

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 31

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2025 - * 51

Amendment No. (req. for Amendments *)

Filing by NYSE American LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
--	---	--	--	--	---

Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input checked="" type="checkbox"/> 19b-4(f)(6)		
-----------------------------------	--	--	--	--	--

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010
Section 806(e)(1) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposal to amend Rule 904

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Kathleen Last Name * Murphy

Title * Senior Counsel, NYSE Group Inc.

E-mail * Kathleen.Murphy@ice.com

Telephone * (212) 656-4841 Fax (212) 656-8101

Signature

Pursuant to the requirements of the Securities Exchange of 1934, NYSE American LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 08/15/2025 (Title *)

By David De Gregorio Associate General Counsel
(Name *)

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

David De Gregorio

Digitally signed by David De Gregorio
Date: 2025.08.15 15:46:52 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information *

Add Remove View

19b4 Amer GBTC BTC BITB 250K (08

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

Ex. 1 Amer GBTC BTC BITB 250K.do

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

Ex 5 Amer GBTC BTC BITB 250K (08

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

- (a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² NYSE American LLC (“NYSE American” or the “Exchange”) proposes to amend Rule 904 (Position Limits) regarding the position limits for options on the Grayscale Bitcoin Trust ETF (“GBTC”), the Grayscale Bitcoin Mini Trust ETF (“BTC”), and the Bitwise Bitcoin ETF (“BITB”) (collectively, the “Bitcoin ETFs”).

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and the text of the proposed rule change is attached as Exhibit 5.

- (b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.
- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action is required under the Exchange’s governing documents. Therefore, the Exchange’s internal procedures with respect to the proposed rule change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

Kathleen E. Murphy
Senior Counsel
NYSE Group, Inc.
(212) 656-4841

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

- (a) Purpose

The Exchange proposes to amend Rule 904 (Position Limits) regarding the position limits for options on the Bitcoin ETFs. Specifically, the proposed rule

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

change amends Rule 904, Commentary .07(f) to delete the 25,000-contract position limit for options on each Bitcoin ETF. As a result, the position limits for Bitcoin ETF options would be determined in accordance with Rule 904, Commentary .07(a)-(e) and be based on trading in each Bitcoin ETF during the most-recent six-month period.³ This proposal is based on substantially identical rule changes submitted by NYSE Arca, Inc., the Exchange’s affiliated equities exchange, and approved by the Securities and Exchange Commission (“Commission”).⁴

Each Bitcoin ETF is an Exchange-Traded Fund (“ETF”) that holds bitcoin and is listed on NYSE Arca.⁵ On October 18, 2024, the Commission approved the listing and trading of Bitcoin ETF options on the Exchange.⁶ The position and exercise limits for options on each Bitcoin ETF are 25,000 contracts, as set forth in Rule 904, Commentary .07(f), the lowest available limit.⁷

Per the Commission “rules regarding position and exercise limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options positions.”⁸ For this reason, the Commission requires that “position and exercise limits must be sufficient to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of

³ Pursuant to Rule 905(a)(i), the exercise limits for options on each Bitcoin ETF are equivalent to the position limits prescribed for such options in current Rule 904. Therefore, currently, the exercise limit for options on each Bitcoin ETF is 25,000 contracts. The proposed rule change would modify the exercise limit for Bitcoin ETF options to be equivalent to the position limit prescribed in Rule 904, Commentary .07 (which may be 25,000, 50,000, 75,000, 200,000, or 250,000, depending on the six-month trading volume or the six-month trading volume and outstanding shares of IBIT). See Rule 904, Commentary .07(a)-(e).

⁴ See Securities Exchange Act Release Nos. 103567 (July 29, 2025) 90 FR 36253 (August 1, 2025) (SR-NYSEARCA-2025-07) (order approving NYSE Arca proposed rule change to amend position and exercise limits for GBTC options) and 103568 (July 29, 2025) 90 FR 36238 (August 1, 2025) (SR-NYSEARCA-2025-10) (order approving NYSE Arca proposed rule change to amend position and exercise limits for BTC and BITB options) (together, the “Arca Approval Orders”).

⁵ NYSE Arca received approval to list and trade Bitcoin-Based Commodity-Based Trust Shares in GBTC, BTC, and BITB pursuant to NYSE Arca Rule 8.201-E(c)(1). See Securities Exchange Act Release Nos. 99306 (January 10, 2024), 89 FR 3008 (January 17, 2024) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, to list and trade options on, among other ETFs, GBTC and BITB) (SR-NYSEARCA-2021-90); 100610 (July 26, 2024) (order approving listing and trading of Commodity-Based Trust Shares of BTC, among other ETFs), 89 FR 62821 (August 1, 2024) (SR-NYSEARCA-2023-45). The Exchange began trading Bitcoin ETF options on November 22, 2024.

⁶ See Securities Exchange Act Release No. 101386 (October 18, 2024), 89 FR 84960 (October 24, 2024) (SR-NYSEAMER-2024-49) (order approving the listing and trading of options on GBTC, BTC, and BITB, pursuant to Rule 915, Commentary .10(a) (the “Bitcoin ETF Options Approval Order”).

⁷ See Rule 904, Commentary .07(e) and Rule 905(a)(i).

⁸ See Bitcoin ETF Options Approval Order, 89 FR at 84971.

the underlying security.”⁹ Based on its review and analysis of the Bitcoin ETF data, the Commission concluded that the 25,000-contract position limit for options on each Bitcoin ETF satisfied these objectives.¹⁰

While the Exchange proposed a 25,000-contract position limit in its initial rule filing to list and trade Bitcoin ETF options, it nonetheless believes that evidence existed to support a much higher position limit. Specifically, when the Commission approved the Exchange’s proposal to permit the listing and trading of Bitcoin ETF options, it considered and reviewed data analysis that the exercisable risk associated with a position limit of 25,000 contracts represented only 0.9% of the outstanding shares of GBTC; 0.7% of the outstanding shares of BTC; and 3.6% of the outstanding shares of BITB.¹¹ The Commission stated that it also considered and reviewed the Exchange’s statement that with a position limit of 25,000 contracts on the same side of the market for each Bitcoin ETF option: (1) with 284,570,100 shares of GBTC outstanding, 114 market participants would have to simultaneously exercise their positions to place GBTC under stress; (2) with 366,950,100 shares of BTC outstanding, 147 market participants would have to simultaneously exercise their positions to place BTC under stress; and (3) with 68,690,000 shares of BITB outstanding, 27 market participants would have to simultaneously exercise their positions to place BITB under stress.¹² Based on this review, the Commission concluded that the 25,000-contract position and exercise limit applicable to Bitcoin ETF options were designed to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security, and to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.¹³

Currently, each Bitcoin ETF option would qualify for the 250,000 contract position (and exercise) limit on same-side contracts pursuant to Rule 904, Commentary .07(a)(i), which requires that trading volume for the underlying security in the most-recent six months be at least 100 million shares.¹⁴ As of November 25, 2024, the market capitalization and average daily volume (“ADV”) for the preceding three months for each Bitcoin ETF was as shown in the table

⁹ See id.

