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

File No. * SR 2026 - * 34
Amendment No. (req. for Amendments *)

Filing by Investors' Exchange LLC

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

Initial * ☑ Amendment * ☐ Withdrawal ☐

Section 19(b)(2) * ☐ Section 19(b)(3)(A) * ☑ Section 19(b)(3)(B) * ☐

Pilot ☐ Extension of Time Period for Commission Action * ☐ Date Expires *

Rule

☐ 19b-4(f)(1) ☐ 19b-4(f)(4)
☐ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☑ 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 *).

Proposed rule change to amend certain options listing standards and withdrawal criteria, and amend position and exercise limits

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 * Gwen Last Name * Licardo

Title * Lead Regulation Counsel

E-mail * Gwen.Licardo@iextrading.com

Telephone * (646) 343-2138 Fax

Signature

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

Date 09/22/2026 (Title *)

By Nathaniel Kolodny Lead Regulation 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.

NATHANIEL KOLODNY

Digitally signed by NATHANIEL KOLODNY
Date: 2026.09.22 09:59:08 -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 Listings PL EL 19b-4 v. 6 for filing.doc	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 Listings PL EL Ex. 1 for filing.docx	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 Listings PL EL Ex 5 v2 for filing.docx	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) under the Securities Exchange Act of 1934 ("Act"),[1] and Rule 19b-4 thereunder,[2] Investors Exchange LLC ("IEX" or "Exchange") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to update certain of its options listing standards and position and exercise limits rules in advance of the launch of IEX Options. The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.[3]

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1. 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 persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

Gwen Licardo Lead Regulation Counsel	Nathaniel Kolodny Lead Regulation Counsel

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

2 17 CFR 240.19b-4.

3 17 CFR 240.19b-4(f)(6)(iii).

Investors Exchange LLC
646-343-2138

Investors Exchange LLC
646-343-2034

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

a. Purpose

On September 18, 2025, the Commission approved IEX's proposal to adopt rules governing the trading of options on the Exchange in a new facility called "IEX Options";[4] IEX Options has announced its plan to commence trading options on October 2, 2026.[5] In advance of the launch of IEX Options, IEX proposes to update certain of its options listing standards and position and exercise limits rules. Specifically, as described herein, the Exchange proposes to amend Rule 20.120, Criteria for Underlying Securities, Rule 20.130, Withdrawal of Approval of Underlying Securities, Rule 19.160, Position Limits, and Rule 19.180, Exercise Limits, to amend certain listing standards, establish certain listing standards and withdrawal criteria, and amend position and exercise limits.

The Exchange proposes to amend Rule 20.120(i) and Rule 20.130(g) to establish listing criteria and withdrawal standards for options on Commodity-Based Trusts that hold a single crypto asset or multiple crypto assets. Specifically, the Exchange proposes to amend the criteria for listing options on Fund Shares[6] at Rule 20.120(i) and withdrawal criteria at Rule 20.130(g). This aspect of the proposal is competitive and is substantively identical to proposals submitted

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4 See Securities Exchange Act Release No. 103290 (June 18, 2025), 90 FR 26865, 26878 (June 24, 2025) (SR-IEX-2025-02) (Notice of Filing of Amendment No. 3 to a Proposed Rule Change To Adopt Rules To Govern the Trading of Options on the Exchange for a New Facility Called IEX Options) ("Options Rule Filing") and Securities Exchange Act Release No. 103998 (September 18, 2025), 90 FR 45861 (September 23, 2025) (SR-IEX-2025-02) (Commission order approving a Proposed Rule Change, as Modified by Amendment No. 3, to Adopt Rules To Govern the Trading of Options on the Exchange for a New Facility Called IEX Options) ("Approval Order").

5 See https://www.iex.io/options/resources#important-dates.

6 The term "Fund Shares" is defined in Rule 20.120(i).

by other options exchanges that have been approved by the Commission.[7]

The Exchange proposes to amend Rule 19.160, Position Limits, and Rule 19.180, Exercise Limits, to establish position and exercise limits for iShares Bitcoin Trust ETF ("IBIT"). This aspect of the proposal is competitive and is substantively identical to proposals submitted by other options exchanges that have been approved by the Commission or were immediately effective upon filing.[8]

(i) Proposed Amendments to Rule 20.120(i) to Add a Generic Listing Standard for Crypto-Asset Commodity-Based Trusts

The Exchange proposes to amend Rule 20.120, Criteria for Underlying Securities, and Rule 20.130, Withdrawal of Approval of Underlying Securities, to establish listing criteria and withdrawal standards for options on Commodity-Based Trusts that hold a single crypto asset or multiple crypto assets.

