169b0576ce/occ\\_rules.pdf](https://www.theocc.com/getmedia/9d3854cd-b782-450f-bcf7-33169b0576ce/occ_rules.pdf).

<sup>21</sup> See Rule 903(c), Commentary .03. The monthly expirations are subject to certain listing criteria for underlying securities described within Rule 915. 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 Rule 903(d), 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. 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.

options on GDLC for trading on a weekly,<sup>22</sup> monthly,<sup>23</sup> or quarterly<sup>24</sup> basis. The Exchange may also list long-term equity option series (“LEAPS”) that expire from twelve to thirty-nine months from the time they are listed.<sup>25</sup>

Pursuant to Rule 903, Commentary .05(a), which governs strike prices of series of options on ETFs, the interval between strike prices of series of options on GDLC will be \$1 or greater when the strike price is \$200 or less and \$5 or greater where the strike price is over \$200.<sup>26</sup> Additionally, the Exchange may list series of options pursuant to the \$1 Strike Price Interval Program,<sup>27</sup> the \$0.50 Strike Program,<sup>28</sup> the \$2.50 Strike Price Program,<sup>29</sup> and the \$5 Strike Program.<sup>30</sup> Pursuant to Rule 960NY, where the price of a series of GDLC option is less than \$3.00, the minimum increment will be \$0.05, and where the price is \$3.00 or higher, the minimum increment will be \$0.10.<sup>31</sup> Any and all new series of GDLC options that the Exchange lists will be consistent and comply with the expirations, strike prices, and minimum increments

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<sup>22</sup> See Rule 903(h).

<sup>23</sup> See Rule 903, Commentary .11.

<sup>24</sup> See Rule 903, Commentary .09.

<sup>25</sup> See Rule 903, Commentary .03.

<sup>26</sup> The Exchange notes that for options listed pursuant to the Short Term Option Series Program, the Monthly Options Series Program, and the Quarterly Options Series Program, Rule 903(h) and Commentaries .09 and .03 to Rule 903, specifically set forth intervals between strike prices on Quarterly Options Series, Short Term Option Series, and Monthly Options Series, respectively.

<sup>27</sup> See Rule 903, Commentary .06.

<sup>28</sup> See Rule 903, Commentary .13.

<sup>29</sup> See Rule 903, Commentary .07(a).

<sup>30</sup> See Rule 903, Commentary .12.

<sup>31</sup> If options on GDLC are eligible to participate in the Penny Interval Program, the minimum increment of \$0.01 below \$3.00 and \$0.50 above \$3.00 would apply. See Rule 960NY(a)(3). See also Rule 960.1NY (which describes the requirements for the Penny Interval Program).



set forth in Rules 903 and 960NY, as applicable.

Further, the Exchange notes that Rule 462, which governs margin requirements applicable to the trading of all options on the Exchange, including options on ETFs and ETPs, will also apply to the trading of GDLC options.

Rule 903G(a)(1) permits the Exchange to authorize for trading a FLEX option class on any equity security if it may authorize for trading a non-FLEX option class on that equity security pursuant to Rule 915.<sup>32</sup> At this time, the Exchange is not proposing to permit GDLC options to trade as FLEX options.<sup>33</sup> Rule 903G(a)(1) currently specifies this exception.<sup>34</sup>

#### Position and Exercise Limits

Position and exercise limits for options, including options on GDLC, are determined pursuant to Rules 904 and 905, respectively. Position and exercise limits for options vary according to the number of outstanding shares and the trading volumes of the underlying security over the past six months, where the largest in capitalization and the most frequently traded funds have an option position and exercise limit of 250,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market; and smaller capitalization funds have position and exercise limits of 200,000, 75,000, 50,000 or 25,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market.<sup>35</sup>

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<sup>32</sup> See Rule 903G(a)(1). See generally Section 15 (Flexible Exchange (“FLEX”) Options).

<sup>33</sup> The Exchange will continue ongoing discussions with the Commission regarding appropriate position limits for GDLC and will submit a separate rule filing that would permit the Exchange to authorize for trading FLEX options on GDLC (which filing may propose changes to existing FLEX option position limits for such options if appropriate).

<sup>34</sup> See Rule 903G(a)(1) (providing, in relevant part, that the Exchange may approve and open for trading any FLEX Equity Options series on any equity security that is eligible for Non-FLEX Options trading under Rule 915 “except those set forth in Commentary .10(a) to Rule 915,” i.e., GDLC).