¹⁰ See id.

¹¹ See id. (data as of August 30, 2024).

¹² See id.

¹³ See id.

¹⁴ Rule 904, Commentary .07(a) provides that to be eligible for the 250,000-contract limit, either (i) the most recent six-month trading volume of the underlying security must have totaled at least 100,000,000 shares or (ii) the most recent six-month trading volume of the underlying security must have totaled at least 75,000,000 shares and the underlying must have at least 300,000,000 shares currently outstanding.

below.¹⁵

Bitcoin ETF	Market Capitalization	Three-Month ADV
GBTC	\$20,661,316,542	3,829,597 shares
BTC	\$3,496,748,882	2,036,369 shares
BITB	\$4,095,157,000	2,480,478 shares

Therefore, each Bitcoin ETF is well-above the requisite 100 million shares necessary to qualify for the 250,000-contract position and exercise limit. Also, as of November 25, 2024, there were 19,787,762 bitcoins in circulation.¹⁶ At a price of \$94,830 per bitcoin,¹⁷ that equates to a market capitalization of greater than \$1.876 trillion. If a position limit of 250,000 contracts were considered, the exercisable risk for each Bitcoin ETF would represent 9.13% (GBTC)¹⁸; 30.14% (BTC)¹⁹; and 31.72% (BITB)²⁰ of their respective shares outstanding. Given each of the Bitcoin ETF's liquidity, the current 25,000-contract position and exercise limit for options on each Bitcoin ETF is extremely conservative.

As noted above, position and exercise limits are designed to limit the number of options contracts traded on an exchange in an underlying security that an investor, acting alone or in concert with others directly or indirectly, may control. These limits, which are described in Rules 904 and 905, are intended to address potential manipulative schemes and adverse market impacts surrounding the use of options, such as disrupting the market in the security underlying the options. Position and exercise limits must balance concerns regarding mitigating potential manipulation and the cost of inhibiting potential hedging activity that could be used for legitimate economic purposes.

To achieve this balance, the Exchange proposes to remove each Bitcoin ETF (and their associated 25,000-contract limit) from the table of position limits in Commentary .07(f), which would enable options on each Bitcoin ETF to trade in

¹⁵ The market capitalization for each Bitcoin ETF was determined by multiplying a settlement price (GBTC, \$42.16 – BTC, \$51.70 – BITB) by the number of shares outstanding (GBTC – 273,950,100, BTC – 82,939,964, BITB – 79,950,100). Data acquired from FactSet.

¹⁶ See <https://www.coingecko.com/en/coins/bitcoin>.

¹⁷ This is the approximate price of bitcoin from 4:00 p.m. ET on November 25, 2024.

¹⁸ This percentage is arrived at with this equation: (250,000 contract limit * 100 shares per option / 273,950.100 shares outstanding).

¹⁹ This percentage is arrived at with this equation: (250,000 contract limit * 100 shares per option / 82,939,964 BTC shares outstanding).

²⁰ This percentage is arrived at with this equation: (250,000 contract limit * 100 shares per option / 79,950,100 BITB shares outstanding).

the same manner as options on other ETFs not included in this Commentary.²¹ Specifically, this proposal would result in an increased position and exercise limit for options on each Bitcoin ETF from 25,000 to 250,000 same-side contracts, pursuant to Commentary .07(a)(i). In addition, like options on other ETFs not listed in Commentary .07(f), position limits for options on each Bitcoin ETF would be subject to subsequent six-month reviews to determine future position and exercise limits.²²

In support of its (now-approved) proposals to amend the position and exercise limits for options on each Bitcoin ETF, NYSE Arca performed several analyses, which the Exchange has reviewed and considered. First, NYSE Arca reviewed each Bitcoin ETF's data relative to the market capitalization of the entire bitcoin market in terms of exercise risk and availability of deliverables. As noted above, as of November 25, 2024, there were 19,787,762 bitcoins in circulation.²³ At a price of \$94,830 per bitcoin,²⁴ that equates to a market capitalization of greater than \$1.876 trillion. If a position (and exercise) limit of 250,000 contracts were considered for each Fund, the exercisable risk would represent 9.13% of GBTC shares outstanding²⁵; 30.14% of BTC shares outstanding²⁶ and 31.27% of BITB shares outstanding.²⁷ Since each Bitcoin ETF has a creation and redemption process managed through the issuer (whereby bitcoin is used to create shares of GBTC, BTC or BITB, as applicable), NYSE Arca compared the position (and exercise) limits sought to the total market capitalization of the entire bitcoin market, and in that case, the exercisable risk for options on each Fund would represent less than 0.10% (GBTC), 0.06% (BTC) or 0.07 % (BITB) of all bitcoin outstanding.²⁸

²¹ See proposed Rule 904, Commentary .07(f). The Exchange notes that the ETFs included in Commentary .07(f) (other than certain ETFs that hold bitcoin) have significantly higher position limits than are authorized by Rule, which increases were subject to Exchange rule filings.

²² See Rule 904, Commentary .07(e) and Rule 905(a)(i).

²³ See <https://www.coingecko.com/en/coins/bitcoin>.

²⁴ This is the approximate price of bitcoin from 4:00pm ET on November 25, 2024.

²⁵ This percentage is arrived at with this equation: $(250,000 \text{ contract limit} * 100 \text{ shares per option} / 273,950.100 \text{ shares outstanding})$.

²⁶ This percentage is arrived at with this equation: $(250,000 \text{ contract limit} * 100 \text{ shares per option} / 82,939,964 \text{ BTC shares outstanding})$.

²⁷ This percentage is arrived at with this equation: $(250,000 \text{ contract limit} * 100 \text{ shares per option} / 79,950,100 \text{ BITB shares outstanding})$.