Specifically, the Exchange proposes to amend the criteria for listing options on Fund Shares at Rule 20.120(i)[9] to allow the Exchange to list and trade options on Fund Shares that

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7 See, e.g., Securities Exchange Act Release No. 105072 (March 24, 2026), 91 FR 14894 (March 27, 2026) (SR-ISE-2025-30) (establishing listing criteria and withdrawal standards for options on Commodity-Based Trusts that hold multiple crypto assets); Securities Exchange Act Release No. 105958 (July 21, 2026), 91 FR 46814 (July 24, 2026) (SR-MEMX-2026-13); Securities Exchange Act Release No. 105220 (April 13, 2026), 91 FR 20530 (April 16, 2026) (SR-MIAX-2026-13). The Exchange notes that at the time the Commission approved these rule changes, ISE, MEMX, and MIAX already had effective rules for listing criteria and withdrawal standards for options on Commodity-Based Trusts that hold a single crypto asset.

8 See, e.g., Securities Exchange Act Release No. 105317 (April 27, 2026), 91 FR 23333 (April 30, 2026) (SR-ISE-2025-26) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 5, to Amend the Position and Exercise Limits for IBIT Options); Securities Exchange Act Release No. 105501 (May 18, 2026), 91 FR 30008 (May 21, 2026) (SR-Phlx-2026-29); Securities Exchange Act Release No. 105510 (May 18, 2026), 91 FR 29997 (May 21, 2026) (SR-MIAX-2026-20); Securities Exchange Act Release No. 105520 (May 19, 2026), 91 FR 30340 (May 22, 2026) (SR-BOX-2026-13); Securities Exchange Act Release No. 105652 (June 10, 2026), 91 FR 36031 (June 15, 2026) (SR-MEMX-2026-14); Securities Exchange Act Release No. 105919 (July 15, 2026), 91 FR 44909 (July 17, 2026) (SR-NYSEAMER-2026-60); Securities Exchange Act Release No. 105920 (July 15, 2026), 91 FR 45294 (July 20, 2026) (SR-NYSEARCA-2026-76).

9 In connection with this filing, the Exchange is proposing to renumber the list of securities deemed appropriate for listing and trading of options under Rule 20.120(i) using lowercase Roman numerals i – iv,

represent interests in a Commodity-Based Trust that meets the generic criteria of the U.S. securities exchange that is the primary equities listing market for the Commodity-Based Trust, except that Commodity-Based Trust holds a single crypto asset or multiple crypto assets that meets the following requirements: (1) the total global supply of each underlying crypto asset(s) held by the Commodity-Based Trust has an average daily market value of at least $700 million over the last 12 months; and (2) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the Intermarket Surveillance Group. For purposes of this section of the Rule, 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 relies on cryptographic protocols. This aspect of the proposal is competitive and is substantively identical to proposals submitted by other options exchanges that have been approved or deemed approved by the Commission.[10]

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as opposed to the numbers 1 – 4 currently used in the Rule in an effort to avoid confusion when referencing sections of this Rule and otherwise maintain consistency with the numbering throughout the Exchange's rulebook. The proposed fifth subparagraph of Rule 20.120(i) for Commodity-Based Trusts will conform to the renumbering and will be added as Rule 20.120(i)(v). In addition, the Exchange is proposing to reformat Rule 20.120(l)(1) by moving subparagraph (F) to the next line so that it is appropriately distinguished from Rule 20.120(l)(1)(E). The Exchange is not proposing any changes to the rule text of Rule 20.120(l)(1)(E) or Rule 20.120(l)(1)(F).

[10] SR-ISE-2025-08 Amendment No. 1 was deemed approved as of October 24, 2025. See Securities Exchange Act Release No. 104210 (November 18, 2025), 90 FR 52727 (November 21, 2025) (SR-ISE-2025-08) (Notice of Deemed Approval of Various Proposed Rule Changes – BOX Exchange, LLC, Cboe Exchange, Inc., Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe EDGX Exchange, Inc., Miami International Securities Exchange, LLC, MIAX PEARL, LLC, MIAX Sapphire, LLC, Nasdaq ISE, LLC, New York Stock Exchange LLC, NYSE American LLC, NYSE Arca, Inc., NYSE National, Inc., and NYSE Texas, Inc.); see also Securities Exchange Act Release No. 105072 (March 24, 2026), 91 FR 14894 (March 27, 2026) (SR-ISE-2025-30) (Order Approving a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, Regarding the Adoption of Listing Criteria for Options on Commodity-Based Trusts That Hold Multiple Crypto Assets); Securities Exchange Act Release No. 105958 (July 21, 2026), 91 FR 46814 (July 24, 2026) (SR-MEMX-2026-13); Securities Exchange Act Release No. 105578 (May 29, 2026), 91 FR 33272 (June 3, 2026) (SR-MIAX-2026-13).

