

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-104650; File No. SR-Phlx-2026-02]**

### **Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Remove Restrictions on Certain Crypto Assets**

January 21, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on January 7, 2026, Nasdaq PHLX LLC (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend FLEX Options Trading Rules, Position Limit Rules and Exercise Limit Rules in connection with the following options overlying Exchange-Traded Fund Shares: iShares Bitcoin Trust ETF, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust BTC, the Bitwise Bitcoin ETF, Fidelity Wise Origin Bitcoin Fund, the ARK21Shares Bitcoin ETF, the VanEck Bitcoin ETF, the iShares Ethereum Trust ETF, the Fidelity Ethereum Fund, the Bitwise Ethereum ETF, the Grayscale Ethereum Trust, and the Grayscale Ethereum Mini Trust.

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

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

<sup>2</sup> 17 CFR 240.19b-4.

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 Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend Options 3A, Section 3, FLEX Option Listings; Options 3A, Section 18, Position Limits; Options 9, Section 13, Position Limits; and Options 8, Section 34, FLEX Trading in connection with the following options overlying Exchange-Traded Fund Shares: iShares Bitcoin Trust ETF, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust BTC, the Bitwise Bitcoin ETF, Fidelity Wise Origin Bitcoin Fund, the ARK21Shares Bitcoin ETF, the VanEck Bitcoin ETF, the iShares Ethereum Trust ETF, the Fidelity Ethereum Fund, the Bitwise Ethereum ETF, the Grayscale Ethereum Trust, and the Grayscale Ethereum Mini Trust (collectively “the Crypto Assets”). Each change will be described below.

**Background**

On September 20, 2024, Nasdaq ISE, LLC (“ISE”)<sup>3</sup> received approval to list options on the iShares Bitcoin Trust ETF.<sup>4</sup> On November 21, 2024, ISE filed to allow the Exchange to list

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<sup>3</sup> Phlx Options 4 Rules are incorporated by reference to ISE Options 4 Rules.

<sup>4</sup> See Securities Exchange Act Release No. 101128 (September 20, 2024), 89 FR 78942 (September 26, 2024) (SR-ISE-2024-03) (Notice of Filing of Amendment Nos. 4 and 5 and Order Granting Accelerated

and trade options the Fidelity Wise Origin Bitcoin Fund; ARK21Shares Bitcoin ETF; Grayscale Bitcoin Trust; Grayscale Bitcoin Mini Trust BTC; and Bitwise Bitcoin ETF.<sup>5</sup> On August 7, 2025, ISE filed to allow the Exchange to list and trade options on the Van Eck Bitcoin ETF.<sup>6</sup> On April 9, 2025, ISE received approval to list options on the iShares Ethereum Trust ETF.<sup>7</sup> On April 9, 2025, ISE filed to list and trade options on the Fidelity Ethereum Fund, the Bitwise Ethereum ETF, the Grayscale Ethereum Trust, and the Grayscale Ethereum Mini Trust.<sup>8</sup> These aforementioned approvals and notices permitted ISE to trade the Crypto Assets subject to a 25,000 contract position and exercise limit and a restriction on the trading of FLEX Options. As a result of these rule filings, Phlx made corresponding changes to its position limit rules at Options 9, Section 13.<sup>9</sup>

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Approval of a Proposed Rule Change, as Modified by Amendment Nos. 1, 4, and 5, To Permit the Listing and Trading of Options on the iShares Bitcoin Trust).

<sup>5</sup> See Securities Exchange Act Release No. 101744 (November 25, 2024), 89 FR 95309 (December 2, 2024) (SR-ISE-2024-54) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To List and Trade Various Bitcoin Options).

<sup>6</sup> See Securities Exchange Act Release No. 103684 (August 12, 2025), 90 FR 39445 (August 15, 2025) (SR-ISE-2025-23) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To List and Trade Options on the VanEck Bitcoin ETF).

<sup>7</sup> See Securities Exchange Act Release No. 102798 (April 9, 2025), 90 FR 15757 (April 15, 2025) (SR-ISE-2024-35) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Permit the Listing and Trading of Options on the iShares Ethereum Trust).

<sup>8</sup> See Securities Exchange Act Release No. 102823 (April 11, 2025), 90 FR 16388 (April 17, 2025) (SR-ISE-2025-11) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Rules To Allow the Exchange To List Options on the Fidelity Ethereum Fund, the Bitwise Ethereum ETF, the Grayscale Ethereum Trust, and the Grayscale Ethereum Mini Trust).