²⁸ For GBTC, this number was arrived at with this calculation: $((250,000 \text{ limit} * 100 \text{ shares per option} * \$75.42 \text{ settle}) / (19,787,762 \text{ bitcoin outstanding} * \$94,830 \text{ bitcoin price}))$; for BTC, this number was arrived at with this calculation: $((250,000 \text{ limit} * 100 \text{ shares per option} * \$42.16 \text{ settle}) / (19,787,762 \text{ bitcoin outstanding} * \$94,830 \text{ bitcoin price}))$; and for BITB, this number was arrived at with this calculation: $((250,000 \text{ limit} * 100 \text{ shares per option} * \$51.70 \text{ settle}) / (19,787,762 \text{ bitcoin outstanding} * \$94,830 \text{ bitcoin price}))$.

The Exchange believes this analysis by NYSE Arca demonstrates that a 250,000-contract position (and exercise) limit for each of GBTC, BTC, and BITB options would be appropriate given each of these Bitcoin ETF's liquidity.

Next, NYSE Arca reviewed a position and exercise limit of 250,000 contracts to position limits for derivative products regulated by the Commodity Futures Trading Commission ("CFTC"). While the CFTC, through the relevant Designated Contract Markets, only regulates options positions based upon delta equivalents (creating a less stringent standard), the Exchange examined equivalent bitcoin futures position limits. In particular, the Exchange looked to the Chicago Mercantile Exchange ("CME") bitcoin futures contract,²⁹ which has a position limit of 2,000 futures (for the initial spot month).³⁰ On October 22, 2024, CME bitcoin futures settled at \$94,945.³¹ On October 22, 2024, GBTC settled at \$53.64, BTC settled at \$29.90 and BITB settled at \$36.74, which would equate to approximately 17,700,410 (GBTC), 31,754,181 (BTC), and 25,842,406 (BITB) shares of each Bitcoin ETF, respectively, if the CME notional position limit was utilized. Since substantial portions of any distributed options portfolio are likely to be out of the money at expiration, an options position limit equivalent to the CME position limit for Bitcoin futures (considering that all options deltas are ≤ 1.00) should be a bit higher than the CME implied 175,578 limit.

Of note, unlike options contracts, CME position limits are calculated on a net futures-equivalent basis by contract and include contracts that aggregate into one or more base contracts according to an aggregation ratio(s).³² If a position exceeds position limits because of an option assignment, CME permits market participants to liquidate the excess position within one business day without being considered in violation of its rules. Additionally, if at the close of trading, a position that includes options exceeds position limits for futures contracts, when evaluated using the delta factors as of that day's close of trading but does not exceed the limits when evaluated using the previous day's delta factors, then the position shall not constitute a position limit violation. The Exchange believes NYSE Arca's comparison to CME's position limits on bitcoin futures demonstrates that a 250,000-contract limit for Bitcoin ETF options is appropriate.

Further, NYSE Arca analyzed a position and exercise limit of 250,000 for each of the Bitcoin ETFs against options on SPDR Gold Shares ("GLD"), which like the

²⁹ CME Bitcoin Futures are described in Chapter 350 of CME's Rulebook.

³⁰ See the Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5 of CME's Rulebook. Each CME bitcoin futures contract is valued at five bitcoins as defined by the CME CF Bitcoin Reference Rate ("BRR"). See CME Rule 35001.

³¹ 2,000 futures at a 5-bitcoin multiplier (per the contract specifications) equates to \$949,450,000 (2000 contracts * 5 BTC per contract * \$94,945 price of November BTC future) of notional value.

³² See <https://www.cmegroup.com/education/courses/market-regulation/position-limits/position-limits-aggregation-of-contracts-and-table.html>.

Bitcoin ETFs, is a commodity-backed ETF.³³ The Exchange notes that GLD has a float of 306.1 million shares and a position limit of 250,000 contracts.³⁴ As previously noted, position and exercise limits are designed to limit the number of options contracts traded on the exchange in an underlying security that an investor, acting alone or in concert with others directly or indirectly, may control. A position limit exercise in GLD would represent 8.17% of the float of GLD. In comparison, a 250,000-contract position limit in each of the Bitcoin ETFs would represent 9.13% of the float of GBTC; 30.14% of the BTC float; and 31.27% of the BITB float. While less conservative than the standard applied to options on GLD, the Exchange nonetheless believes that subjecting options on the Bitcoin ETFs to a 250,000-contract position and exercise limit would be appropriate.

Based on the foregoing analyses performed by NYSE Arca, the Exchange believes that the Bitcoin ETFs have more than sufficient liquidity to garner an increased position and exercise limit of 250,000 same-side contracts. The Exchange believes that the significant liquidity present in each of the Bitcoin ETFs mitigates against the potential for manipulation.

The Exchange believes that allowing Bitcoin ETF options to have increased position and exercise limits would lead to a more liquid and competitive market environment for such options, which will benefit customers that trade these options. Further, the reporting requirement for such options would remain unchanged. Thus, the Exchange will still require that each member that maintains positions in Bitcoin ETF options on the same side of the market, for its own account or for the account of a customer, report certain information to the Exchange. This information includes, but would not be limited to, the options positions, whether such positions are hedged and, if so, a description of the hedge(s). Market Makers³⁵ would continue to be exempt from this reporting requirement, however, the Exchange may access Market Maker position information.³⁶ Moreover, the Exchange's requirement that members file reports with the Exchange for any customer who held aggregate large long or short positions on the same side of the market of 200 or more option contracts of any single class for the previous day will remain at this level.³⁷

The Exchange also has no reason to believe that the growth in trading volume in

³³ Like the Bitcoin ETFs, GLD holds one asset in trust.

³⁴ See <https://www.ssga.com/us/en/intermediary/etfs/spdr-gold-shares-gld>.

³⁵ Per Rule 920NY(a), a Market Maker is an individual who is registered with the Exchange for the purpose of making transactions as a dealer-specialist.

³⁶ OCC through the Large option Position Reporting ("LOPR") system acts as a centralized service provider for ATP Holder compliance with position reporting requirements by collecting data from each ATP Holder consolidating the information, and ultimately providing detailed listings of each ATP Holder's report to the Exchange, as well as Financial Industry Regulatory Authority, Inc. ("FINRA"), acting as its agent pursuant to a regulatory services agreement ("RSA").

³⁷ See Rule 906. Reporting of Options Positions.

