

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103904; File No. SR-NYSEARCA-2025-24]

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change to List and Trade Units of the Sprott Physical Copper Trust

September 8, 2025.

On June 10, 2025, NYSE Arca, Inc. (“NYSE Arca” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to list and trade units (“Units”) of the Sprott Physical Copper Trust (“Trust”) under NYSE Arca Rule 8.201-E (Commodity-Based Trust Shares). The proposed rule change was published for comment in the Federal Register on June 26, 2025.³

On August 5, 2025, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ The Commission is publishing this order to solicit comments on the proposed rule change from

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 103296 (June 23, 2025), 90 FR 27362 (“Notice”). Comments on the proposed rule change are available at: <https://www.sec.gov/comments/sr-nysearca-2025-24/srnysearca202524.htm>.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 103634, 90 FR 38528 (Aug. 8, 2025). The Commission designated September 24, 2025 as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

interested persons and to institute proceedings pursuant to Section 19(b)(2)(B) of the Act⁶ to determine whether to approve or disapprove the proposed rule change.

I. Summary of the Exchange's Proposal

As described in more detail in the Notice,⁷ the Exchange proposes to list and trade Units⁸ of the Trust under NYSE Arca Rule 8.201-E,⁹ which governs the listing and trading of Commodity-Based Trust Shares on the Exchange.¹⁰ Sprott Asset Management LP ("Manager") is the manager of the Trust.¹¹ WMC Energy B.V. ("WMC") serves as technical advisor to the

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ Additional information regarding the Trust, Units, Copper industry, supply and demand, and markets, redemption and termination events, net asset value, intraday indicative value, availability of information pertaining to Copper, trading rules and halts, surveillance, and information bulletin, among other things, can be found in the Notice and Registration Statement (as defined herein). See Notice, supra note 3 and accompanying text; infra note 9.

⁸ According to the Exchange, Units of the Trust currently trade on the Toronto Stock Exchange under the symbol "COP.U" in U.S. dollars and "COP.UN" in Canadian dollars. The Exchange represents that the Units satisfy the requirements of NYSE Arca Rule 8.201-E and thereby qualify for listing on the Exchange.

⁹ The Trust will file with the Commission a registration statement on Form 40-F to register the Units ("Registration Statement") under Section 12 of the Securities Exchange Act of 1934, and will file with the Commission as part of such Registration Statement all information material to an investment decision that the Trust, since the beginning of its last full fiscal year: (i) made or was required to make public pursuant to the law of any Canadian jurisdiction, (ii) filed or was required to file with a stock exchange on which its securities are traded and which was made public by such exchange, or (iii) distributed or was required to distribute to its securityholders. The Registration Statement is not yet effective, and the Units will not trade on the Exchange until such time that the Registration Statement is effective.

¹⁰ The term "Commodity-Based Trust Shares" means a security (a) that is issued by a trust that holds a specified commodity deposited with the trust; (b) that is issued by such trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such trust which will deliver to the redeeming holder the quantity of the underlying commodity. See NYSE Arca Rule 8.201-E(c)(1).

¹¹ The Manager is a limited partnership formed and organized under the laws of the Province of Ontario, Canada, and acts as manager of the Trust pursuant to the Trust Agreement (as defined herein) and the management agreement. The Manager is responsible for the day-to-day activities and administration of the Trust. The Manager manages and directs the business and affairs of the Trust. Additional details regarding the Manager are set forth in the Registration Statement. The Manager has adopted a policy pursuant to which any entity or account that is: (a) managed; or (b) for whom investment decisions are made, directly or indirectly, by a person that is involved in the decision-making process of, or has non-public information about, follow-on offerings of the Trust is prohibited from investing in the Trust, and no such decision-making person is permitted to invest in the Trust for that decision-making person's benefit, directly or indirectly. The Manager has a fiduciary responsibility under applicable Canadian law to act in the best interest of the Trust.

Manager and advises and assists with respect to the holding, buying, and selling of physical copper.¹² RBC Investor Services Trust (“RBC”) is the trustee and valuation agent of the Trust (“Trustee” or “Valuation Agent,” as the case may be)¹³ and the custodian of the Trust’s assets, including cash, if any.¹⁴ TSX Trust Company is the transfer agent and registrar of the Trust.

Description of the Trust

The investment objective of the Trust¹⁵ is to invest and hold substantially all of its assets in physical copper metal in either Grade 1 Cathode¹⁶ form or Grade A Cathode¹⁷ form that is fully allocated or stored at a Facility (“Copper”) and cash. The Trust intends to achieve its

¹² WMC is an independent physical commodity merchant and industrial asset development company established to provide physical supply chain solutions to the nuclear and energy transition metals industries, and sources, stores, finances and delivers physical commodities worldwide.

