SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-91771; File No. SR-NYSEArca-2021-31)

May 6, 2021

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of a Proposed Rule Change to List and Trade Shares of the Valkyrie Bitcoin Fund under NYSE Arca Rule 8.201-E

Pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 (the "Act")[2] and

Rule 19b-4 thereunder,[3] notice is hereby given that, on April 23, 2021, NYSE Arca, Inc. ("NYSE

Arca" 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 self-regulatory organization.  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 list and trade the shares of the Valkyrie Bitcoin Fund under

NYSE Arca Rule 8.201-E.  The proposed change is available on the Exchange's website at

www.nyse.com, at the principal office of the Exchange, and at the Commission's Public

Reference Room.

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

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 places

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

[2]     15 U.S.C. 78a.

[3]     17 CFR 240.19b-4.

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 list and trade shares ("Shares") of the Valkyrie Bitcoin Fund

(the "Trust") under NYSE Arca Rule 8.201-E, which governs the listing and trading of

Commodity-Based Trust Shares.

Description of the Trust

The Shares will be issued by the Trust, a Delaware statutory trust.  The Trust will operate

pursuant to a trust agreement (the "Trust Agreement") between Valkyrie Digital Assets LLC (the

"Sponsor") and Delaware Trust Company, as the Trust's trustee (the "Trustee").  The Shares will

be registered with the Commission by means of the Trust's registrations statement on Form S-1

(the "Registration Statement").[4]  Pursuant to the Trust Agreement, the Sponsor has entered into a

custodian agreement (the "Custodian Agreement") with Coinbase Custody Trust Company, LLC

(the "Custodian") to act as custodian for the Trust's bitcoins.  Pursuant to the Custodian

Agreement, the Custodian will establish accounts that hold the bitcoins deposited with the

Custodian on behalf of the Trust.  U.S. Bancorp Fund Services, LLC will act as the transfer agent

for the Trust (the "Transfer Agent") and as the administrator of the Trust (the "Administrator")

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[4]     See Registration Statement on Form S-1, dated January 22, 2021 filed with the Commission by the Sponsor on behalf of the Trust (File No. 333-252344).  The descriptions of the Trust contained herein are based, in part, on information in the Registration Statement.  The Registration Statement in not yet effective and the Shares will not trade on the Exchange until such time that the Registration Statement is effective.

to perform various administrative, accounting and recordkeeping functions on behalf of the Trust.

Description of the Trust

According to the Registration Statement, the investment objective of the Trust is for the Shares to reflect the performance of the value of a bitcoin as represented by the CF Bitcoin US Settlement Price (the "Index"), less the Trust's liabilities and expenses. The purpose of the Trust is to provide investors with a cost-effective and convenient way to invest in bitcoin in a manner that is more efficient and convenient than the purchase of a stand-alone bitcoin, while also mitigating some of the risk by reducing the volatility typically associated with the purchase of stand-alone bitcoin and without the uncertain and often complex requirements relating to acquiring and/or holding bitcoin.

According to the Registration Statement, the Trust will only hold bitcoin, and will, from time to time, issue Baskets[5] in exchange for deposits of bitcoins and to distribute bitcoins in connection with redemptions of Baskets. The Shares of the Trust represent units of fractional undivided beneficial interest in, and ownership of, the Trust. The bitcoins held by the Custodian on behalf of the Trust will be transferred out of the Bitcoin Account only in the following circumstances: transferred to pay the Sponsor's Fee, distributed to Authorized Participants or Liquidity Providers, as applicable, in connection with the redemption of Baskets, transferred to be sold on an as-needed basis to pay Additional Trust Expenses, sold on behalf of the Trust in the event the Trust terminates and liquidates its assets or as otherwise required by law or regulation.

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[5]     According to the Registration Statement, a Basket equals a block of 50,000 Shares.

Custody of the Trust's Bitcoins

According to the Registration Statement, the Custodian is a New York-state chartered trust company operating under the direct supervision of the New York State Department of Financial Services and is subject to the anti-money laundering requirements of the Financial Crimes Enforcement Network ("FinCEN"). In addition, the Custodian is a qualified custodian under the Investment Advisers Act of 1940. Under the Custodian Agreement, the Custodian will be responsible for the safety and security of the Trust's Bitcoins as well as overseeing the process of deposit, withdrawal, sale and purchase of the Trust's bitcoins. The Custodian will custody the bitcoin in accordance with the terms of the Custodian Agreement.

According to the Registration Statement, all bitcoins exist and are stored on the Blockchain, the decentralized transaction ledger of the Bitcoin Network. The Blockchain records most transactions (including mining of new bitcoins) for all bitcoins in existence, and in doing so verifies the location of each bitcoin (or fraction thereof) in a particular digital wallet. The Bitcoin Account will be maintained by the Custodian and cold storage[6] mechanisms will be used for the Vault Account by the Custodian. Each digital wallet of the Trust may be accessed using its corresponding private key. The 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. The locations

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[6]    According to the Registration Statement, the term "cold storage" refers to a safeguarding method by which the private keys corresponding to bitcoins stored on a digital wallet are removed from any computers actively connected to the internet. Cold storage of private keys may involve keeping such wallet on a non-networked computer or electronic device or storing the public key and private keys relating to the digital wallet on a storage device (for example, a USB thumb drive) or printed medium (for example, papyrus or paper) and deleting the digital wallet from all computers.

of the vaulting premises may change regularly and are kept confidential by the Custodian for security purposes.