<sup>9</sup> See Securities Exchange Act Release Nos. 101613 (November 13, 2024), 89 FR 91470 (November 19, 2024) (SR-Phlx-2024-53) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Options 9, Section 13, Position Limits, and Options 8, Section 34, FLEX Trading, Regarding Options on the iShares Bitcoin Trust ETF); and 101734 (November 25, 2024), 89 FR 95253 (December 2, 2024) (SR-Phlx-2024-64) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Options 9, Section 13, Position Limits, and Options 8, Section 34, FLEX Trading, Regarding Options on the Fidelity Wise Origin Bitcoin Fund, the ARK21Shares Bitcoin ETF, the Grayscale Bitcoin Trust (BTC), the Grayscale Bitcoin Mini Trust BTC, and the Bitwise Bitcoin ETF); and 102825 (April 11, 2025), 90 FR 16418 (April 17, 2025) (SR-Phlx-2025-18) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Rules To Allow the Exchange To List Options on the iShares Ethereum Trust, the Fidelity Ethereum Fund, the Bitwise Ethereum ETF, the Grayscale Ethereum Trust, and the Grayscale Ethereum Mini Trust); and 103691 (August 12, 2025), 90 FR 39459 (August 15, 2025)

On July 29, 2025, ISE received approval to amend the position and exercise limits for options on the iShares Bitcoin Trust ETF to eliminate the 25,000 contract position and exercise limits and apply the position and exercise limits in ISE Options 9, Sections 13 and 15 to IBIT options.<sup>10</sup> On August 1, 2025, ISE filed to eliminate the 25,000 contract position and exercise limit for options on the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust BTC, the Bitwise Bitcoin ETF.<sup>11</sup> As a result of these rule filings, Phlx made corresponding changes to its position limit rules at Options 9, Section 13.<sup>12</sup> Thereafter, on July 29, 2025, ISE received approval to permit the trading of FLEX equity options on shares of the iShares Bitcoin Trust ETF to trade as cash-settled and physically settled FLEX equity options subject to the position limits set forth in Options 9, Section 13, and subject to the exercise limits set forth in Options 9, Section 15 and those position limits are to be aggregated with positions on the same non-FLEX underlying ETF for the purpose of calculating the position limits set forth in Options 9, Section 13, and the exercise limits set forth in Options 9, Section 15.<sup>13</sup> On August 1, 2025, ISE filed to permit the trading of FLEX equity options on shares of the Grayscale Bitcoin Trust, the

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(SR-Phlx-2025-36) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Position Limits and FLEX Trading for Options on the VanEck Bitcoin ETF). The Exchange notes that the exercise limit for an equity option is the same as the position limit established in Options 9, Section 13 for that equity options. See Options 9, Section 15.

<sup>10</sup> See Securities Exchange Act Release No. 103564 (July 29, 2025), 90 FR 36229 (August 1, 2024) (SR-ISE-2024-62) (Order Approving a Proposed Rule Change, as Modified by Amendment Nos. 2 and 3, Regarding Position and Exercise Limits for Options on the iShares Bitcoin Trust ETF).

<sup>11</sup> See Securities Exchange Act Release No. 103643 (August 5, 2025), 90 FR 38529 \*August 8, 2025) (SR-ISE-2025-22) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend FLEX, Position and Exercise Limit Rules for the Grayscale Bitcoin Mini Trust ETF, the Bitwise Bitcoin ETF, and the Grayscale Bitcoin Trust ETF).

<sup>12</sup> See Securities Exchange Act Release No. 103678 (August 11, 2025), 90 FR 39223 (August 14, 2025) (SR-Phlx-2025-34) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Options 9, Section 13 (Position Limits) and Options 8, Section 34 (FLEX Index, Equity and Currency Options) Regarding Options on Certain Exchange-Traded Products Holding Bitcoin).

<sup>13</sup> See Securities Exchange Act Release No. 103563 (July 29, 2025), 90 FR 36242 (August 1, 2025) (SR-ISE-2025-12) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 1, To Permit the Trading of FLEX Options on Shares of the iShares Bitcoin Trust ETF).