On September 17, 2025, the Commission approved proposals by The Nasdaq Stock Market LLC, Cboe BZX Exchange, Inc., and NYSE Arca, Inc. to Adopt Generic Listing Standards for Commodity-Based Trusts.[11] In the Generic Listing Standards for Commodity-Based Trust Shares Approval Order, the Commission noted that each of the exchanges proposed to adopt substantially identical "generic" listing standards for Commodity-Based Trusts. Those generic listing standards define the term shares of a "Commodity-Based Trust" as a security[12] that:

(1) is issued by a trust, limited liability company, partnership, or other similar entity ("Trust") that, if applicable, is operated by a registered commodity pool operator pursuant to the Commodity Exchange Act ("CEA"), and is not registered as an investment company pursuant to the Investment Company Act of 1940, or series or class thereof;

(2) is designed to reflect the performance of one or more reference assets or an index of reference assets;

(3) in order to reflect the performance, is issued by a Trust that holds (a) one or more commodities or commodity-based assets, and (b) in addition to such commodities or commodity-based assets, may hold securities, cash, and cash equivalents;

(4) is issued by such Trust in a specified aggregate minimum number in return for a deposit of (a) a specified quantity of the underlying commodities, commodity-based assets, securities, cash, and/or cash equivalents or (b) a cash amount with a value based on the next determined net asset value per Trust share; and

(5) when aggregated in the same specified minimum number, may be redeemed at a

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11 See Securities Exchange Act Release No. 103995 (September 17, 2025), 90 FR 45414 (September 22, 2025) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, To Adopt Generic Listing Standards for Commodity-Based Trust Shares) (SR-NASDAQ-2025-056; SR-CboeBZX-2025-104; SR-NYSEARCA-2025-54) ("Generic Listing Standards for Commodity-Based Trust Shares Approval Order"). The Exchange believes it is appropriate to rely on the generic listing standards outlined by the primary listing market due to the potential proliferation of new primary listing markets and the Commission's acknowledgment that the definition of shares of a Commodity-Based Trust across those primary listing markets is substantially identical.

12 Shares of the applicable Commodity-Based Trust trade as equity securities. See Nasdaq Rule 5711(d)(ii); proposed BZX Rule 14.11(e)(4)(B); proposed NYSE Arca Rule 8.201-E(b) (Generic) (stating that Commodity-Based Trust Shares are included within the definition of a "security" as such term is used in the Exchanges' rules and are subject to the Exchanges' existing rules governing the trading of equity securities).

> holder's request by such Trust which will deliver to the redeeming holder (a) the specified quantity of the underlying commodities, commodity-based assets, securities, cash, and/or cash equivalents or (b) a cash amount with a value based on the next determined net asset value per Trust share.

As proposed, the Commodity-Based Trust must satisfy the following: (1) the total global supply of each 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 (2) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the Intermarket Surveillance Group ("ISG").

The proposed rule change would require a Commodity-Based Trust to: (1) meet the generic criteria of a U.S. equities listing exchange[13] and hold a single crypto asset or multiple crypto assets;[14] (2) meet the criteria and guidelines set forth in Rule 20.120(a)[15] and (b),[16] or

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[13] A Commodity-Based Trust is defined in Cboe BZX Exchange, Inc. Rule 14.11(e)(4), NYSE Arca, Inc. Rule 8.201(c)(1), and The Nasdaq Stock Market LLC Rule 5711(d)(iv) (the three current U.S. equities exchanges that serve as primary listing markets) as a security (a) that is issued by a trust ("Trust") that holds (1) a specified commodity deposited with the Trust, or (2) a specified commodity and, in addition to such specified commodity, cash; (b) that is issued by such Trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity and/or cash; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such Trust which will deliver to the redeeming holder the quantity of the underlying commodity and/or cash ("Commodity-Based Trust Share").

[14] The proposed rule defines a "crypto asset" to mean, for purposes of Rule 20.120(i)(v), 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 relies on cryptographic protocols.

[15] Pursuant to Rule 20.120(a), a security (which includes an ETF/Fund Share) on which options may be listed and traded on the Exchange must be duly registered with the Commission and be an NMS stock as defined in Rule 600 of Regulation NMS under the Act, as amended, and be characterized by a substantial number of outstanding shares that are widely held and actively traded.

[16] Rule 20.120(b) provides criteria and guidelines when evaluating potential securities for the listing of options.

Rule 20.120(i)(1)(B);[17] and (3) meet the requirements of proposed Rule 20.120(i)(v),[18] which are as follows: (A) the total global supply of each 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) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the ISG.

The Exchange will calculate the market value of each underlying crypto asset by taking the total global supply of the particular crypto asset multiplied by the token price.[19] Total supply of crypto assets includes all crypto assets currently issued and does not include unissued crypto assets.[20] Further, the Exchange has specified in proposed Rule 20.120(i)(v) that each crypto asset held by the Commodity-Based Trust must underlie a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the ISG.[21] The Exchange will be required to ensure that this requirement is met prior to listing options on a Commodity-Based Trust pursuant to proposed

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17 Rule 20.120(i)(1)(B) provides that the Fund Shares are available for creation or redemption each business day in cash or in kind from the investment company, commodity pool or other entity at a price related to net asset value, and the investment company, commodity pool or other entity is obligated to provide that Fund Shares may be created even if some or all of the securities and/or cash required to be deposited have not been received by the Fund, the unit investment trust or the management investment company, provided the authorized creation participant has undertaken to deliver the securities and/or cash as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the Fund, all as described in the Fund's or unit trust's prospectus.