Bitcoin ETF options will not continue. Rather, the Exchange expects continued options volume growth in Bitcoin ETF options as opportunities for investors to participate in the options markets increase and evolve. The Exchange believes that the current position and exercise limits in Bitcoin ETF options are restrictive and will hamper the listed options markets from being able to compete fairly and effectively with the over-the-counter (“OTC”) markets. OTC transactions occur through bilateral agreements, the terms of which are not publicly disclosed to the marketplace. As such, OTC transactions do not contribute to the price discovery process on a public exchange or other lit markets. The Exchange believes that without the proposed changes to position and exercise limits for Bitcoin ETF options, market participants will find the 25,000-contract position and exercise limit an impediment to their business and investment objectives as well as an impediment to efficient pricing. As a result, market participants may find the less transparent OTC markets a more attractive alternative to achieve their investment and hedging objectives, leading to a retreat from the listed options markets, where trades are subject to reporting requirements and daily surveillance. The Exchange notes that, consistent with Rules 904 and 905, the position (and exercise) limits for Bitcoin ETF options would be reviewed on a six-month basis, as is done for other options

The Exchange represents that its existing trading surveillances are adequate to monitor trading in Bitcoin ETF options. Additionally, the Exchange is a member of the Intermarket Surveillance Group (“ISG”) under the ISG Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. In addition to the surveillance that is conducted by the Exchange’s market surveillance staff, the Exchange would also be able to obtain information regarding trading in shares of each Bitcoin ETF on other exchanges through ISG. In addition, and as referenced above, the Exchange has a regulatory services agreement with FINRA, pursuant to which FINRA conducts certain surveillances on behalf of the Exchange. Further, pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate regulatory responsibilities to FINRA to conduct certain options-related market surveillances.³⁸

(b) Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the

³⁸ Section 19(g)(1) of the Act, among other things, requires every SRO registered as a national securities exchange or national securities association to comply with the Act, the rules and regulations thereunder, and the SRO’s own rules, and, absent reasonable justification or excuse, enforce compliance by its members and persons associated with its members. See 15 U.S.C. 78q(d)(1) and 17 CFR 240.17d-2. Section 17(d)(1) of the Act allows the Commission to relieve an SRO of certain responsibilities with respect to members of the SRO who are also members of another SRO. Specifically, Section 17(d)(1) allows the Commission to relieve an SRO of its responsibilities to: (i) receive regulatory reports from such members; (ii) examine such members for compliance with the Act and the rules and regulations thereunder, and the rules of the SRO; or (iii) carry out other specified regulatory responsibilities with respect to such members.

Securities Exchange Act of 1934 (the “Act”),³⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁴⁰ in particular, in that it is 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 a national market system, and, in general, to protect investors and the public interest.

In particular, the Exchange believes the proposed rule change will remove impediments to and perfect the mechanism of free and open market and a national market system, and, in general, protect investors and the public interest, because it will provide market participants with the ability to more effectively execute their trading and hedging activities. Also, based on current trading volume, the resulting increase in the position (and exercise) limits for Bitcoin ETF options may allow Market Makers to maintain their liquidity in these options in amounts commensurate with the continued high consumer demand in Bitcoin ETF options. Subjecting Bitcoin ETF options to the position limits in Rule 904, Commentary .07 and corresponding exercise limits in Rule 905 may also encourage other liquidity providers to continue to trade on the Exchange rather than shift their volume to OTC markets, which will enhance the process of price discovery conducted on the Exchange through increased order flow. The Exchange notes the proposed rule change would further allow institutional investors to utilize Bitcoin ETF options for prudent risk management purposes.

In support of the proposed rule change, the Exchange cites the in-depth analysis Bitcoin ETF options performed which, as noted above, considered, among other things: (1) the market capitalization and ADV of each Bitcoin ETF and a 250,000 contract position and exercise limit in relation to the position limits of options on other securities; (2) market capitalization of the entire Bitcoin market in terms of exercise risk and availability of deliverables; and (3) comparing a 250,000 contract position limit to position limits for derivative products regulated by the CFTC. Based on the Exchange’s review of these analyses, the Exchange believes that subjecting Bitcoin ETF options to the position (and exercise) limits set forth in Rule 904, Commentary .07 (which may go up to 250,000 contracts) is more than appropriate. The proposed position and exercise limits reasonably and appropriately balance the liquidity provisioning in the market against the prevention of manipulation.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because all market participants would be

³⁹ 15 U.S.C. 78f(b).

⁴⁰ 15 U.S.C. 78f(b)(5).

subject to the same position and exercise limits for Bitcoin ETF options. The Exchange does not believe the proposed rule change will impose any burden on intermarket competition, and may benefit competition, as the proposed rule change is identical to NYSE Arca's recently-approved rule changes.⁴¹ The Exchange believes that the proposed rule change will also provide additional opportunities for market participants to continue to efficiently achieve their investment and trading objectives for equity options on the Exchange.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

6. Extension of Time Period for Commission Action

The Exchange does not consent at this time to an extension of the time period for Commission action.

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

The Exchange believes that the proposal qualifies for immediate effectiveness upon filing as a "non-controversial" rule change in accordance with Section 19(b)(3)(A) of the Act⁴² and Rule 19b-4(f)(6) thereunder.⁴³

The Exchange asserts that the proposed rule change (i) will not significantly affect the protection of investors or the public interest, (ii) will not impose any significant burden on competition, and (iii) by its terms, will not become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest. In addition, the Exchange provided the Commission with 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, or such shorter time as the Commission may designate.

The proposed rule change is substantively identical to proposed rule changes by Arca recently approved by the Commission.⁴⁴ The Exchange believes that this proposed rule change, which is essential for competitive purposes and to promote a free and open market for the benefit of investors, does not raise any new, unique or substantive issues not previously considered by the Commission in approving Arca's proposals. Accordingly, the Exchange believes that no regulatory purpose

⁴¹ See Arca Approval Orders.

⁴² 15 U.S.C. 78s(b)(3)(A).

⁴³ 17 CFR 240.19b-4(f)(6).

⁴⁴ See Arca Approval Orders.

would be served by delaying implementation of the proposal. Therefore, the Exchange believes that the proposed rule change is well-suited for, and meets the standards applicable to, the Commission's treatment of non-controversial proposals under Section 19(b)(3)(A) of the Act⁴⁵ and Rule 19b-4(f)(6) thereunder.⁴⁶

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule under Rule 19b-4(f)(6) becomes effective. Waiver of the 30-day operative delay will benefit investors, as it may permit increased position and exercise limits for Bitcoin ETF options as soon as practicable and thus provide additional opportunities for market participants to continue to efficiently achieve their investment and trading objectives for the Bitcoin ETF options. As noted above, the proposed rule change is substantively identical to NYSE Arca's recently-approved rule change. Therefore, the substance of the proposed rule change has already undergone notice and comment periods and raises no novel investor protection concerns.