Grayscale Bitcoin Mini Trust BTC, the Bitwise Bitcoin ETF to trade as cash-settled and physically settled FLEX equity options subject to the position limits set forth in Options 9, Section 13, and subject to the exercise limits set forth in Options 9, Section 15 aggregating those limits with the non-FLEX underlying ETF limits.<sup>14</sup> As a result of these rule filings, Phlx made corresponding changes to its position limit rules at Options 9, Section 13.<sup>15</sup>

On October 27, 2025, ISE's proposal to permit certain options on Exchange-Traded Fund Shares that meet certain generic requirements to be listed as a Commodity-Based Trust was deemed approved.<sup>16</sup> As amended, Options 4, Section 3(h)(vi) specifies that ISE may list and trade interests in a Commodity-Based Trust that meet the generic criteria of The Nasdaq Stock Market LLC Rule 5711(d) provided the trust holds a single crypto asset.<sup>17</sup> Further, a Commodity-Based Trust that meets the requirements of Options 4, Section 3(h)(vi) must also satisfy the following requirements: (A) the total global supply of the underlying crypto asset held by the Commodity-Based Trust has an average daily market value of at least \$700 million over the last 12 months; and (B) the crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive

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<sup>14</sup> See Securities Exchange Act Release No. 103643 (August 5, 2025), 90 FR 38529 \*August 8, 2025) (SR-ISE-2025-22) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend FLEX, Position and Exercise Limit Rules for the Grayscale Bitcoin Mini Trust ETF, the Bitwise Bitcoin ETF, and the Grayscale Bitcoin Trust ETF).

<sup>15</sup> See Securities Exchange Act Release No. 103678 (August 11, 2025), 90 FR 39223 (August 14, 2025) (SR-Phlx-2025-34) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Options 9, Section 13 (Position Limits) and Options 8, Section 34 (FLEX Index, Equity and Currency Options) Regarding Options on Certain Exchange-Traded Products Holding Bitcoin).

<sup>16</sup> See Securities Exchange Act Release No. 104210 (November 21, 2025), 90 FR 52727 (November 21, 2025) (SR-ISE-2025-08). See also <https://www.nasdaqtrader.com/MicroNews.aspx?id=OTA2025-48>.

<sup>17</sup> The term “crypto asset” means an asset that is generated, issued and/or transferred using a blockchain or similar distributive ledger technology network including, but not limited to, assets known as “tokens,” “digital assets,” “virtual currencies,” and “coins” and that rely on cryptographic protocols. See Options 4, Section 3(h)(3).

surveillance sharing agreement, whether directly or through common membership in the Intermarket Surveillance Group.

Any option approved pursuant to Options 4, Section 3(h)(vi) is subject to the position limits set forth in Options 9, Section 13, and subject to the exercise limits set forth in Options 9, Section 15. Further any option approved pursuant to Options 4, Section 3(h)(vi) is not restricted from trading as FLEX Options.

### **Proposal**

The Crypto Assets all qualify for listing pursuant to Options 4, Section 3(h)(vi). As such, similar to other options listed pursuant to Options 4, Section 3(h)(vi), the Crypto Assets should be subject to the position limits set forth in Options 9, Section 13, and subject to the exercise limits set forth in Options 9, Section 15. Also, the Crypto Assets should not be restricted from trading as FLEX Options.

#### *Position Limits*

To that end, the Exchange proposes to remove the 25,000 position and exercise limit restrictions for Fidelity Wise Origin Bitcoin Fund, the ARK21Shares Bitcoin ETF, the VanEck Bitcoin ETF, the iShares Ethereum Trust ETF, the Fidelity Ethereum Fund, the Bitwise Ethereum ETF, the Grayscale Ethereum Trust, and the Grayscale Ethereum Mini Trust from Options 9, Section 13..

Additionally, the Exchange proposes to remove the rule text at Options 3A, Section 18(b)(1)(C) which states,

Position limits for FLEX Equity Options on the iShares Bitcoin Trust, Grayscale Bitcoin Trust, Grayscale Bitcoin Mini Trust, and Bitwise Bitcoin ETF shall be subject to the position limits set forth in Options 9, Section 13, and subject to the exercise limits set forth in Options 9, Section 15 and shall be aggregated with positions on the same non-FLEX underlying ETF for the purpose of calculating

the position limits set forth in Options 9, Section 13, and the exercise limits set forth in Options 9, Section 15.

Similar to all other options, FLEX equity options on the iShares Bitcoin Trust ETF, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust BTC, and the Bitwise Bitcoin ETF would no longer be aggregated with positions on the same non-FLEX underlying ETF for the purpose of calculating the position limits set forth in Options 9, Section 13, and the exercise limits set forth in Options 9, Section 15. The Exchange notes that similar to all other options, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust BTC, and the Bitwise Bitcoin ETF would not be subject to positions limits for FLEX Equity Options that are physically settled.