According to the Registration Statement, the Custodian is the custodian of the Trust's private keys in accordance with the terms and provisions of the Custodian Agreement and will utilize the certain security procedures such as algorithms, codes, passwords, encryption or telephone call-backs (together, the "Security Procedures") in the administration and operation of the Trust and the safekeeping of its bitcoins and private keys. The Custodian will create a Vault Account for the Trust assets in which private keys are placed in cold storage. The Custodian will segregate the private keys stored with it from any other assets it holds or holds for others. Further, multiple distinct private keys must sign any transaction in order to transfer the Trust's bitcoins from a multi-signature address to any other address on the Bitcoin blockchain. Distinct private keys required for multi-signature address transfers reside in geographically dispersed vault locations, known as "signing vaults." 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.

Overview of the Bitcoin Industry and Market[7]

Bitcoin

According to the Registration Statement, bitcoin is the digital asset that is native to, and created and transmitted through the operations of, the peer-to-peer Bitcoin network, a decentralized network of computers that operates on cryptographic protocols. No single entity owns or operates the Bitcoin network, the infrastructure of which is collectively maintained by a decentralized user base. The Bitcoin network allows people to exchange tokens of value, called bitcoin, which are recorded on a public transaction ledger known as the Blockchain. Bitcoin can be used to pay for goods and services, or it can be converted to fiat currencies, such as the U.S. dollar, at rates determined on bitcoin trading platforms or in individual end-user-to-end-user transactions under a barter system.

The value of bitcoin is determined by the supply of and demand for bitcoin. New bitcoins are created and rewarded to the parties providing the Bitcoin network's infrastructure ("miners") in exchange for their expending computational power to verifying transactions and add them to the Blockchain. The Blockchain is effectively a decentralized database that includes all blocks that have been solved by miners and it is updated to include new blocks as they are solved. Each bitcoin transaction is broadcast to the Bitcoin network and, when included in a block, recorded in the Blockchain. As each new block records outstanding bitcoin transactions, and outstanding transactions are settled and validated through such recording, the Blockchain

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[7]     For the purpose of this section, Bitcoin with an upper case "B" is used to describe the system as a whole that is involved in maintaining the ledger of bitcoin ownership and facilitating the transfer of bitcoin among parties. When referring to the digital asset within the bitcoin network, bitcoin is written with a lower case "b" (except, at the beginning of sentences or paragraph sections).

represents a complete, transparent and unbroken history of all transactions of the Bitcoin network.

### Bitcoin Network

According to the Registration Statement, bitcoin was first described in a white paper released in 2008 and published under the pseudonym "Satoshi Nakamoto." The protocol underlying Bitcoin was subsequently released in 2009 as open source software and currently operates on a worldwide network of computers.

The first step in directly using the Bitcoin network for transactions is to download specialized software referred to as a "bitcoin wallet." A user's bitcoin wallet can run on a computer or smartphone, and can be used both to send and to receive bitcoin. Within a bitcoin wallet, a user can generate one or more unique "bitcoin addresses," which are conceptually similar to bank account numbers. After establishing a bitcoin address, a user can send or receive bitcoin from his or her bitcoin address to another user's address. Sending bitcoin from one bitcoin address to another is similar in concept to sending a bank wire from one person's bank account to another person's bank account; provided, however, that such transactions are not managed by an intermediary and erroneous transactions generally may not be reversed or remedied once sent.

The amount of bitcoin associated with each bitcoin address, as well as each bitcoin transaction to or from such address, is transparently reflected in the Blockchain and can be viewed by websites that operate as "blockchain explorers." Copies of the Blockchain exist on thousands of computers on the Bitcoin network. A user's bitcoin wallet will either contain a copy of the blockchain or be able to connect with another computer that holds a copy of the blockchain. The innovative design of the Bitcoin network protocol allows each Bitcoin user to

trust that their copy of the Blockchain will generally be updated consistent with each other user's copy.

### Bitcoin Protocol

According to the Registration Statement, the Bitcoin protocol is open source software, meaning any developer can review the underlying code and suggest changes. There is no official company or group that is responsible for making modifications to Bitcoin. There are, however, a number of individual developers that regularly contribute to a specific distribution of Bitcoin software known as the "Bitcoin Core," which is maintained in an open-source repository on the website Github. There are many other compatible versions of Bitcoin software, but Bitcoin Core provides the de-facto standard for the Bitcoin protocol, also known as the "reference software." The core developers for Bitcoin Core operate under a volunteer basis and without strict hierarchical administration.

Significant changes to the Bitcoin protocol are typically accomplished through a so-called "Bitcoin Improvement Proposal" or BIP. Such proposals are generally posted on websites, and the proposals explain technical requirements for the protocol change as well as reasons why the change should be accepted. Upon its inclusion in the most recent version of Bitcoin Core, a new BIP becomes part of the reference software's Bitcoin protocol. Several BIPs have been implemented since 2011 and have provided various new features and scaling improvements.

Because Bitcoin has no central authority, updating the reference software's Bitcoin protocol will not immediately change the Bitcoin network's operations. Instead, the implementation of a change is achieved by users and miners downloading and running updated versions of Bitcoin Core or other Bitcoin software that abides by the new Bitcoin protocol.

Users and miners must accept any changes made to the Bitcoin source code by downloading a version of their Bitcoin software that incorporates the proposed modification of the Bitcoin network's source code. A modification of the Bitcoin network's source code is only effective with respect to the Bitcoin users and miners that download it. If an incompatible modification is accepted only by a percentage of users and miners, a division in the Bitcoin network will occur such that one network will run the pre-modification source code and the other network will run the modified source code. Such a division is known as a "fork" in the Bitcoin network.

Such a fork in the Bitcoin network occurred on August 1, 2017, when a group of developers and miners accepted certain changes to the Bitcoin network software intended to increase transaction capacity. Blocks mined on this network now diverge from blocks mined on the Bitcoin network, which has resulted in the creation of a new blockchain whose digital asset is referred to as "bitcoin cash." Bitcoin and bitcoin cash now operate as separate, independent networks, and have distinct related assets (bitcoin and bitcoin cash). Additional forks have followed the Bitcoin Cash fork, including those for Bitcoin Gold and Bitcoin SegWit2X, in the months after the creation of Bitcoin Cash.