For the foregoing reasons, the rule filing qualifies for immediate effectiveness as a "non-controversial" rule change under Rule 19b-4(f)(6).⁴⁷ 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.

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

This proposal is based on the substantially identical rule changes submitted by NYSE Arca that were recently approved by the Commission.⁴⁸

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

Not Applicable.

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

Not applicable.

⁴⁵ 15 U.S.C. 78s(b)(3)(A).

⁴⁶ 17 CFR 240.19b-4(f)(6).

⁴⁷ 17 CFR 240.19b-4(f)(6).

⁴⁸ See Arca Approval Orders.

11. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Federal Register

Exhibit 5 – Text of Proposed Rule Change

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NYSEAMER-2025-50)

[Date]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Change to Amend Rule 904

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (“Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on August 15, 2025, NYSE American LLC (“NYSE American” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the 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 amend Rule 904 (Position Limits) regarding the position limits for options on the Grayscale Bitcoin Trust ETF (“GBTC”), the Grayscale Bitcoin Mini Trust ETF (“BTC”), and the Bitwise Bitcoin ETF (“BITB”) (collectively, the “Bitcoin ETFs”). The proposed rule 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

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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

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

1. Purpose

The Exchange proposes to amend Rule 904 (Position Limits) regarding the position limits for options on the Bitcoin ETFs. Specifically, the proposed rule change amends Rule 904, Commentary .07(f) to delete the 25,000-contract position limit for options on each Bitcoin ETF. As a result, the position limits for Bitcoin ETF options would be determined in accordance with Rule 904, Commentary .07(a)-(e) and be based on trading in each Bitcoin ETF during the most-recent six-month period.⁴ This proposal is based on substantially identical rule changes submitted by NYSE Arca, Inc., the Exchange’s affiliated equities exchange, and approved by the Securities and Exchange Commission (“Commission”).⁵

Each Bitcoin ETF is an Exchange-Traded Fund (“ETF”) that holds bitcoin and is listed on NYSE Arca.⁶ On October 18, 2024, the Commission approved the listing and trading of Bitcoin

⁴ Pursuant to Rule 905(a)(i), the exercise limits for options on each Bitcoin ETF are equivalent to the position limits prescribed for such options in current Rule 904. Therefore, currently, the exercise limit for options on each Bitcoin ETF is 25,000 contracts. The proposed rule change would modify the exercise limit for Bitcoin ETF options to be equivalent to the position limit prescribed in Rule 904, Commentary .07 (which may be 25,000, 50,000, 75,000, 200,000, or 250,000, depending on the six-month trading volume or the six-month trading volume and outstanding shares of IBIT). See Rule 904, Commentary .07(a)-(e).

⁵ See Securities Exchange Act Release Nos. 103567 (July 29, 2025) 90 FR 36253 (August 1, 2025) (SR-NYSEARCA-2025-07) (order approving NYSE Arca proposed rule change to amend position and exercise limits for GBTC options) and 103568 (July 29, 2025) 90 FR 36238 (August 1, 2025) (SR-NYSEARCA-2025-10) (order approving NYSE Arca proposed rule change to amend position and exercise limits for BTC and BITB options) (together, the “Arca Approval Orders”).

⁶ NYSE Arca received approval to list and trade Bitcoin-Based Commodity-Based Trust Shares in GBTC, BTC, and BITB pursuant to NYSE Arca Rule 8.201-E(c)(1). See Securities Exchange Act Release Nos. 99306 (January 10, 2024), 89 FR 3008 (January 17, 2024) (Order Granting Accelerated Approval of

ETF options on the Exchange.⁷ The position and exercise limits for options on each Bitcoin ETF are 25,000 contracts, as set forth in Rule 904, Commentary .07(f), the lowest available limit.⁸

Per the Commission “rules regarding position and exercise limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options positions.”⁹ For this reason, the Commission requires that “position and exercise limits must be sufficient to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security.”¹⁰ Based on its review and analysis of the Bitcoin ETF data, the Commission concluded that the 25,000-contract position limit for options on each Bitcoin ETF satisfied these objectives.¹¹

While the Exchange proposed a 25,000-contract position limit in its initial rule filing to list and trade Bitcoin ETF options, it nonetheless believes that evidence existed to support a much higher position limit. Specifically, when the Commission approved the Exchange’s proposal to permit the listing and trading of Bitcoin ETF options, it considered and reviewed data analysis that the exercisable risk associated with a position limit of 25,000 contracts represented only 0.9% of the outstanding shares of GBTC; 0.7% of the outstanding shares of BTC; and 3.6%

Proposed Rule Changes, as Modified by Amendments Thereto, to list and trade options on, among other ETFs, GBTC and BITB) (SR-NYSEARCA-2021-90); 100610 (July 26, 2024) (order approving listing and trading of Commodity-Based Trust Shares of BTC, among other ETFs), 89 FR 62821 (August 1, 2024) (SR-NYSEARCA-2023-45). The Exchange began trading Bitcoin ETF options on November 22, 2024.

⁷ See Securities Exchange Act Release No. 101386 (October 18, 2024), 89 FR 84960 (October 24, 2024) (SR-NYSEAMER-2024-49) (order approving the listing and trading of options on GBTC, BTC, and BITB, pursuant to Rule 915, Commentary .10(a) (the “Bitcoin ETF Options Approval Order”).

⁸ See Rule 904, Commentary .07(e) and Rule 905(a)(i).

⁹ See Bitcoin ETF Options Approval Order, 89 FR at 84971.

¹⁰ See id.