18 As described in more detail below, the Exchange proposes to renumber the subparagraphs of Rule 20.120(i) to provide clarity.

19 The market supply information can be obtained from publicly available sources such as https://www.coingecko.com/ or https://coinmarketcap.com/.

20 For example, if Bitcoin were the underlying crypto asset, the Exchange would consider the total supply of all Bitcoin currently issued instead of the maximum supply, which would be currently issued as well as unminted Bitcoin. As of September 21, 2026, Bitcoin's total supply was 20,087,515 (the maximum supply is 21,000,000). See https://www.coingecko.com/en/coins/bitcoin. The Exchange would calculate market value by utilizing the total supply number multiplied by the Bitcoin price on that day.

21 For a list of the current members of ISG, see https://isgportal.org/page/isg_members.

Rule 20.120(i)(v).

As a result of this proposal, the proposed listing criteria would permit a Commodity-Based Trust that (a) is generically listed on a U.S. exchange that is the primary equities listing market for the Commodity-Based Trust and (b) holds a single crypto asset or multiple crypto assets to qualify for the listing of options on that ETF, provided proposed Rule 20.120(i)(v) has also been met, as well as the listing criteria in Rule 20.120(a) and (b), or Rule 20.120(i)(1)(B).

Accordingly, the Exchange proposes to add the following rule text as new subparagraph (v) to Rule 20.120(i):

> (v) represent interests in a Commodity-Based Trust that meets the generic criteria of the U.S. securities exchange that is the primary equities listing market for the Commodity-Based Trust, except that the Commodity-Based Trust holds a single crypto asset or multiple crypto assets that meets the following requirements: (1) the total global supply of each 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 (2) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the Intermarket Surveillance Group. For purposes of subparagraph (v) in this Rule, 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 relies on cryptographic protocols.

(ii) <u>Proposed Amendments to Rule 20.130(g) to Add Delisting Requirements for Options on Commodity-Based Trusts</u>

Similar to options on any ETF, an option on a Commodity-Based Trust that meets the requirements of proposed Rule 20.120(i)(v) would also be subject to the Exchange's delisting requirements set forth in Rule 20.130(g) for Fund Shares approved for options trading pursuant to Rule 20.120(i). Rule 20.130(g) provides that Fund Shares approved for options trading pursuant to Rule 20.120 will not be deemed to meet the requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts of the class covering such Fund Shares if the security is delisted from trading as provided in Rule 20.130(b)(4) (i.e., the underlying security ceases to be an "NMS stock" as defined in Rule 600 of Regulation NMS under the Act).[22] With respect to options on Commodity-Based Trusts that are approved subject to proposed Rule 20.120(i)(v), the Exchange proposes to amend Rule 20.130(g) to adopt a new subparagraph (3) which states: "In the case of options covering Fund Shares approved pursuant to Rule 20.120(i)(v), if the criteria in Rule 20.120(i)(v)(1) are no longer satisfied, as determined by the Exchange on a monthly basis, or if the criteria in Rule 20.120(i)(v)(2) are no longer satisfied."[23]

This proposed new criteria would require ETFs that are listed pursuant to Rule 20.120(i)(v) to continue to meet the requirements of Rules 20.120(i)(v)(1) and (2). Additionally, this proposed new criteria, which would also be added to Rule 20.130(g)(1), would require ETFs that are listed pursuant to 20.120(i)(1)(A) to continue to meet the requirements of subparagraphs (1), (2), (3), and (4), of Rule 20.130(g), as amended.

The Exchange is proposing that the criteria in Rule 20.120(i)(v)(1) be met on a monthly basis while the criteria in Rule 20.120(i)(v)(2) be met on a continuous basis. The Exchange believes that requiring the criteria in Rule 20.120(i)(v)(1) to be met on a monthly basis is reasonable given that the Exchange believes that it is unlikely that a crypto asset with an average daily market value of at least $700 million over the previous twelve months would fail to meet that standard as a result of trading over a relatively short period of time. By way of example, if a crypto asset has a market capitalization of $900 million and traded at that market capitalization for 15 days in a 20-day trading month, the crypto asset could lose a substantial amount of its

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22 See Rule 20.130(g).

23 The Exchange proposes to renumber the remaining paragraphs of Rule 20.130(g).

value (up to 88%) and still meet the criteria. Similarly, a crypto asset with a market capitalization of $500 million for 15 days in a 20-day trading month would have to achieve a market capitalization of $1.3 billion (a 160% increase) in the last 5 days to meet the criteria. Given the unlikelihood that there would be a huge movement over a month's period of time and considering the work that would be required to calculate the criteria on a daily basis as compared to each month, the Exchange believes that the proposed continued listing obligation for the average daily market value criteria is sufficient. Also, the Exchange proposes to add "crypto asset(s)" to the list of items covered by subparagraph (4).