Bitcoin Transactions

According to the Registration Statement, a bitcoin transaction contains the sender's bitcoin address, the recipient's bitcoin address, the amount of bitcoin to be sent, a transaction fee and the sender's digital signature. Bitcoin transactions are secured by cryptography known as public-private key cryptography, represented by the bitcoin addresses and digital signature in a transaction's data file. Each Bitcoin network address, or wallet, is associated with a unique "public key" and "private key" pair, both of which are lengthy alphanumeric codes, derived together and possessing a unique relationship. The public key is visible to the public and

analogous to the Bitcoin network address.  The private key is a secret and may be used to digitally sign a transaction in a way that proves the transaction has been signed by the holder of the public-private key pair, without having to reveal the private key.

The Bitcoin network incorporates a system to prevent double-spending of a single bitcoin.  To prevent the possibility of double-spending a single bitcoin, each validated transaction is recorded, time stamped and publicly displayed in a "block" in the Blockchain, which is publicly available.  Any user may validate, through their Bitcoin wallet or a blockchain explorer, that each transaction in the Bitcoin network was authorized by the holder of the applicable private key, and Bitcoin network mining software consistent with reference software requirements typically validates each such transaction before including it in the Blockchain.

<u>Bitcoin Mining – Creation of New Bitcoins</u>

According to the Registration Statement, the process by which bitcoins are created and bitcoin transactions are verified is called mining.  To begin mining, a user, or "miner," can download and run a mining client, which, like regular Bitcoin network software, turns the user's computer into a "node" on the Bitcoin network that validates blocks.  Each time transactions are validated and bundled into new blocks added to the Blockchain, the Bitcoin network awards the miner solving such blocks with newly issued bitcoin and any transaction fees paid by bitcoin transaction senders.  This reward system is the method by which new bitcoins enter into circulation to the public.

<u>Mathematically Controlled Supply</u>

According to the Registration Statement, the method for creating new bitcoin is mathematically controlled in a manner so that the supply of bitcoin grows at a limited rate pursuant to a pre-set schedule.  The number of bitcoin awarded for solving a new block is

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automatically halved every 210,000 blocks.  Thus, the current fixed reward for solving a new block is 6.25 bitcoin per block; the reward decreased from twenty-five (25) bitcoin in July 2016 and 12.5 in May 2020.  It is estimated to halve again at the start of 2024.  This deliberately controlled rate of bitcoin creation means that the number of bitcoin in existence will never exceed twenty-one (21) million and that bitcoin cannot be devalued through excessive production unless the Bitcoin network's source code (and the underlying protocol for bitcoin issuance) is altered.  As of January 1, 2021, approximately 18,587,000 bitcoin have been mined.  It is estimated that more than ninety (90) percent of the twenty-one (21) million bitcoin will have been produced by 2022.

<u>Bitcoin Value</u>

According to the Registration Statement, the value of Bitcoin is determined by the value that various market participants place on Bitcoin through their transactions.  The most common means of determining the value of a Bitcoin is by surveying one or more Bitcoin Exchanges where Bitcoin is traded publicly and transparently (e.g., Bitstamp, Coinbase, Kraken, itBit, and Gemini).  Additionally, in parallel to the open bitcoin exchanges, informal "over-the-counter" or "OTC markets" for bitcoin trading also exist as a result of the peer-to-peer nature of the Bitcoin Network, which allows direct transactions between any seller and buyer.

On each exchange, bitcoin is traded with publicly disclosed valuations for each executed trade, measured by one or more fiat currencies such as the U.S. dollar or Euro.  OTC markets do not typically disclose their trade data.

Currently, there are many exchanges operating worldwide, and each such exchange represents a substantial percentage of bitcoin buying and selling activity.  These exchanges provide the most data with respect to prevailing valuations of bitcoins.  The below table reflects

the trading volume (in thousands of USD) of each of the bitcoin exchanges included in the Index as of January 1, 2021 using data reported by the Index Provider from January 1, 2020 to January 1, 2021:

| Bitcoin Exchanges in the Index as of January 1, 2021 | Total Volume (in thousands of USD) |
|---|---|
| Bitstamp | $33,291,537 |
| Coinbase | 63,462,664 |
| Gemini | 8,317,528 |
| itBit | 2,775,916 |
| Kraken | 25,445,906 |
| | $133,293,551 |

Bitcoin futures contracts are traded on the Chicago Mercantile Exchange (the "CME") and other exchanges. However, the Trust will not hold or trade in commodity futures contracts or other derivative contracts regulated by the Commodities Exchange Act,[8] as administered by the Commodity Futures Trading Commission (the "CFTC").

The Index

As described in the Registration Statement, the Fund will use the Index to calculate the Trust's NAV. The Index is not affiliated with the Sponsor and was created and is administered by CF Benchmarks Ltd. (the "Benchmark Administrator"), an independent entity, to facilitate financial products based on bitcoin. The Index is designed based on the IOSCO Principals for Financial Benchmarks and serves as a once-a-day benchmark rate of the U.S. dollar price of

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[8]     7 U.S.C. 1.

bitcoin (USD/BTC), calculated as of 4 p.m. Eastern time. The Index is based on materially the

same methodology (except calculation time)[9] as the Benchmark Administrator's CME CF

Bitcoin Reference Rate (the "BRR"), which was first introduced on November 14, 2016 and is

the rate on which bitcoin futures contracts are cash-settled in U.S. dollars at the CME. The Index

aggregates the trade flow of several bitcoin exchanges, during an observation window between

3:00 p.m. and 4:00 p.m. Eastern time into the U.S. dollar price of one bitcoin at 4:00 p.m.

Eastern time. The current constituent bitcoin exchanges of the Index are Bitstamp, Coinbase,

Gemini, itBit and Kraken (the "Constituent Bitcoin Exchanges").