¹¹ See id.

of the outstanding shares of BITB.¹² The Commission stated that it also considered and reviewed the Exchange's statement that with a position limit of 25,000 contracts on the same side of the market for each Bitcoin ETF option: (1) with 284,570,100 shares of GBTC outstanding, 114 market participants would have to simultaneously exercise their positions to place GBTC under stress; (2) with 366,950,100 shares of BTC outstanding, 147 market participants would have to simultaneously exercise their positions to place BTC under stress; and (3) with 68,690,000 shares of BITB outstanding, 27 market participants would have to simultaneously exercise their positions to place BITB under stress.¹³ Based on this review, the Commission concluded that the 25,000-contract position and exercise limit applicable to Bitcoin ETF options were designed to prevent investors from disrupting the market for the underlying security by acquiring and exercising a number of options contracts disproportionate to the deliverable supply and average trading volume of the underlying security, and to prevent the establishment of options positions that can be used or might create incentives to manipulate or disrupt the underlying market so as to benefit the options position.¹⁴

Currently, each Bitcoin ETF option would qualify for the 250,000 contract position (and exercise) limit on same-side contracts pursuant to Rule 904, Commentary .07(a)(i), which requires that trading volume for the underlying security in the most-recent six months be at least 100 million shares.¹⁵ As of November 25, 2024, the market capitalization and average daily volume

¹² See id. (data as of August 30, 2024).

¹³ See id.

¹⁴ See id.

¹⁵ Rule 904, Commentary .07(a) provides that to be eligible for the 250,000-contract limit, either (i) the most recent six-month trading volume of the underlying security must have totaled at least 100,000,000 shares or (ii) the most recent six-month trading volume of the underlying security must have totaled at least 75,000,000 shares and the underlying must have at least 300,000,000 shares currently outstanding.

(“ADV”) for the preceding three months for each Bitcoin ETF was as shown in the table below.¹⁶

Bitcoin ETF	Market Capitalization	Three-Month ADV
GBTC	\$20,661,316,542	3,829,597 shares
BTC	\$3,496,748,882	2,036,369 shares
BITB	\$4,095,157,000	2,480,478 shares

Therefore, each Bitcoin ETF is well-above the requisite 100 million shares necessary to qualify for the 250,000-contract position and exercise limit. Also, as of November 25, 2024, there were 19,787,762 bitcoins in circulation.¹⁷ At a price of \$94,830 per bitcoin,¹⁸ that equates to a market capitalization of greater than \$1.876 trillion. If a position limit of 250,000 contracts were considered, the exercisable risk for each Bitcoin ETF would represent 9.13% (GBTC)¹⁹; 30.14% (BTC)²⁰; and 31.72% (BITB)²¹ of their respective shares outstanding. Given each of the Bitcoin ETF’s liquidity, the current 25,000-contract position and exercise limit for options on each Bitcoin ETF is extremely conservative.

As noted above, position and exercise limits are designed to limit the number of options contracts traded on an exchange in an underlying security that an investor, acting alone or in concert with others directly or indirectly, may control. These limits, which are described in Rules

¹⁶ The market capitalization for each Bitcoin ETF was determined by multiplying a settlement price (GBTC, \$42.16 – BTC, \$51.70 – BITB) by the number of shares outstanding (GBTC – 273,950,100, BTC – 82,939,964, BITB – 79,950,100). Data acquired from FactSet.

¹⁷ See <https://www.coingecko.com/en/coins/bitcoin>.

¹⁸ This is the approximate price of bitcoin from 4:00 p.m. ET on November 25, 2024.

¹⁹ This percentage is arrived at with this equation: (250,000 contract limit * 100 shares per option / 273,950.100 shares outstanding).

²⁰ This percentage is arrived at with this equation: (250,000 contract limit * 100 shares per option / 82,939,964 BTC shares outstanding).

²¹ This percentage is arrived at with this equation: (250,000 contract limit * 100 shares per option / 79,950,100 BITB shares outstanding).

904 and 905, are intended to address potential manipulative schemes and adverse market impacts surrounding the use of options, such as disrupting the market in the security underlying the options. Position and exercise limits must balance concerns regarding mitigating potential manipulation and the cost of inhibiting potential hedging activity that could be used for legitimate economic purposes.

To achieve this balance, the Exchange proposes to remove each Bitcoin ETF (and their associated 25,000-contract limit) from the table of position limits in Commentary .07(f), which would enable options on each Bitcoin ETF to trade in the same manner as options on other ETFs not included in this Commentary.²² Specifically, this proposal would result in an increased position and exercise limit for options on each Bitcoin ETF from 25,000 to 250,000 same-side contacts, pursuant to Commentary .07(a)(i). In addition, like options on other ETFs not listed in Commentary .07(f), position limits for options on each Bitcoin ETF would be subject to subsequent six-month reviews to determine future position and exercise limits.²³

In support of its (now-approved) proposals to amend the position and exercise limits for options on each Bitcoin ETF, NYSE Arca performed several analyses, which the Exchange has reviewed and considered. First, NYSE Arca reviewed each Bitcoin ETF's data relative to the market capitalization of the entire bitcoin market in terms of exercise risk and availability of deliverables. As noted above, as of November 25, 2024, there were 19,787,762 bitcoins in circulation.²⁴ At a price of \$94,830 per bitcoin,²⁵ that equates to a market capitalization of greater

²² See proposed Rule 904, Commentary .07(f). The Exchange notes that the ETFs included in Commentary .07(f) (other than certain ETFs that hold bitcoin) have significantly higher position limits than are authorized by Rule, which increases were subject to Exchange rule filings.

²³ See Rule 904, Commentary .07(e) and Rule 905(a)(i).

²⁴ See <https://www.coingecko.com/en/coins/bitcoin>.

²⁵ This is the approximate price of bitcoin from 4:00pm ET on November 25, 2024.

than \$1.876 trillion. If a position (and exercise) limit of 250,000 contracts were considered for each Fund, the exercisable risk would represent 9.13% of GBTC shares outstanding²⁶; 30.14% of BTC shares outstanding²⁷ and 31.27% of BITB shares outstanding.²⁸ Since each Bitcoin ETF has a creation and redemption process managed through the issuer (whereby bitcoin is used to create shares of GBTC, BTC or BITB, as applicable), NYSE Arca compared the position (and exercise) limits sought to the total market capitalization of the entire bitcoin market, and in that case, the exercisable risk for options on each Fund would represent less than 0.10% (GBTC), 0.06% (BTC) or 0.07 % (BITB) of all bitcoin outstanding.²⁹

The Exchange believes this analysis by NYSE Arca demonstrates that a 250,000-contract position (and exercise) limit for each of GBTC, BTC, and BITB options would be appropriate given each of these Bitcoin ETF's liquidity.