Further, options on Commodity-Based Trusts that are approved subject to Rule 20.120(i)(v) would continue to be subject to Exchange Rule 20.130(g)(5), as renumbered, which states that the Exchange may consider suspending opening transactions in options on Fund Shares if, "such other event occurs or condition exists that in the opinion of the Exchange makes further dealing in such options on IEX Options inadvisable." The Exchange may determine at any point to delist an option on a Commodity-Based Trust that may not have sufficient liquidity or market demand.

Consistent with current Rule 20.140, which governs the opening of options series on a specific underlying security (including ETFs), the Exchange will open at least one expiration month series of options on a Commodity-Based Trust Fund Share[24] at the commencement of

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[24] See Rule 20.140(b) and (e). The monthly expirations are subject to certain listing criteria for underlying securities described within Rule 20.120. Monthly listings expire the third Friday of the month. The term "expiration date" (unless separately defined elsewhere in the OCC By-Laws), when used in respect of an option contract (subject to certain exceptions), means the third Friday of the expiration month of such option contract, or if such Friday is a day on which the exchange on which such option is listed is not open for business, the preceding day on which such exchange is open for business. See OCC By-Laws Article I, Section 1. Pursuant to Rule 20.140(c), additional series of options of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying stock moves more than five strike prices from

trading on the Exchange and may also list series of options on a Commodity-Based Fund Share for trading on a weekly,[25] monthly,[26] or quarterly basis.[27] The Exchange may also list long-term options series that expire from 12 to 39 months from the time they are listed.[28]

Pursuant to Rule 20.140, Supplementary Material .01, which governs strike prices of series of options on Fund Shares, the interval of strike prices for series of options on Commodity-Based Fund Shares may be $1 or greater where the strike price is $200 or less or $5 or greater where the strike price is over $200.[29] Additionally, the Exchange may list series of options pursuant to the $1 Strike Price Interval Program,[30] the $0.50 Strike Program,[31] the $2.50 Strike Price Program,[32] and the $5 Strike Program.[33] Pursuant to Rule 22.140, where the price of a series of a Commodity-Based Fund Share option is less than $3.00, the minimum increment will be $0.05, and where the price is $3.00 or higher, the minimum increment will be $0.10.[34] Any and all new series of Commodity-Based Fund Share options that the Exchange lists will be consistent and comply with the expirations, strike prices, and minimum increments set forth in

the initial exercise price or prices. New series of options on an individual stock may be added until the beginning of the month in which the options contract will expire. Due to unusual market conditions, the Exchange, in its discretion, may add a new series of options on an individual stock until the close of trading on the business day prior to expiration.

25 See Rule 20.140, Supplementary Material .05.

26 See Rule 20.140, Supplementary Material .07.

27 See Rule 20.140, Supplementary Material .04.

28 See Rule 20.160.

29 The Exchange notes that for options listed pursuant to the Short Term Options Series Program, Rule 20.140, Supplementary Material .05 sets forth intervals between strike prices on Short Term Option Series.

30 See Rule 20.140, Supplementary Material .01 and .02.

31 See Rule 20.140, Supplementary Material .06.

32 See Rule 20.140, Supplementary Material .03.

33 See Rule 20.140(d)(5).

34 If options on a Commodity-Based Trust are eligible to participate in the Penny Interval Program, the minimum increment will be $0.01 for series with a price below $3.00 and $0.05 for series with a price at or above $3.00. See Rule 22.140(c).

Rules 20.140 and 22.140, as applicable.

Options on Commodity-Based Trusts that may be listed pursuant to proposed Rule 20.120(i)(v) will trade in the same manner as options on other ETFs on the Exchange. The Exchange Rules that currently apply to the listing and trading of all Fund Share options on the Exchange, including, for example, Rules that govern listing criteria, expirations, exercise prices, minimum increments, position and exercise limits, margin requirements, customer accounts, and trading halt procedures will apply to the listing and trading of options on Commodity-Based Trusts that are approved subject to Rule 20.120(i)(v) in the same manner.

Position and exercise limits for options, including options on Commodity-Based Trust Shares, are determined pursuant to Rules 19.160 and 19.180, respectively. Position and exercise limits for options on ETFs vary according to the number of outstanding shares and the trading volumes of the underlying security over the past six months, where the largest in capitalization and the most frequently traded funds have an option position and exercise limit of 250,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market; and smaller capitalization funds have position and exercise limits of 200,000, 75,000, 50,000 or 25,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market.[35] Further, the Exchange notes that Rule 29.120, which governs margin requirements applicable to the trading of all options on the Exchange, including options on ETFs, will also apply to the trading of options on Commodity-Based Trusts listed pursuant to proposed Rule 20.120(i)(v).

The Exchange represents that, upon launch, it will have an adequate surveillance program in place for options and intends to apply those same program procedures to options on

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[35] See Rules 19.160 and 19.180.