The Index is calculated based on the "Relevant Transactions"[10] of all of its Constituent

Bitcoin Exchanges, as follows:

- All Relevant Transactions are added to a joint list, recording the time of
  execution, trade price and size for each transaction.

- The list is partitioned by timestamp into 12 equally-sized time intervals of 5
  (five) minute length.

- For each partition separately, the volume-weighted median trade price is
  calculated from the trade prices and sizes of all Relevant Transactions, i.e.,
  across all Constituent Bitcoin Exchanges. A volume-weighted median differs

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9     The Index is calculated as of 4 p.m. Eastern Time, whereas the BRR is calculated as of 4
      p.m. London Time.

10    A "Relevant Transaction" is any cryptocurrency versus U.S. dollar spot trade that occurs
      during the observation window between 3:00 p.m. and 4:00 p.m. Eastern time on a
      Constituent Bitcoin Exchange in the BTC/USD pair that is reported and disseminated by
      a Constituent Bitcoin Exchange through its publicly available API and observed by the
      Benchmark Administrator, CF Benchmarks Ltd.

from a standard median in that a weighting factor, in this case trade size, is factored into the calculation.

- The Index is then determined by the arithmetic mean of the volume-weighted medians of all partitions.

By employing the foregoing steps, the Index thereby seeks to ensure that transactions in bitcoin conducted at outlying prices do not have an undue effect on the value of a specific partition, large trades or clusters of trades transacted over a short period of time will not have an undue influence on the index level, and the effect of large trades at prices that deviate from the prevailing price are mitigated from having an undue influence on the benchmark level.  In addition, the Sponsor notes that an oversight function is implemented by the Benchmark Administrator in seeking to ensure that the Index is administered through codified policies for Index integrity.

According to the Registration Statement, the Index provides an accurate reference to the average spot price of Bitcoin and the methodology employed in constructing the Index, specifically its use of medians in filtering out small trades, makes the Index more resistant to manipulation than other measurements that employ different methodologies.  In addition, the Index included over $133,293,551,000 billion in bitcoin trades (approximately 16,304,168 bitcoins) during the one-year period ended December 31, 2020.  Finally, an oversight committee is responsible for regularly reviewing and overseeing the methodology, practice, standards and scope of the Index to ensure that it continues to accurately track the spot prices of Bitcoin.

Calculation of Net Asset Value

The Trust's net asset value ("NAV") is calculated by taking the current market value of its total assets, less any liabilities of the Trust, and dividing that total by the total number of

outstanding Shares. The bitcoin held by the Trust will be valued based on the price set by the Index. The Administrator will calculate the NAV of the Trust once each Exchange trading day. The Exchange's Core Trading Session closes at 4:00 p.m. EST. The NAV for a normal trading day will be released after the end of the Core Trading Session. However, NAVs are not officially struck until later in the day (often by 5:30 p.m. EST and almost always by 8:00 p.m. EST). The pause between 4:00 p.m. EST and 5:30 p.m. EST provides an opportunity to algorithmically detect, flag, investigate, and correct unusual pricing should it occur. The NAV for the Trust's Shares will be disseminated daily to all market participants at the same time. The Sponsor anticipates that the Index will be reflective of a reasonable valuation of the average spot price of bitcoin. However, in the event the Index is not available or determined by the Sponsor to not be reliable, the Sponsor would "fair value" the Trust's bitcoin holdings. The Sponsor does not anticipate that the need to "fair value" bitcoin will be a common occurrence. The Sponsor will publish the NAV and NAV per Share at www.valkyriefunds.io as soon as practicable after their determination and availability.

Intraday Indicative Value

In order to provide updated information relating to the Trust for use by Shareholders and market professionals, the Trust will disseminate an updated intraday indicative value ("IIV") per Share updated every 15 seconds by one of more major market data vendors during the Exchange's Core Trading Session.[11] The IIV will be calculated by a third-party financial data provider during the Exchange's Core Trading Session. The IIV will be calculated by using the

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[11]      Several major market data vendors display and/or make widely available IIVs taken from the Consolidated Tape Association ("CTA") or other data feeds. In addition, the indicative fund value will be available through on-line information services such as Bloomberg and Reuters.

prior day's closing NAV per Share of the Trust as a base and updating that value throughout the trading day to reflect changes in the most recently reported price level of the CME CF Bitcoin Real-Time Index ("BRTI"), as reported by CME Group, Inc., Bloomberg, L.P. or another reporting service. The BRTI is calculated in real time based on the Relevant Order Books of all Constituent Bitcoin Exchanges. A "Relevant Order Book" is the universe of the currently unmatched limit orders to buy or sell in the BTC/USD pair that is reported and disseminated by CF Benchmarks Ltd., as the BRTI calculation agent.

Creation and Redemption of Shares

According to the Registration Statement, the Trust will issue Shares on an ongoing basis, but only in one or more Baskets. The creation and redemption of a Basket requires the delivery to the Trust, or the distribution by the Trust, of the number of whole and fractional bitcoins represented by each Basket being created or redeemed, the number of which is determined by dividing the number of bitcoins owned by the Trust at 4:00 p.m., New York time, on the trade date of a creation or redemption order, as adjusted for the number of whole and fractional bitcoins constituting accrued but unpaid fees and expenses of the Trust, by the number of Shares outstanding at such time (the quotient so obtained calculated to one-hundred-millionth of one bitcoin), and multiplying such quotient by 50,000 (the "Basket Bitcoin Amount"). The Basket Bitcoin Amount multiplied by the number of Baskets being created or redeemed is the "Total Basket Bitcoin Amount."