<sup>35</sup> See Commentary .07(a)-(d) to Rule 904. For an option to be eligible for the 50,000-contract limit, the

Position limits are designed to limit the number of options contracts traded on the Exchange in an underlying security that an investor, acting alone or in concert with others directly or indirectly, may control. The purpose of position limits, which are set forth in Rule 904, is 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. As such, position limits must balance concerns regarding mitigating potential manipulation and the cost of inhibiting potential hedging activity that investors may use for legitimate economic purposes. To achieve this balance, the Exchange proposes to set the position and exercise limits for options on GDLC at 25,000 contracts, a limit which has already been approved for options on IBIT, an ETP that holds a single digital asset, bitcoin.<sup>36</sup> Capping the position limit at 25,000 contracts, the lowest limit available in options, would help to mitigate the risk of potential manipulative schemes and protect investors as this number is conservative for GDLC options and therefore appropriate given its liquidity. Additionally, pursuant to Rule 905, the exercise limits for options on GDLC will be equivalent to this proposed position limit.

The Exchange determined this proposed position and exercise limits considering, among other things, the approximate six-month average daily volume (“ADV”) and outstanding shares

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security underlying the option must have most recent six-month trading volume of at least 20,000,000 shares, or most recent six-month trading volume of at least 15,000,000 shares and at least 40,000,000 shares currently outstanding. For an option to be eligible for the 75,000-contract limit, the underlying security must have most recent six-month trading volume of at least 40,000,000 shares, or most recent six-month trading volume of at least 30,000,000 shares and at least 120,000,000 shares currently outstanding. For an option to be eligible for the 200,000-contract limit, the underlying security must have most recent six-month trading volume of at least 80,000,000 shares, or most recent six-month trading volume of at least 60,000,000 shares and at least 240,000,000 shares currently outstanding. For an option to be eligible for the 250,000-contract limit, the security underlying the option must have most recent six-month trading volume of at least 100,000,000 shares, or most recent six-month trading volume of at least 75,000,000 shares and at least 300,000,000 shares currently outstanding. The 25,000-contract limit applies to options on underlying securities that do not qualify for a higher contract limit. See Commentary .07(e) to Rule 904. In addition, Commentary .07(f) to Rule 904 establishes higher position limits for options on certain ETFs.

<sup>36</sup> See proposed Rule 904, Commentary .07(f).

of GDLC (which as discussed above demonstrates that GDLC is widely held and actively traded and thus justify these conservatively proposed position limits), as set forth below, along with market capitalization (as of November 21, 2025):

<b>Underlying Fund</b>	<b>Six-Month ADV</b>	<b>Outstanding Shares</b>	<b>Market Capitalization (\$)</b>
GDLC	146,800	12,007,400	\$480.1 million

The Exchange then compared the number of outstanding shares of GDLC to those of other ETFs. The following table provides the approximate average position (and exercise) limit of ETF options with similar outstanding shares (as of November 21, 2025), compared to the proposed position and exercise limit for GDLC options:

<b>Underlying Fund</b>	<b>Average Limit of Other ETF Options (contracts)</b>	<b>Proposed Limit (contracts)</b>
GDLC	225,000	25,000

The Exchange considered current position and exercise limits of options on ETFs<sup>37</sup> with outstanding shares comparable to those of GDLC, 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, GDLC is actively held and widely traded (all statistics as of November 21, 2025) because it: (1) has 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 security pursuant to Commentary .01(1) under Rule 915; (2) GDLC (as of the dates listed above) has 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 Commentary .01(2) under Rule 915; and (3) GDLC has a six-month

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<sup>37</sup> Over 90% of the ETFs used for comparison have a limit of at least 200,000 contracts, and more than 75% have a limit of 250,000 contracts.

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 Commentary .01(3) under Rule 915.

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:

<b>Underlying Fund</b>	<b>Proposed Position/Exercise Limit (in equivalent shares)</b>	<b>Outstanding Shares</b>	<b>Percentage of Outstanding Shares</b>
GDLC	2,500,000	12,007,400	20.82%

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

Exchange Rule 904, Commentary .07, 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, 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<sup>38</sup> 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 GDLC.

<b>Position/Exercise Limit (in equivalent shares)</b>	<b>Minimum Outstanding Shares</b>	<b>Percentage of Outstanding Shares</b>
2,500,000	6,300,000	40%
5,000,000	40,000,000	12.5%
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 GDLC as a percentage of outstanding shares of the underlying fund 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.<sup>39</sup>

Based on the foregoing, the Exchange believes the proposal to list options on GDLC with positions and exercise limits of 25,000 on the same side, the lowest position limit available in the options industry, is conservative and appropriate given the market capitalization, average daily volume, and high number of outstanding shares for the underlying fund.