Next, NYSE Arca reviewed a position and exercise limit of 250,000 contracts to position limits for derivative products regulated by the Commodity Futures Trading Commission ("CFTC"). While the CFTC, through the relevant Designated Contract Markets, only regulates options positions based upon delta equivalents (creating a less stringent standard), the Exchange examined equivalent bitcoin futures position limits. In particular, the Exchange looked to the

²⁶ This percentage is arrived at with this equation: $(250,000 \text{ contract limit} * 100 \text{ shares per option} / 273,950.100 \text{ shares outstanding})$.

²⁷ This percentage is arrived at with this equation: $(250,000 \text{ contract limit} * 100 \text{ shares per option} / 82,939,964 \text{ BTC shares outstanding})$.

²⁸ This percentage is arrived at with this equation: $(250,000 \text{ contract limit} * 100 \text{ shares per option} / 79,950,100 \text{ BITB shares outstanding})$.

²⁹ For GBTC, this number was arrived at with this calculation: $((250,000 \text{ limit} * 100 \text{ shares per option} * \$75.42 \text{ settle}) / (19,787,762 \text{ bitcoin outstanding} * \$94,830 \text{ bitcoin price}))$; for BTC, this number was arrived at with this calculation: $((250,000 \text{ limit} * 100 \text{ shares per option} * \$42.16 \text{ settle}) / (19,787,762 \text{ bitcoin outstanding} * \$94,830 \text{ bitcoin price}))$; and for BITB, this number was arrived at with this calculation: $((250,000 \text{ limit} * 100 \text{ shares per option} * \$51.70 \text{ settle}) / (19,787,762 \text{ bitcoin outstanding} * \$94,830 \text{ bitcoin price}))$.

Chicago Mercantile Exchange (“CME”) bitcoin futures contract,³⁰ which has a position limit of 2,000 futures (for the initial spot month).³¹ On October 22, 2024, CME bitcoin futures settled at \$94,945.³² On October 22, 2024, GBTC settled at \$53.64, BTC settled at \$29.90 and BITB settled at \$36.74, which would equate to approximately 17,700,410 (GBTC), 31,754,181 (BTC), and 25,842,406 (BITB) shares of each Bitcoin ETF, respectively, if the CME notional position limit was utilized. Since substantial portions of any distributed options portfolio are likely to be out of the money at expiration, an options position limit equivalent to the CME position limit for Bitcoin futures (considering that all options deltas are ≤ 1.00) should be a bit higher than the CME implied 175,578 limit.

Of note, unlike options contracts, CME position limits are calculated on a net futures-equivalent basis by contract and include contracts that aggregate into one or more base contracts according to an aggregation ratio(s).³³ If a position exceeds position limits because of an option assignment, CME permits market participants to liquidate the excess position within one business day without being considered in violation of its rules. Additionally, if at the close of trading, a position that includes options exceeds position limits for futures contracts, when evaluated using the delta factors as of that day’s close of trading but does not exceed the limits when evaluated using the previous day’s delta factors, then the position shall not constitute a position limit violation. The Exchange believes NYSE Arca’s comparison to CME’s position

³⁰ CME Bitcoin Futures are described in Chapter 350 of CME’s Rulebook.

³¹ See the Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5 of CME’s Rulebook. Each CME bitcoin futures contract is valued at five bitcoins as defined by the CME CF Bitcoin Reference Rate (“BRR”). See CME Rule 35001.

³² 2,000 futures at a 5-bitcoin multiplier (per the contract specifications) equates to \$949,450,000 (2000 contracts * 5 BTC per contract * \$94,945 price of November BTC future) of notional value.

³³ See <https://www.cmegroup.com/education/courses/market-regulation/position-limits/position-limits-aggregation-of-contracts-and-table.html>.

limits on bitcoin futures demonstrates that a 250,000-contract limit for Bitcoin ETF options is appropriate.

Further, NYSE Arca analyzed a position and exercise limit of 250,000 for each of the Bitcoin ETFs against options on SPDR Gold Shares (“GLD”), which like the Bitcoin ETFs, is a commodity-backed ETF.³⁴ The Exchange notes that GLD has a float of 306.1 million shares and a position limit of 250,000 contracts.³⁵ As previously noted, position and exercise limits are designed to limit the number of options contracts traded on the exchange in an underlying security that an investor, acting alone or in concert with others directly or indirectly, may control. A position limit exercise in GLD would represent 8.17% of the float of GLD. In comparison, a 250,000-contract position limit in each of the Bitcoin ETFs would represent 9.13% of the float of GBTC; 30.14% of the BTC float; and 31.27% of the BITB float. While less conservative than the standard applied to options on GLD, the Exchange nonetheless believes that subjecting options on the Bitcoin ETFs to a 250,000-contract position and exercise limit would be appropriate.

Based on the foregoing analyses performed by NYSE Arca, the Exchange believes that the Bitcoin ETFs have more than sufficient liquidity to garner an increased position and exercise limit of 250,000 same-side contracts. The Exchange believes that the significant liquidity present in each of the Bitcoin ETFs mitigates against the potential for manipulation.

The Exchange believes that allowing Bitcoin ETF options to have increased position and exercise limits would lead to a more liquid and competitive market environment for such options, which will benefit customers that trade these options. Further, the reporting requirement

³⁴ Like the Bitcoin ETFs, GLD holds one asset in trust.

³⁵ See <https://www.ssga.com/us/en/intermediary/etfs/spdr-gold-shares-gld>.

for such options would remain unchanged. Thus, the Exchange will still require that each member that maintains positions in Bitcoin ETF options on the same side of the market, for its own account or for the account of a customer, report certain information to the Exchange. This information includes, but would not be limited to, the options positions, whether such positions are hedged and, if so, a description of the hedge(s). Market Makers³⁶ would continue to be exempt from this reporting requirement, however, the Exchange may access Market Maker position information.³⁷ Moreover, the Exchange's requirement that members file reports with the Exchange for any customer who held aggregate large long or short positions on the same side of the market of 200 or more option contracts of any single class for the previous day will remain at this level.³⁸

The Exchange also has no reason to believe that the growth in trading volume in Bitcoin ETF options will not continue. Rather, the Exchange expects continued options volume growth in Bitcoin ETF options as opportunities for investors to participate in the options markets increase and evolve. The Exchange believes that the current position and exercise limits in Bitcoin ETF options are restrictive and will hamper the listed options markets from being able to compete fairly and effectively with the over-the-counter ("OTC") markets. OTC transactions occur through bilateral agreements, the terms of which are not publicly disclosed to the marketplace. As such, OTC transactions do not contribute to the price discovery process on a

³⁶ Per Rule 920NY(a), a Market Maker is an individual who is registered with the Exchange for the purpose of making transactions as a dealer-specialist.