According to the Registration Statement, Authorized Participants are the only persons that may place orders to crate or redeem Baskets. Each Authorized Participant must (i) be a registered broker-dealer, (ii) enter into a Participant Agreement with the Sponsor, the Administrator, the Marketing Agent and the Liquidity Providers and (iii) in the case of the

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creation or redemption of Baskets that do not use the Conversion Procedures, own a bitcoin

wallet address that is recognized by the Custodian as belonging to the Authorized Participant (an

"Authorized Participant Self-Administered Account").  Authorized Participants may act for their

own accounts or as agents for broker-dealers, custodians and other securities market participants

that wish to create or redeem Baskets.  Shareholders who are not Authorized Participants will

only be able to redeem their Shares through an Authorized Participant.

Although the Trust will create Baskets only upon the receipt of bitcoins, and will redeem

Baskets only by distributing bitcoins, an Authorized Participant may deposit cash with the

Administrator, which will facilitate the purchase or sale of bitcoins through a Liquidity Provider

on behalf of an Authorized Participant (the "Conversion Procedures").  Liquidity Providers must

(i) enter into a Participant Agreement with the Sponsor, the Administrator, the Marketing Agent

and each Authorized Participant and (ii) own a Liquidity Provider Account.

The Conversion Procedures will be facilitated by a single Liquidity Provider.  On an

order-by-order basis, the Sponsor will select the Liquidity Provider that it believes will provide

the best execution of the Conversion Procedures, and will base its decision on factors such as the

Liquidity Provider's creditworthiness, financial stability, the timing and speed of execution,

liquidity and the likelihood of, and capabilities in, execution, clearance and settlement.  In the

event that an order cannot be filled in its entirety by a single Liquidity Provider, additional

Liquidity Provider(s) will be selected by the Sponsor to fill the remaining amount based on the

criteria above.

Creation Procedures

According to the Registration Statement, on any Business Day, an Authorized Participant

may order one or more Creation Baskets from the Trust by placing a creation order with the

Administrator.  Creation orders may be placed either "in-kind" or "in-cash."  Creation orders must be placed no later than 3:59:59 p.m., New York time, for in-kind creations, and 4:59:59 p.m., New York time, for in-cash creations, on each Business Day.  Authorized Participants may only create Baskets and cannot create any Shares in an amount less than a Basket.

### In-Kind Creations

In-kind creations will take place as follows, where "T" is the trade date and each day in the sequence is a Business Day:

#### T

- The Authorized Participant places a creation order with the Administrator.

- The Marketing Agent accepts (or rejects) the creation order, which is communicated to the Authorized Participant by the Administrator.

- The Total Basket Bitcoin Amount is determined as soon as practicable after 4:00 p.m., New York time.

#### T+1

- The Authorized Participant transfers the Total Basket Bitcoin Amount from its Authorized Participant Self-Administered Account to the Custodian.

- Once the Total Basket Bitcoin Amount is received by the Custodian, the Administrator directs the Transfer Agent to credit the Creation Baskets to the Authorized Participant's DTC account.

### In-Cash Creations

Upon receiving instruction from the Administrator that a creation order has been accepted by the Marketing Agent, the Authorized Participant will send 110% of the U.S. Dollar value of the Total Basket Bitcoin Amount, as calculated using the most recently published Bitcoin Index

Price (the "Cash Collateral Amount"). Once the Cash Collateral Amount is received by the Administrator, the Sponsor will notify the Liquidity Provider of the creation order. The Liquidity Provider will then (i) determine the Cash Exchange Rate, which, in the case of a creation order, is the Index spot price at the time at which the Cash Collateral Amount is received by the Administrator, plus the 1% Liquidity Provider Fee, and (ii) provide a firm quote to the Authorized Participant for the Total Basket Bitcoin Amount, determined by using the Cash Exchange Rate. If the Liquidity Provider's quote is greater than the Cash Collateral Amount received, the Authorized Participant will be required to pay the difference on the same day. Under the Conversion Procedures, the Authorized Participant does not pay more than the firm quote provided by the Liquidity Provider. The Liquidity Provider bears the risk of any change in the Total Basket Bitcoin Amount and of any change in the price of bitcoin once the Cash Exchange Rate has been determined. Provided that payment for the Total Basket Bitcoin Amount is received by the Administrator, the Liquidity Provider will deliver the bitcoins to the Custodian on the settlement date on behalf of the Authorized Participant. After the Custodian receives the Total Basket Bitcoin Amount, the Administrator will instruct the Transfer Agent to deliver the Creation Baskets to the Authorized Participant. The Administrator will then send the Liquidity Provider the cash equal to the Cash Exchange Rate times the Total Basket Bitcoin Amount, plus the 1% Liquidity Provider Fee. The Administrator will return any remaining amount of the Cash Collateral Amount to the Authorized Participant.

Redemption Procedures

According to the Registration Statement, the procedures by which an Authorized Participant can redeem one or more Baskets mirror the procedures for the creation of Baskets. On any Business Day, an Authorized Participant may place a redemption order specifying the

number of Redemption Baskets to be redeemed. Redemption orders may be placed either "in-kind" or "in-cash." Redemption orders must be placed no later than 3:59:59 p.m., New York time, for in-kind redemptions, and 4:59:59 p.m., New York time, for in-cash redemption, on each Business Day. Authorized Participants may only redeem Baskets and cannot redeem any Shares in an amount less than a Basket.

### In-Kind Redemptions

In-kind redemptions will take place as follows, where "T" is the trade date and each day in the sequence is a Business Day:

T

- The Authorized Participant places a redemption order with the Administrator.

- The Marketing Agent accepts (or rejects) the redemption order.

- The Total Basket Bitcoin Amount is determined as soon as practicable after 4:00 p.m., New York time.

T+1

- The Authorized Participant delivers to the Transfer Agent Redemption Baskets from its DTC account.

- Once the Redemption Baskets are received by the Transfer Agent, the Custodian transfers the Total Basket Bitcoin Amount to the Authorized Participant and the Transfer Agent cancels the Shares.