Commodity-Based Trusts that may be listed pursuant to proposed Rule 20.120(i)(v) that it will apply to the Exchange's other options products.[36] The Exchange believes that its planned surveillance procedures are designed to deter and detect possible manipulative behavior which might potentially arise from listing and trading the proposed options on Commodity-Based Trusts. Additionally, the Exchange is a member of the ISG under the Intermarket Surveillance Group Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. In addition, the Exchange has a Regulatory Services Agreement ("RSA") with the Financial Industry Regulatory Authority ("FINRA") for certain market surveillance, investigation, and examinations functions, including for options-related regulation. Further, pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate amongst themselves and FINRA responsibilities to conduct certain options-related market surveillance that are common to rules of all options exchanges.[37] Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on Commodity-Based Trusts pursuant to proposed Rule 20.120(i)(v).

The Exchange has also analyzed its capacity and represents that it believes the Exchange and the Options Price Reporting Authority ("OPRA") have the necessary systems capacity to

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36 The surveillance program includes surveillance patterns for price and volume movements as well as patterns for potential manipulation (e.g., spoofing and marking the close).

37 Section 19(g)(1) of the Act, among other things, requires every self-regulatory organization ("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 ("common members"). 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.

handle the additional traffic associated with the listing of new series of options on ETFs, including on Commodity-Based Trusts pursuant to proposed Rule 20.120(i)(v), up to the number of expirations currently permissible under the Rules. The Exchange believes any additional traffic generated from the trading of options on Commodity-Based Trusts listed pursuant to proposed Rule 20.120(i)(v) would be manageable. The Exchange represents that Exchange members will not have a capacity issue as a result of this proposed rule change.

Further, quotation and last sale information for Commodity-Based Trusts listed pursuant to proposed Rule 20.120(i)(v) is available via the Consolidated Tape Association ("CTA") high speed line and the Unlisted Trading Privileges Plan. Quotation and last sale information for such securities is also available from the exchange on which such securities are listed. Quotation and last sale information for options on Commodity-Based Trusts listed pursuant to proposed Rule 20.120(i)(v) will be available via OPRA,[38] IEX's proprietary market data fees, and major market data vendors.

(iii) Proposed Amendments to Rules 19.160 and 19.180 to Add Position and Exercise Limits for IBIT

The Exchange proposes to amend Rules 19.160 (Position Limits) and 19.180 (Exercise Limits) to provide for position and exercise limits for options on IBIT that are identical to such limits provided for in other options exchanges' rules.[39] IBIT is an ETF that holds bitcoin and is listed on The Nasdaq Stock Market LLC.[40] The Exchange plans to list options on IBIT as a

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[38] Last sale reports and quotations are the core of the information that OPRA disseminates. OPRA also disseminates certain other types of information with respect to the trading of options on the markets of the OPRA participants, such as the number of options contracts traded, open interest, and end of day summaries. OPRA also disseminates certain kinds of administrative messages.

[39] See supra, note 8.

[40] In 2024, Nasdaq received approval to list and trade Bitcoin-based Commodity-Based Trust Shares in IBIT

Commodity-Based Trust listed pursuant to proposed Rule 20.120(i)(v).

Position and exercise limits are designed to limit the number of options contracts in an underlying security traded across all options exchanges that an investor, acting alone or in concert with others directly or indirectly, may control. These limits 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 specify the position limits and exercise limits for options on IBIT to 1,000,000 contracts by including the proposed position limit in Rule 19.160, Supplementary Material .01, Position Limits, and the proposed exercise limit in Rule 19.180, Supplementary Material .01, Exercise Limits. The Exchange notes that the proposed position limits and exercise limits for options on IBIT are consistent with existing position limits and exercise limits for options on iShares Russell 2000 ETF, iShares MSCI Emerging Markets ETF, iShares China Large-Cap ETF, and iShares MSCI EAFE ETF.

Composition and Growth Analysis for Underlying ETFs

As stated above, position (and exercise) limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate the underlying market so as to benefit options positions. The Commission has recognized that these limits are designed to minimize the potential for mini-manipulations and for corners or squeezes of the underlying market, as well as serve to reduce the possibility for disruption of the options market

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pursuant to Nasdaq Rule 5711(d). See Securities Exchange Act Release No. 99306 (January 10, 2024), 89 FR 3008 (January 17, 2024) (SR-NASDAQ-2023-016) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, To List and Trade Bitcoin-Based Commodity-Based Trust Shares and Trust Units). IBIT started trading on January 11, 2024.

itself, especially in illiquid classes.[41]

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."[42] 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."[43]

The Exchange believes that establishing the position limit (and exercise limit) for options on IBIT at 1,000,000 contracts would enable liquidity providers to provide liquidity to the Exchange, as well as other options exchanges on which they participate. As described in further detail below, the Exchange believes that the continuously increasing market capitalization of IBIT options, as well as the highly liquid markets for those securities, reduces the concerns for potential market manipulation and/or disruption in the underlying markets upon the proposed position limits, while the rising demand for trading options on IBIT for legitimate economic purposes compels the proposed position limits and corresponding exercise limits.