¹³ RBC is a trust company existing under the laws of Canada. RBC is affiliated with a broker-dealer. RBC has represented to the Exchange that it has put in place and will maintain the appropriate information barriers and controls between itself and the broker-dealer affiliate so that the broker-dealer affiliate will not have access to information concerning the composition and/or changes to the Trust’s holdings that are not available on the Trust’s website. The Trustee holds title to the Trust’s assets on behalf of the unitholders of the Trust (“Unitholders”) and has exclusive authority over the assets and affairs of the Trust but has delegated the day-to-day activities and administration of the affairs of the Trust to the Manager. The Trustee has a fiduciary responsibility to act in the best interest of the Unitholders. Additional details regarding the Trustee are set forth in the Registration Statement.

¹⁴ According to the Exchange, the Trustee is responsible for the safekeeping of all the assets of the Trust delivered to it and acts as the custodian of such assets. The Trustee is not responsible for the safekeeping of the Trust’s physical copper. The Manager, with the consent of the Trustee, has the authority to change the custodial arrangement, including, but not limited to, the appointment of a replacement custodian and/or additional custodians. Additional details regarding the Trustee and the custodial arrangements of the Trust are set forth in the Registration Statement.

¹⁵ According to the Exchange, the Trust was established as of April 12, 2024 under the laws of the Province of Ontario, Canada, and its provisions and features are set out in an amended and restated trust agreement dated as of May 10, 2024 (“Trust Agreement”). The Trust has obtained exemptive relief from the Canadian securities regulatory authorities for relief from certain requirements of National Instrument 81-102—*Investment Funds*, legislation which governs mutual funds and non-redeemable investment funds in each of the provinces and territories of Canada (“Exemptive Relief”), to permit the Trust to, among other things, appoint the Facilities (as defined in the Registration Statement) as custodians of the Trust’s Copper. Pursuant to the Exemptive Relief granted to the Trust, the Trust is not subject to certain of the policies and regulations of the Canadian Securities Administrators that apply to other non-redeemable investment funds.

¹⁶ The term “Grade 1 Cathode” means a physical copper metal cathode that, at the time of purchase by the Trust, satisfies the CME standards for classification as a Grade 1 electrolytic copper cathode.

¹⁷ The term “Grade A Cathode” means a physical copper metal cathode that, at the time of purchase by the Trust, satisfies the LME standards for classification as Grade A copper.

objective by investing primarily in long-term holdings of unencumbered Copper and will not speculate with regard to short-term changes in Copper prices. The Trust will not hold any assets other than Copper and cash and does not anticipate making regular cash distributions to Unitholders. In addition, the Trust will not invest in futures, options, warrants, options on futures, swap contracts, or warehouse receipts. According to the Exchange, the Trust will not hold or trade in commodity futures contracts, “commodity interests,” or any other instruments regulated by the Commodity Exchange Act.

The Trust will issue Units, each of which represents an equal, fractional undivided ownership interest in the net assets of the Trust attributable to the particular class of Units. Except with respect to cash held by the Trust to pay expenses and anticipated redemptions, the Trust expects to own only Copper. The investment objective of the Trust is for the Units to reflect the performance of the price of Copper, less the expenses of the Trust’s operations.

According to the Exchange, the Trust will store its Copper with Warehouse Providers (as defined in the Registration Statement) at Facilities that are reputable and exclusively in warehouses that are approved by the Chicago Mercantile Exchange (“CME”) or the London Metal Exchange (“LME”), which is the main global market standard for physical metal warehousing services that is accepted by market participants and financiers. The Trust will only store Copper with such Facilities at locations in Belgium, Canada, Germany, Italy, Malaysia, the Netherlands, Singapore, South Korea, Spain, Sweden, the United Arab Emirates and the United States. In addition, the Manager will maintain market standard insurance for the physical Copper stored with Warehouse Providers. Finally, the Facilities to be used by the Trust are owned or contracted by the Warehouse Providers, which are well-regarded multi-national providers of global storage for physical metals.

Description of the Units

According to the Exchange, the Trust is authorized to issue an unlimited number of Units in one or more classes and series of a class. Currently, the Trust has issued only one class or series of Units.¹⁸ All Units of the same class or series of a class will have equal rights and privileges with respect to all matters, including voting, receipt of distributions from the Trust, liquidation and other events in connection with the Trust. Units and fractions thereof are issued only as fully paid and non-assessable. Units will have no preference, conversion, exchange, or pre-emptive rights. In addition, subject to limitations and requirements determined from time to time by the Manager, each unit of a particular class or series of a class of the Trust may be redesignated by the Manager as a unit of another class or series of the Trust.