### In-Cash Redemptions

To redeem Baskets using the Conversion Procedures, Authorized Participants will send the Administrator a redemption order. The Marketing Agent will accept or reject the redemption

order on that same date. A Liquidity Provider will then (i) determine the Cash Exchange Rate, which, in the case of a redemption order, is the Index spot price minus the 1% Liquidity Provider Fee at the time at which the Administrator notifies the Authorized Participant that an order has been accepted and (ii) provide a firm quote to an Authorized Participant for the Total Basket Bitcoin Amount, determined by using the Cash Exchange Rate. Under the Conversion Procedures, the Authorized Participant does not receive less than the firm quote provided by the Liquidity Provider. The Liquidity Provider bears the risk of any change in the Total Basket Bitcoin Amount and of any change in the price of bitcoin once the Cash Exchange Rate has been determined. The Liquidity Provider will send the Administrator the cash proceeds equal to the Cash Exchange Rate times the Total Basket Bitcoin Amount, minus the 1% Liquidity Provider Fee. Once the Authorized Participant delivers the Redemption Baskets to the Transfer Agent, the Administrator will send the cash proceeds to the Authorized Participant and the Transfer Agent will cancel the Shares. At the instruction of the Administrator, the Custodian will then send the Liquidity Provider the Total Basket Bitcoin Amount.

Potential Manipulation in the Bitcoin Market

In prior orders relating to the listing of products on U.S. exchanges, the Commission Staff expressed its concern that the global market for bitcoin may be subject to potential manipulation.[12] In order for any proposed rule change from an exchange to be approved, the

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[12] See Securities Exchange Act Release Nos. 80206 (Mar. 10, 2017), 82 FR 14076 (Mar. 16, 2017) (SR-BatsBZX-2016-30) (Order Disapproving a Proposed Rule Change, as Modified by Amendments No. 1 and 2, to BZX Rule 14.11(e)(4), Commodity-Based Trust Shares, To List and Trade Shares Issued by the Winklevoss Bitcoin Trust) ("*Winklevoss I*"); and 83723 (July 26, 2018), 83 FR 37579 (August 1, 2018) (SR-BatsBZX-2016-30) (Order Setting Aside Action by Delegated Authority and Disapproving a Proposed Rule Change, as Modified by Amendments No. 1 and 2, To List and Trade Shares of the Winklevoss Bitcoin Trust) ("*Winklevoss II*"); see also Securities Exchange Act Release No. 88284 (February 26, 2020), 85 FR 12595 (March 3,

Commission must determine that, among other things, the proposal is consistent with the requirements of Section 6(b)(5) of the Act. The Exchange believes that this proposal is consistent with the requirements of Section 6(b)(5) of the Act and that the Sponsor's representations below sufficiently demonstrate that the manipulation concerns previously articulated by the Commission are mitigated by investor protection issues.

According to the Sponsor, the bitcoin marketplace has matured rapidly in recent years regarding user growth, market capitalization, volume, market participants, and liquidity shifts. The Sponsor notes that Coinbase alone enables access to cryptocurrency exchange or professional custodial solutions to over 43 million retail users as well as 7000 institutions. The Sponsor further notes that the bitcoin market has seen a dramatic shift from retail-driven growth to institutional involvement. Large, publicly-traded companies such as Tesla and MicroStrategy have purchased bitcoin to hold on corporate balance sheets. The Sponsor additionally notes that, typically, in a thinly traded asset, it would not be feasible to trade in as large of quantities without causing corresponding spikes in price action. According to the Sponsor, asset managers alongside numerous corporations around the world have been able to obtain bitcoin, at times surpassing billion-dollar notional values, without significantly distorting the marketplace. As provided below, the bitcoin ecosystem has matured considerably since the last time the Commission reviewed a proposal for a bitcoin ETF. The Sponsor notes below the advancement of the application of the Index (as described below) over that same period of time, including how

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2020) (SR-NYSEArca-2019-39) (Order Disapproving a Proposed Rule Change, as Modified by Amendment No. 1, To Amend NYSE Arca Rule 8.201–E (Commodity-Based Trust Shares) and To List and Trade Shares of the United States Bitcoin and Treasury Investment Trust Under NYSE Arca Rule 8.201–E).

the Index articulates the potential remedy that it can be to sufficiently mitigate the pricing issues and various risks surrounding market manipulation.

### Price Manipulation and Market Integrity

According to the Sponsor, the bitcoin market has experienced significant maturity as adoption pressure has broadened from both retail and institutional clients on a global perspective. There has been concern over whether cryptocurrency exchanges have mechanisms in place to report and remediate price and overall, ensure market integrity. As the industry has grown exponentially and the number of marketplaces expands, it follows that the quality of several factors of these marketplaces will vary. This notion is amplified for exchanges in some jurisdictions that are unregulated or decentralized. Therefore, the Sponsor believes that there must be sufficiency of data inputs for the calculation of the spot price of bitcoin. In turn the data must be provided under licensing arrangements with each exchange, who in turn meet strict entry criteria. The design choices within the methodology and framework of the Index are sufficiently resistant to market manipulation while providing oversight managed by an independent committee.