Absent this proposed change, the Exchange believes that options trading on IBIT would be subject to the 250,000-contract position limit pursuant to the criteria in Rule 19.160(d).[44]

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41 See Securities Exchange Act Release No. 67672 (August 15, 2012), 77 FR 50750 (August 22, 2012) (SR-NYSEAmex-2012-29).

42 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 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) ("ISE IBIT Approval Order").

43 See id.

44 Rule 19.160(d) provides at subparagraph (5) that to be eligible for the 250,000-contract limit, either the

However, as described below, at the time that Nasdaq ISE, LLC("ISE") proposed to increase the position and exercise limits for IBIT to 1,000,000 contracts, it provided a robust analysis on why the proposed increased limits were appropriate. The following describes the information provided by ISE:

As of February 11, 2026, the market capitalization for IBIT was $52,661,063,818[45] with an average daily volume ("ADV") for the preceding 6 months prior to February 11, 2026 of 61,803,035 shares. By comparison on the same day, the iShares MSCI Emerging Markets ("EEM") had an ADV of 29,459,889 shares and assets under management ("AUM") of $27,761,941,292; the iShares China Large-Cap ETF ("FXI") had an ADV of 31,656,532 shares and an AUM of $6,594,337,253, and the iShares MSCI EAFE ETF ("EFA") had an ADV of 17,215,037 shares and an AUM of $76,788,457,200.[46] As of September 18, 2026, the market capitalization for IBIT was $63,708,756,000[47] with ADV for the 6 months prior to September 18, 2026 of 46,401,565 shares. By comparison on the same day, EEM had an ADV of 27,258,887 shares and an AUM of $31,274,777,620; FXI had an ADV of 25,059,273 shares and an AUM of $4,097,373,502, and EFA had an ADV of 13,905,337 shares and an AUM of

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most recent six (6) month trading volume of the underlying security must have totaled at least 100 million shares or the most recent six-month trading volume of the underlying security must have totaled at least seventy-five (75) million shares and the underlying security must have at least 300 million shares currently outstanding.

45 The market capitalization was determined by multiplying a Net Asset Value of $38.29 by the number of shares outstanding: 1,337,920,000. This figure was acquired as of February 11, 2026. See https://www.ishares.com/us/products/333011/ishares-Bitcoin-trust-etf; see also Securities Exchange Act Release No. 104884 (February 26, 2026), 91 FR 9904 (February 27, 2026) (SR-ISE-2024-03, Amendment No. 5) ("SR-ISE-2024-03, Amendment No. 5").

46 These figures are from February 11, 2026. See SR-ISE-2024-03, Amendment No. 5, supra note 45.

47 The market capitalization was determined by multiplying a Net Asset Value of $45.95 by the number of shares outstanding: 1,386,480,000. This figure was acquired as of September 18, 2026. See https://www.ishares.com/us/products/333011/ishares-Bitcoin-trust-etf.

\$77,651,223,358.[48]

In addition to IBIT's Rule 19.160(d) eligibility for the 250,000 contract position limit, in proposing to establish the 1,000,000 contract position and exercise limits for IBIT, ISE performed additional analysis with respect to IBIT.[49] First, ISE considered IBIT's market capitalization and ADV, and prospective position limit in relation to other securities. In measuring IBIT against other securities, ISE aggregated market capitalization and volume data for securities that have defined position limits utilizing data from The Options Clearing Corporation ("OCC").[50] This pool of data took into consideration 3,797 options on single stock securities, excluding broad based ETFs.[51] Next, the data was aggregated based on market capitalization and ADV and grouped by option symbol and position limit utilizing statistical thresholds for ADV, based on 180 days, and market capitalization that were one standard deviation[52] above the mean for each position limit category (i.e., 25,000; 50,000 to 52,000; 75,000; 200,000; 250,000 to 375,000; 450,000 to 650,000; 750,000 to 1,250,000 and greater than or equal to 2,000,000).[53] This exercise was performed to demonstrate IBIT's position limit relative to other options symbols in terms of market capitalization and ADV. For reference, at

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[48] These figures are from September 18, 2026 and are consistent with the analysis conducted by ISE set forth in SR-ISE-2024-03, Amendment No. 5, supra, note 45.

[49] See SR-ISE-2024-03, Amendment No. 5, supra, note 45.

[50] The computations are based on OCC data from February 11, 2026. Data displaying zero values in market capitalization or ADV were removed.

[51] IBIT has one asset and therefore is not comparable to a broad-based ETF where there are typically multiple components.

[52] The standard deviation added limited utility to the analysis given the heavily skewed distribution of market capitalizations in the single stock securities.