As noted above, each Unit represents an equal, fractional, undivided ownership interest in the net assets of the Trust attributable to the particular class of Units. The Trust may issue additional Units (i) in future offerings if the gross proceeds received by the Trust per Unit are not less than 100% of the most recently calculated NAV; (ii) by way of distribution in Units in connection with an income distribution; or (iii) with the approval of Unitholders by extraordinary resolution.

Net Asset Value

The NAV for each class of Units will be calculated by the Valuation Agent as of 4:00 p.m. Eastern time, on each Business Day. The Trust will report a daily NAV, based on the value of the Copper assets held by the Trust. According to the Registration Statement, the fair market

¹⁸ According to the Trust's website, as of March 11, 2025, the total net asset value ("NAV") of the Trust and the NAV per unit of the Trust were US\$99.2 and US\$8.99, respectively, and there were a total of 11,034,857 Units issued and outstanding.

value of the Copper held by the Trust will be based on reported spot prices from Fastmarkets, a globally recognized price reporter.¹⁹

The NAV as of the valuation time on each Business Day will be the amount obtained by deducting from the aggregate fair market value of the assets of the Trust as of such date an amount equal to the value of the liabilities of the Trust (excluding all liabilities represented by outstanding Units, if any) as of such date. The Valuation Agent calculates the NAV per Unit by dividing the value of the net assets of the class of the Trust represented by the Units on such day by the total number of Units of that class then outstanding on such day.

Prior to commencement of trading in the Units, the Exchange will obtain a representation from the Trust that the NAV per Unit will be calculated daily and will be made available to all market participants at the same time.

II. Proceedings to Determine Whether to Approve or Disapprove SR-NYSEARCA-2025-24 and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Act²⁰ to determine whether the proposed rule change should be approved or disapproved. Institution of such proceedings is appropriate at this time in view of the legal and policy issues raised by the proposal. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, as described below, the

¹⁹ According to the Exchange, the Trust is a mutual fund under applicable Canadian securities legislation and must calculate its NAV pursuant to Part 14 of National Instrument 81-106—Investment Fund Continuous Disclosure (“NI 81-106”), a rule applicable to Canadian mutual funds and administered by Canadian securities regulatory authorities. Pursuant to Subsection 14.2(1) of NI 81-106, the Trust must subtract the “fair value” of its liabilities from the fair value of its assets when calculating its NAV. Subsection 14.2(1.2) of NI 81-106 defines fair value as (a) the market value based on reported prices and quotations in an active market; or (b) if the market value is not available, or the Manager believes that it is unreliable, a value that is fair and reasonable in all the relevant circumstances, and requires the Manager to establish and maintain appropriate written policies and procedures for determining fair value of the Trust’s assets and liabilities and to consistently follow those policies and procedures.

²⁰ 15 U.S.C. 78s(b)(2)(B).

Commission seeks and encourages interested persons to provide comments on the proposed rule change.

Pursuant to Section 19(b)(2)(B) of the Act,²¹ the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of the proposal's consistency with Section 6(b)(5) of the Act, which requires, among other things, that the rules of a national securities exchange be "designed to prevent fraudulent and manipulative acts and practices" and "to protect investors and the public interest."²²

The Commission asks that commenters address the sufficiency of the Exchange's statements in support of the proposal, which are set forth in the Notice,²³ in addition to any other comments they may wish to submit about the proposed rule change. In particular, the Commission seeks comment on whether the proposal is consistent with Section 6(b)(5) of the Act,²⁴ and specifically, whether the proposed rule change is designed to prevent fraudulent and manipulative acts and practices.

III. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written views of interested persons concerning whether the proposed rule change is consistent with Section 6(b)(5) or any other provision of the Act, and the rules and regulations thereunder.

²¹ Id.

²² 15 U.S.C. 78f(b)(5).

²³ See Notice, supra note 3.

²⁴ 15 U.S.C. 78f(b)(5).

Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b-4, any request for an opportunity to make an oral presentation.²⁵

Interested persons are invited to submit written data, views, and arguments regarding whether the proposed rule change should be approved or disapproved by [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by [INSERT DATE 35 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>);
or
- Send an email to rule-comments@sec.gov. Please include file number SR-NYSEARCA-2025-24 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-2025-24. 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

²⁵ Section 19(b)(2) of the Act, as amended by the Securities Acts Amendments of 1975, Pub. L. 94-29 (June 4, 1975), grants the Commission flexibility to determine what type of proceeding – either oral or notice and opportunity for written comments – is appropriate for consideration of a particular proposal by a self-regulatory organization. *See* Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

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-NYSEARCA-2025-24 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Rebuttal comments should be submitted by [INSERT DATE 35 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁶

Sherry R. Haywood,

Assistant Secretary.

²⁶ 17 CFR 200.30-3(a)(57).