According to the Sponsor, the Index is the aggregation of executed trade data for major bitcoin spot exchanges. To be eligible for inclusion in the Index, a Constituent Bitcoin Exchange must facilitate spot trading of bitcoin against the US Dollar and make trade data and order data available through an API with sufficient reliability, relevant data, and appropriate speed. The volume for spot trading must meet a minimum threshold when compared to the total volume of all Constituent Bitcoin Exchanges included in the Index. To be considered, an exchange must also enforce policies to ensure fair and transparent market conditions and have processes in place to impede illegal, or manipulative trading practices. Additionally, to be included as a constituent

in the Index, each Constituent Bitcoin Exchange must comply with applicable law and regulation, including proper AML/KYC procedures. According to the Sponsor, the BRR, which uses an identical methodology as the Index except with respect to is calculation times, is the settlement index for the regulated futures contracts listed by CME Group, Kraken Futures, as well as being the pricing source for various NAV determinations for investment products offered by major financial institutions. According to the Sponsor, the Calculation Agent of the Index further ascertains the presence of fair and transparent market conditions and processes to identify and impede illegal, unfair, or manipulative practices by conducting a thorough review of any spot bitcoin exchange under consideration for inclusion as a Constituent Bitcoin Exchange. According to the Sponsor, the arrangements of all Constituent Bitcoin Exchanges are reviewed regularly to ensure that they continue to meet all criteria.

The Sponsor notes that, currently, the Constituent Bitcoin Exchanges currently included in the Index are Bitstamp, Coinbase, Gemini, itBit and Kraken. The Sponsor further notes that after ascertaining API data from these exchanges, the information is aggregated from actual trade data in a manner designed to resist manipulation. Partitions are utilized to ensure large individual trades have a limited effect on the price of the Index by only influencing the volume-weighted median for a particular partition. Use of volume-weighted medians, as opposed to volume-weighted means, verifies that transactions conducted at outlying prices do not have an excessive effect on the value of a partition. The Index weights each partition equally as well as equal weighting of each exchange that is a part of the Index. In the event of an instance of index calculation in which a Constituent Bitcoin Exchange's volume-weighted median transaction price exhibits an absolute percentage deviation from the volume-weighted median price of other Constituent Bitcoin Exchange transactions greater than the potentially erroneous data parameter

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(10%), then transactions from that Constituent Bitcoin Exchange are deemed potentially erroneous and excluded from the index calculation.

### Index Price Manipulation

According to the Sponsor, to date, there has been no evidence that the Index has been subject to manipulation.  The Sponsor notes that, in order for the Index to be manipulated, one or both of the following must be true: a) the Index provider is manipulating the Index, or b) the prices being fed to the Index provider are being manipulated by their sources.  The Sponsor notes that the CME participates in the oversight committee of the Index, and no evidence has been presented of the provider failing to maintain processes and controls to prevent manipulation by its organization.[13]  If such a manipulation were to occur, it would be quickly detected by the CME, and hundreds of sophisticated market participants, as the Index formula and the data sources are both publicly available.[14]  Finally, according to the Sponsor, the CFTC has been successfully exercising its enforcement authority related to fraud and manipulation on the Constituent Bitcoin Exchanges.[15]  In addition, any platform that is accepted by the CME to become part of the constituent trading platforms that are used to calculate the Index or the CME CF BRR, including the Constituent Platforms, (1) must enter into a data sharing agreement with

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[13]     See CME CF Cryptocurrency Pricing Products Oversight Committee (July 31, 2020), available at: https://docs-cfbenchmarks.s3.amazonaws.com/CME+CF+Oversight+Committee+Charter.pdf.

[14]     See CME CF Cryptocurrency Reference Rates Methodology Guide (July 31, 2020), available at: https://docs-cfbenchmarks.s3.amazonaws.com/CME+CF+Reference+Rates+Methodology.pdf

[15]     See e.g., CFTC Rel. No. 8369-21, "CFTC Orders Coinbase Inc. to Pay $6.5 Million for False, Misleading, or Inaccurate Reporting and Wash Trading" (March 19, 2021); and "Remarks of Commissioner Dawn D. Stump Before Texas A&M's Bitcoin Conference" (April 16, 2021), available at: https://cftc.gov/PressRoom/SpeechesTestimony/opastump7.

the CME, (2) must cooperate with inquiries and investigations of regulators and the Benchmark Administrator and (3) must submit each of its clients to its Know-Your-Customer ("KYC") procedures; therefore, the CME would be able, in the case of any suspicious trades, to discover all material trade information including the identities of the customers placing the trades.

Availability of Information

The website for the Trust (www.valkyriefunds.io) will contain the following information, on a per Share basis, for the Trust: (a) the current NAV per Share daily and the prior business day's NAV and the reported closing price; (b) the Official Closing Price;[16] (c) midpoint of the national best bid and the national best offer ("NBBO") as of the time the NAV is calculated ("Bid-Ask Price"); (d) calculation of the premium or discount of the Official Closing Price against such NAV expressed as a percentage of such NAV; (e) a table showing the number of days the Shares of the Trust traded at a premium or discount during the most recently complete calendar year and the most recently completed calendar quarters since that year; (f) a line graph showing the Shares' premiums or discounts for the most recently completed calendar year and the most recently completed calendar quarters since that year (or the life of the exchange-traded fund, if shorter); (g) the prospectus; and (h) other applicable quantitative information.

The Trust's website will be publicly available prior to the public offering of Shares and accessible at no charge.

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[16]     The term "Official Closing Price" is defined in NYSE Arca Rule 1.1(ll) as the reference price to determine the closing price in a security for purposes of Rule 7- E Equities Trading, and the procedures for determining the Official Closing Price are set forth in that rule.

The Index value is available on the CF Benchmarks website and from major market data vendors. The spot price of bitcoin also is available on a 24-hour basis from major market data vendors.

Trading Halts

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares of the Trust.[17] Trading in Shares of the Trust will be halted if the circuit breaker parameters in NYSE Arca Rule 7.12-E have been reached. Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable.

The Exchange may halt trading during the day in which an interruption to the dissemination of the IIV or the value of the Index occurs. If the interruption to the dissemination of the IIV or the value of the Index persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. Shares will trade on the NYSE Arca Marketplace from 4:00 a.m. to 8:00 p.m. E.T. in accordance with NYSE Arca Rule 7.34-E (Early, Core, and Late Trading Sessions). The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided

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[17]     See NYSE Arca Rule 7.12-E.

in NYSE Arca Rule 7.6-E, the minimum price variation ("MPV") for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is $0.01, with the exception of securities that are priced less than $1.00 for which the MPV for order entry is $0.0001.