#### *FLEX Options*

Similar to all other options, the Exchange would permit the Fidelity Wise Origin Bitcoin Fund, the ARK21Shares Bitcoin ETF, the VanEck Bitcoin ETF, the iShares Ethereum Trust ETF, the Fidelity Ethereum Fund, the Bitwise Ethereum ETF, the Grayscale Ethereum Trust, and the Grayscale Ethereum Mini Trust to trade as FLEX Options. The Exchange proposes to remove the following text from Options 3A, Section 3(a), “(except the Fidelity Wise Origin Bitcoin Fund, the ARK21Shares Bitcoin ETF, the VanEck Bitcoin ETF, the iShares Ethereum Trust ETF, the Fidelity Ethereum Fund, the Bitwise Ethereum ETF, the Grayscale Ethereum Trust, and the Grayscale Ethereum Mini Trust).” Additionally, the Exchange proposes to amend Options 8, Section 34(a) and (e)(2) to remove corresponding rule text.<sup>18</sup>

With this proposal, Crypto Assets that qualify to be listed pursuant to Options 4, Section 3(h)(vi) would be treated similar to all other options for purposes of position and exercise limits

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<sup>18</sup> Phlx, as part of a technology migration, relocated Options 8, Section 34(e) to a new subparagraph (i). The Exchange would remove this rule text from new subparagraph (i) as a result of the relocation. See Securities Exchange Act Release No. 97658 (June 7, 2023), 88 FR 38562 (June 13, 2023) (SR-Phlx-2023-22) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Various Options 8 Rules).

and FLEX Option trading.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>19</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>20</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section (6)(b)(5)<sup>21</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange's proposal to permit the Crypto Assets, which qualify for listing pursuant to Options 4, Section 3(h)(vi), to be subject to the position limits set forth in Options 9, Section 13, and subject to the exercise limits set forth in Options 9, Section 15 similar to all other options is consistent with the Act as this treatment promotes just and equitable principles of trade. Further, the Exchange's proposal to permit the Crypto Assets, which qualify for listing pursuant to Options 4, Section 3(h)(vi), to trade as FLEX Options, similar to all other options is consistent with the Act as this treatment promotes just and equitable principles of trade.

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

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<sup>19</sup> 15 U.S.C. 78f(b).

<sup>20</sup> 15 U.S.C. 78f(b)(5).

<sup>21</sup> 15 U.S.C. 78(f)(b)(5).

competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange does not believe that the proposed rule change will impose any burden on intra-market competition because the Crypto Assets that qualify to be listed pursuant to Options 4, Section 3(h)(vi) would be treated similar to all other options for purposes of position and exercise limits and FLEX Option trading.

The Exchange does not believe that the proposed rule change will impose any burden on inter-market competition as the proposal is not competitive in nature. The Exchange expects that all option exchanges will adopt substantively similar proposals, such that the Exchange's proposal would benefit competition. For these reasons, the Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

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

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>22</sup> and Rule 19b-4(f)(6) thereunder.<sup>23</sup>

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<sup>22</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>23</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule

A proposed rule change filed under Rule 19b-4(f)(6)<sup>24</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>25</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange states that waiver of the operative delay will allow the Exchange to treat Crypto Assets in the same manner as all other options that qualify for listing pursuant to Options 4, Section 3(h)(vi). The Exchange also states that the proposal does not significantly affect the protection of investors or the public interest because any Crypto Asset that qualifies for listing pursuant to Options 4, Section 3(h)(vi) is subject to the position and exercise limits set forth in Options 9, Sections 13 and 15 and trade as FLEX Options. For these reasons, and because the proposal does not raise new or novel regulatory issues, the Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest.

Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposal operative upon filing.<sup>26</sup>

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

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change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

<sup>24</sup> 17 CFR 240.19b-4(f)(6).

<sup>25</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>26</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

Commission shall institute proceedings under Section 19(b)(2)(B)<sup>27</sup> of the Act to determine whether the proposed rule change should be approved or 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-Phlx-2026-02 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-Phlx-2026-02. 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.

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15 U.S.C. 78s(b)(2)(B).

All submissions should refer to file number SR-Phlx-2026-02 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>28</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>28</sup> 17 CFR 200.30-3(a)(12) and (59).