The proposed position and exercise limits reasonably and appropriately balance the liquidity provisioning in the market against the prevention of manipulation. The Exchange

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<sup>38</sup> 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 Rule 916, Commentary .01(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 limit represents an even larger percentage of outstanding shares of the underlying ETF than set forth above.

<sup>39</sup> 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.

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 fund as well as the digital assets that comprise the underlying fund.<sup>40</sup>

As described herein, the Exchange rules that currently apply to the listing and trading of options on the Exchange, including, for example, rules that govern listing criteria, expiration and exercise prices, minimum increments, margin requirements, customer accounts and trading halt procedures will apply to the listing and trading of options on GDLC on the Exchange in the same manner as they apply to all other options on ETFs and ETPs that are listed and traded on the Exchange, including options on other commodity ETPs deemed appropriate for options trading on the Exchange pursuant to Commentary .10 to Rule 915. Further, as described above, Exchange rules regarding position and exercise limits will likewise apply to options on GDLC except that, as proposed, the position and exercise limits will be set at 25,000 on the same side.

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The Exchange notes that options on GDLC would not be available for trading until The Options Clearing Corporation (“OCC”) represents to the Exchange that it is fully able to clear and settle such options. The Exchange has also analyzed its capacity and represents that it and The Options Price Reporting Authority (“OPRA”) have the necessary systems capacity to handle the additional traffic associated with the listing of options on GDLC. The Exchange believes any additional traffic that would be generated from the trading of options on GDLC would be manageable. The Exchange represents that Exchange members will not have a capacity issue as a result of this proposed rule change.

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<sup>40</sup> See Securities Exchange Act Release No. 39489 (December 24, 1997), 63 FR 276 (January 5, 1998) (SR-CBOE-1997-11).

The Exchange represents that the same surveillance procedures applicable to all other options currently listed and traded on the Exchange will apply to options on GDLC, and that it has the necessary systems capacity to support the new option series. The Exchange's existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might arise from listing and trading options on ETFs and ETPs, such as (existing) commodity-backed ETP options as well as the proposed options on GDLC. The Exchange believes that its surveillance procedures are adequate to properly monitor the trading of options on GDLC in all trading sessions and to deter and detect violations of Exchange rules.

Specifically, the Exchange's market surveillance staff also conducts surveillances with respect to the underlying fund and, as appropriate, would review activity in the underlying fund when conducting surveillances for market abuse or manipulation in the options on GDLC. 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, the Exchange has a Regulatory Services Agreement ("RSA") with the Financial Industry Regulatory Authority ("FINRA"). Pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate regulatory responsibilities to FINRA to conduct certain options-related market surveillances.<sup>41</sup> Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively

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<sup>41</sup> Section 19(g)(1) of the Act, among other things, requires every 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. 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.

monitor the trading of options on GDLC.

In light of surveillance measures related to both options and futures as well as the underlying fund, 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 GDLC.

Finally, quotation and last sale information for ETFs is available via the Consolidated Tape Association (“CTA”) high speed line. Quotation and last sale information for such securities is also available from the exchange on which such securities are listed. Quotation and last sale information for options on GDLC will be available via OPRA and major market data vendors.

The Exchange believes that offering options on GDLC will benefit investors by providing them with an additional, relatively lower cost investing tool to gain exposure to the price of the digital assets that comprise the underlying fund and hedging vehicle to meet their investment needs in connection with such products and positions. The Exchange expects investors will transact in options on GDLC in the unregulated over-the-counter (“OTC”) options market,<sup>42</sup> but may prefer to trade such options in a listed environment to receive the benefits of trading listed options, including (1) enhanced efficiency in initiating and closing out position; (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 options on GDLC 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

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<sup>42</sup> The Exchange understands from customers that investors have historically transacted in options on ETFs in the OTC options market if such options were not available for trading in a listed environment.



flow. The Exchange notes that the ETPs that hold precious metal commodities on which the Exchange may already list and trade options are trusts structured in substantially the same manner as GDLC and essentially offer the same objectives and benefits to investors, just with respect to different assets.

## 2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>43</sup> in general and furthers the objectives of Section 6(b)(5) of the Act<sup>44</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanisms of a free and open market and a national market system, and, in general, to protect investors and the public interest.

In particular, the Exchange believes that the proposal to list and trade options on GDLC 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 GDLC will provide investors with an opportunity to realize the benefits of utilizing options on a fund that includes bitcoin and other digital assets, including cost efficiencies and increased hedging strategies.