The Shares will conform to the initial and continued listing criteria under NYSE Arca Rule 8.201-E. The trading of the Shares will be subject to NYSE Arca Rule 8.201-E(g), which sets forth certain restrictions on Equity Trading Permit ("ETP") Holders acting as registered Market Makers in Commodity-Based Trust Shares to facilitate surveillance. The Exchange represents that, for initial and continued listing, the Trust will be in compliance with Rule 10A-3[18] under the Act, as provided by NYSE Arca Rule 5.3-E. A minimum of 100,000 Shares of the Trust will be outstanding at the commencement of trading on the Exchange.

Surveillance

The Exchange represents that trading in the Shares of the Trust will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances administered by FINRA on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.[19] The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity.

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[18]    17 CFR 240.10A-3.

[19]    FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares and bitcoin futures with other markets and other entities that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares and bitcoin futures from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares and bitcoin futures from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement ("CSSA").[20] The Exchange is also able to obtain information regarding trading in the Shares in connection with ETP Holders' proprietary or customer trades which they effect through ETP Holders on any relevant market.

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

All statements and representations made in this filing regarding (a) the description of the portfolio of the Trust, (b) limitations on portfolio holdings or reference assets, or (c) the applicability of Exchange listing rules specified in this rule filing shall constitute continued listing requirements for listing the Shares on the Exchange.

The issuer has represented to the Exchange that it will advise the Exchange of any failure by the Trust to comply with the continued listing requirements, and, pursuant to its obligations

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[20]    For a list of the current members of ISG, see www.isgportal.org. The Exchange notes that not all components of the Trust may trade on markets that are members of ISG or with which the Exchange has in place a CSSA.

under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If the Trust is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Rule 5.5-E(m).

2.     Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)[21] that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Rule 8.201-E. Investing in the Trust will provide investors with exposure to bitcoin in a manner that is more efficient and convenient than the purchase of stand-alone bitcoin, while also mitigating some of the risk by reducing the volatility typically associated with the purchase of stand-alone bitcoin. The proposed rule change is designed to prevent fraudulent and manipulative acts and practices because, although the global Bitcoin market is not inherently resistant to fraud and manipulation, the Index used by the Trust to determine the value of its bitcoin assets and its NAV, serves as a benchmark mechanism sufficient to mitigate the impact of instances of fraud and manipulation on a reference price for Bitcoin. As discussed above, while bitcoin is listed and traded on a number of markets and platforms, the Index exclusively utilizes its Constituent Bitcoin Exchanges to determine the value of the Index. Therefore, use of the Index would mitigate the

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21      15 U.S.C. 78f(b)(5).

effects of potential manipulation of the bitcoin market.  Bitcoin trades in a well-arbitraged and distributed market.  The linkage between the bitcoin markets and the presence of arbitrageurs in those markets means that the manipulation of the price of bitcoin on any Constituent Platform would likely require overcoming the liquidity supply of such arbitrageurs who are potentially eliminating any cross-market pricing differences.

In addition, the Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws.  The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares with other markets that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares and bitcoin futures with other markets and other entities that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares and bitcoin futures from such markets and other entities.  In addition, the Exchange may obtain information regarding trading in the Shares from markets that are members of ISG or with which the Exchange has in place a CSSA.  Also, pursuant to NYSE Arca Rule 8.201-E(g), the Exchange is able to obtain information regarding trading in the Shares and the underlying bitcoin or any bitcoin derivative through ETP Holders acting as registered Market Makers, in connection with such ETP Holders' proprietary or customer trades through ETP Holders which they effect on any relevant market.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that there is a considerable amount of bitcoin price and market information available on public websites and through professional and

subscription services. Investors may obtain, on a 24-hour basis, bitcoin pricing information based on the spot price for bitcoin from various financial information service providers. The closing price and settlement prices of bitcoin are readily available from the Bitcoin exchanges and other publicly available websites. In addition, such prices are published in public sources, or on-line information services such as Bloomberg. The Trust will provide website disclosure of its bitcoin holdings daily. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the CTA. The IIV will be widely disseminated on a per Share basis every 15 seconds during the NYSE Arca Core Trading Session (normally 9:30 a.m., E.T., to 4:00 p.m., E.T.) by one or more major market data vendors. In addition, the IIV will be available through on-line information services. The Exchange represents that the Exchange may halt trading during the day in which an interruption to the dissemination of the IIV or the Index value occurs. If the interruption to the dissemination of the IIV or the Index value persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an additional type of exchange-traded product that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in place surveillance procedures relating to trading in the Shares and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a CSSA. In addition, as noted above, investors will have ready access to

information regarding the Trust's bitcoin holdings, the IIV, and quotation and last sale information for the Shares.

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 purpose of the Act. The Exchange notes that the proposed rule change will facilitate the listing and trading of an exchange-traded product based on the price of bitcoin, which will enhance competition among market participants, to the benefit of investors and the marketplace.

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 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 self-regulatory organization consents, the Commission will:

(A)     by order approve or disapprove the 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 (http://www.sec.gov/rules/sro.shtml); or

- Send an email to rule-comments@sec.gov.  Please include File Number SR-NYSEArca-2021-31 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-NYSEArca-2021-31.  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 (http://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 10:00 a.m. and 3:00 p.m.  Copies of the filing also will be available for inspection and copying at the principal office of the Exchange.  All comments received will be posted without change.

Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions.  You should submit only information that you wish to make available publicly.  All submissions should refer to File Number SR-NYSEArca-2021-31 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[22]

J. Matthew DeLesDernier
Assistant Secretary

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[22]     17 CFR 200.30-3(a)(12).