³⁷ OCC through the Large option Position Reporting ("LOPR") system acts as a centralized service provider for ATP Holder compliance with position reporting requirements by collecting data from each ATP Holder consolidating the information, and ultimately providing detailed listings of each ATP Holder's report to the Exchange, as well as Financial Industry Regulatory Authority, Inc. ("FINRA"), acting as its agent pursuant to a regulatory services agreement ("RSA").

³⁸ See Rule 906. Reporting of Options Positions.

public exchange or other lit markets. The Exchange believes that without the proposed changes to position and exercise limits for Bitcoin ETF options, market participants will find the 25,000-contract position and exercise limit an impediment to their business and investment objectives as well as an impediment to efficient pricing. As a result, market participants may find the less transparent OTC markets a more attractive alternative to achieve their investment and hedging objectives, leading to a retreat from the listed options markets, where trades are subject to reporting requirements and daily surveillance. The Exchange notes that, consistent with Rules 904 and 905, the position (and exercise) limits for Bitcoin ETF options would be reviewed on a six-month basis, as is done for other options

The Exchange represents that its existing trading surveillances are adequate to monitor trading in Bitcoin ETF options. Additionally, the Exchange is a member of the Intermarket Surveillance Group (“ISG”) under the ISG Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. In addition to the surveillance that is conducted by the Exchange’s market surveillance staff, the Exchange would also be able to obtain information regarding trading in shares of each Bitcoin ETF on other exchanges through ISG. In addition, and as referenced above, the Exchange has a regulatory services agreement with FINRA, pursuant to which FINRA conducts certain surveillances on behalf of the Exchange. Further, pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate regulatory responsibilities to FINRA to conduct certain options-related market surveillances.³⁹

³⁹ Section 19(g)(1) of the Act, among other things, requires every SRO registered as a national securities exchange or national securities association to comply with the Act, the rules and regulations thereunder, and the SRO’s own rules, and, absent reasonable justification or excuse, enforce compliance by its members and persons associated with its members. See 15 U.S.C. 78q(d)(1) and 17 CFR 240.17d-2. Section 17(d)(1) of the Act allows the Commission to relieve an SRO of certain responsibilities with respect to members of the SRO who are also members of another SRO. Specifically, Section 17(d)(1) allows the Commission to relieve an SRO of its responsibilities to: (i) receive regulatory reports from such

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”),⁴⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁴¹ in particular, in that it is 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 a national market system, and, in general, to protect investors and the public interest.

In particular, the Exchange believes the proposed rule change will remove impediments to and perfect the mechanism of free and open market and a national market system, and, in general, protect investors and the public interest, because it will provide market participants with the ability to more effectively execute their trading and hedging activities. Also, based on current trading volume, the resulting increase in the position (and exercise) limits for Bitcoin ETF options may allow Market Makers to maintain their liquidity in these options in amounts commensurate with the continued high consumer demand in Bitcoin ETF options. Subjecting Bitcoin ETF options to the position limits in Rule 904, Commentary .07 and corresponding exercise limits in Rule 905 may also encourage other liquidity providers to continue to trade on the Exchange rather than shift their volume to OTC markets, which will enhance the process of price discovery conducted on the Exchange through increased order flow. The Exchange notes the proposed rule change would further allow institutional investors to utilize Bitcoin ETF options for prudent risk management purposes.

members; (ii) examine such members for compliance with the Act and the rules and regulations thereunder, and the rules of the SRO; or (iii) carry out other specified regulatory responsibilities with respect to such members.

⁴⁰ 15 U.S.C. 78f(b).

⁴¹ 15 U.S.C. 78f(b)(5).

In support of the proposed rule change, the Exchange cites the in-depth analysis Bitcoin ETF options performed which, as noted above, considered, among other things: (1) the market capitalization and ADV of each Bitcoin ETF and a 250,000 contract position and exercise limit in relation to the position limits of options on other securities; (2) market capitalization of the entire Bitcoin market in terms of exercise risk and availability of deliverables; and (3) comparing a 250,000 contract position limit to position limits for derivative products regulated by the CFTC. Based on the Exchange's review of these analyses, the Exchange believes that subjecting Bitcoin ETF options to the position (and exercise) limits set forth in Rule 904, Commentary .07 (which may go up to 250,000 contracts) is more than appropriate. The proposed position and exercise limits reasonably and appropriately balance the liquidity provisioning in the market against the prevention of manipulation.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because all market participants would be subject to the same position and exercise limits for Bitcoin ETF options. The Exchange does not believe the proposed rule change will impose any burden on intermarket competition, and may benefit competition, as the proposed rule change is identical to NYSE Arca's recently-approved rule changes.⁴² The Exchange believes that the proposed rule change will also provide additional opportunities for market participants to continue to efficiently achieve their investment and trading objectives for equity options on the Exchange.

⁴² See Arca Approval Orders.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act⁴³ and Rule 19b-4(f)(6) thereunder.⁴⁴ Because the 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) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)⁴⁵ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),⁴⁶ 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.

At any time within 60 days of the filing of such 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

⁴³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴⁴ 17 CFR 240.19b-4(f)(6).

⁴⁵ 17 CFR 240.19b-4(f)(6).

⁴⁶ 17 CFR 240.19b-4(f)(6)(iii).

Commission shall institute proceedings under Section 19(b)(2)(B)⁴⁷ 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. Please include file number SR-NYSEAMER-2025-51 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-NYSEAMER-2025-51. 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.

⁴⁷ 15 U.S.C. 78s(b)(2)(B).

All submissions should refer to file number SR-NYSEAMER-2025-51 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.⁴⁸

Sherry R. Haywood,

Assistant Secretary.

⁴⁸ 17 CFR 200.30-3(a)(12).

Additions underlined
Deletions [bracketed]

NYSE American Rules

* * * * *

Trading of Option Contracts

Section 1. General Rules Relating to Options

* * * * *

Rule 904. Position Limits

* * * * *

Commentary:

.01 - .06 No change.

.07 (a) - (e) No change.

(f) In addition, the position limit for the options contracts set forth below are as follows:

Option	Position Limits
	* * * * *
[Grayscale Bitcoin Trust (BTC) (GBTC)]	[25,000 contracts]
[Grayscale Bitcoin Mini Trust ETF (BTC)]	[25,000 contracts]
[Bitwise Bitcoin ETF (BITB)]	[25,000 contracts]
	* * * * *