The Exchange believes that offering GDLC options will benefit investors by providing them with a relatively lower-cost risk management tool, which will allow them to manage their positions and associated risk in their portfolios more easily in connection with exposure to the price of multiple digital assets, including bitcoin, and with digital asset-related products and positions. Additionally, the Exchange's offering of GDLC options will provide investors with the ability to transact in such options in a listed market environment as opposed to in the OTC

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<sup>43</sup> 15 U.S.C. 78f(b).

<sup>44</sup> 15 U.S.C. 78f(b)(5).

options market, which would increase market transparency and enhance the process of price discovery conducted on the Exchange through increased order flow to the benefit of all investors. The Exchange also notes that it already lists options on other commodity-based ETPs,<sup>45</sup> which, as described above, are trusts structured in substantially the same manner as GDLC and offer the same objectives and benefits to investors.

The Exchange also believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system, because it is consistent with current Exchange rules previously filed with the Commission. As detailed above, options on GDLC satisfy the initial listing standards currently in the Exchange rules applicable to options on all ETFs and ETPs, including ETPs that hold other commodities already deemed appropriate for options trading on the Exchange. Additionally, as demonstrated above, GDLC is characterized by a substantial number of shares that are widely held and actively traded. GDLC options will trade in the same manner as any other ETF or ETP options — the same Exchange rules that currently govern the listing and trading of other options, including initial and continued listing requirements, permissible expirations, strike prices, minimum increments, and margin requirements, will govern the listing and trading of options on GDLC.

The Exchange believes the proposed rule change to exclude GDLC from being eligible for trading as FLEX options is consistent with the Act, because it will permit the Exchange to continue to participate in ongoing discussions with the Commission regarding appropriate position limits for options on GDLC.<sup>46</sup>

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<sup>45</sup> See Rule 915, Commentary .10.

<sup>46</sup> The Exchange will submit a separate rule filing that would permit the Exchange to authorize for trading FLEX options on GDLC (which filing may propose changes to existing FLEX option position limits for such options if appropriate).

The proposed position and exercise limit for options on GDLC is 25,000 contracts. 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 GDLC's market capitalization, average daily volume, number of beneficial holders, and high number of outstanding shares. The proposed position and exercise limits are consistent with the Act as they address concerns related to manipulation and protection of investors because the proposed position and exercise limits are extremely conservative and more than appropriate given GDLC is actively traded.

The Exchange also believes the proposed rule change to Rule 903G(a), to make clear that options on GDLC is not eligible for FLEX trading, will remove impediments to and perfect the mechanism of a free and open market and a national market system because it adds clarity and transparency to Exchange rules making them easier to navigate and understand to the benefit of investors and the public interest.

The Exchange represents that it has the necessary systems capacity to support the new GDLC options. 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, including GDLC options. The Exchange's existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might arise from listing and trading options on ETFs and ETPs, such as (existing) precious metal-commodity backed ETP options as well as the proposed options on GDLC. The Exchange believes that its surveillance procedures are adequate to properly monitor the trading of options on GDLC in all trading sessions and to deter and detect violations of Exchange rules.

Specifically, the Exchange's market surveillance staff also conducts surveillances with

respect to the underlying fund and, as appropriate, would review activity in the underlying fund when conducting surveillances for market abuse or manipulation in options on GDLC.

Additionally, the Exchange is a member of the 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, the Exchange is a party to an RSA with FINRA and, as noted herein, pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate regulatory responsibilities to FINRA to conduct certain options-related market surveillances. Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on GDLC.

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

**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.

*Intramarket Competition:* The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act as options on GDLC would need to satisfy the initial listing standards set forth in Exchange rules in the same manner as any other ETF options before the Exchange could list and trade them. Additionally, GDLC options will be equally available to all market participants who wish to trade such options. The Exchange rules currently applicable

to the listing and trading of options on ETFs on the Exchange will apply in the same manner to the listing and trading of options on GDLC. Also, and as stated above, the Exchange already lists options on other commodity-based ETPs.<sup>47</sup>

*Intermarket Competition:* The Exchange does not believe that the proposal to list and trade options on GDLC 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 GDLC 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 GDLC. The Exchange notes that listing and trading GDLC 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.

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 GDLC 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 exposure to the price of multiple digital assets, including bitcoin, and with digital asset-related products

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<sup>47</sup> See Rule 915, Commentary .10.

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

No written comments were solicited or received with respect to the proposed rule change.

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](mailto:rule-comments@sec.gov). Please include file number SR-NYSEAMER-2025-74 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-NYSEAMER-2025-74. This file number

should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NYSEAMER-2025-74 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>48</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

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<sup>48</sup> 17 CFR 200.30-3(a)(12).