[53] These buckets are based on OCC's current position limits. See https://www.theocc.com/market-data/market-data-reports/series-and-trading-data/position-limits. Rule 19.160 sets out position limits for various contracts. For example, a 25,000 contract limit applies to those options having an underlying security that does not meet the requirements for a higher options contract limit. The Exchange notes that position limits may also be higher due to corporate actions in the underlying equities, such as a stock split.

the time of the ISE filing, the market capitalization for IBIT was $52,661,063,818[54] with an ADV for the preceding 180 days prior to February 11, 2026 of 61,803,035 shares. As noted above, IBIT's market capitalization as of September 18, 2026 was $63,708,756,000 and its ADV for the preceding 180 days prior to September 18, 2026 was 46,401,565 shares.

According to the ISE IBIT Approval Order,[55] if IBIT were compared to the 10 stocks that have position limits of 750,000 contracts to 1.25 million contracts, it would rank in the 45th percentile for market capitalization and the 89th percentile for ADV. ISE also analyzed the position limits for IBIT by regressing the median elements from each bucket of market capitalization and the 180-day ADV of all non-ETF equities, against their respective position limit figures. From this regression, ISE was able to determine the implied coefficients to create a formulaic method for determining an appropriate position limit.[56] ISE utilized a linear model approach which incorporated the median metric from each bucket given the data at both the lower end of each position limit bucket and the higher end of each position limit bucket could be considered significant outliers, thereby skewing the results.

ISE utilized IBIT's market capitalization of $52,661,063,818 to arrive at a modeled position limit of 1,707,654. Additionally, ISE utilized IBIT's ADV of 61,803,035 to arrive at a modeled position limit of 5,672,081. Based on the aforementioned analysis, the Exchange believes that the proposed 1,000,000 contracts position and exercise limit is appropriate.

Second, ISE reviewed IBIT's data relative to the market capitalization of the entire Bitcoin market in terms of exercise risk and availability of deliverables. Also, as of February 11,

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54 See supra, note 45.

55 See supra, note 42.

56 ISE utilized Excel's Data Analysis Package to model the position limit.

2026, there were approximately 20.5 million Bitcoins in circulation.[57] At a price of $66,938,[58] that equates to a market capitalization of greater than $1.374 trillion. If a position limit of 1,000,000 contracts were considered, the exercisable risk would represent 7.474%[59] of the outstanding shares of IBIT. Since IBIT has a creation and redemption process managed through the issuer, the position limit can be compared to the total market capitalization of the entire Bitcoin market and in that case, the exercisable risk for options on IBIT would represent 0.278% of all Bitcoin outstanding.[60] Assuming a scenario where all options on IBIT shares were exercised given the proposed 1,000,000-contract position limit (and exercise limit), this would have a virtually unnoticed impact on the entire Bitcoin market. This analysis demonstrates that the proposed 1,000,000 per same side position and exercise limit is appropriate for options on IBIT given its liquidity.

Third, ISE reviewed the proposed position limit by comparing it 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), ISE examined equivalent bitcoin futures position limits. In particular, ISE looked at the Chicago Mercantile Exchange ("CME") bitcoin futures contract[61] that has a position limit of 2,000 futures.[62]

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57 See https://www.coingecko.com/en/coins/bitcoin.

58 This was the approximate price of Bitcoin on February 11, 2026.

59 This percentage is arrived at with this equation: (1,000,000 contract limit * 100 share per option / 1,337,920,000 shares outstanding).

60 This number was arrived at with this calculation: (1,000,000 contract limit * 100 share per option * $38.29 IBIT NAV) / (20,528,687 BTC outstanding * $66,938 BTC price).

61 CME bitcoin Futures are described in Chapter 350 of CME's Rulebook.

62 See the Position Accountability and Reportability Level Table in the Interpretations & Special Notices Section of Chapter 5 of CME's Rulebook.

On February 11, 2026, CME bitcoin futures settled at $677,150,406.33.[63] On February 11, 2026, IBIT settled at $38.29, which would equate to greater than 17,684,774 shares of IBIT if the CME notional position limit was utilized. Since substantial portions of any distributed options portfolio is likely to be out of the money on 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 176,848 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).[64] Therefore, if a portfolio includes positions in options on futures, CME would aggregate those positions into the underlying futures contracts in accordance with a table published by CME on a delta equivalent value for the relevant spot month, subsequent spot month, single month and all month position limits.[65] 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. Based on the aforementioned analysis, the Exchange believes that the proposed 1,000,000 contracts position and exercise limit is appropriate.

Fourth, ISE analyzed a position limit and exercise limit of 1,000,000 for IBIT options

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63 2,000 futures at a 5 bitcoin multiplier (per the contract specifications) equates to $677,150,000 (2,000 contracts * 5 BTC per contract * $67,715 price of February BTC future) of notional value.

64 See SR-ISE-2024-03, Amendment No. 5, footnote 33, supra note 45.

65 Id.

against other options on ETFs with an underlying commodity, namely SPDR Gold Shares ("GLD"), iShares Silver Trust ("SLV"), and ProShares Bitcoin ETF ("BITO").[66] GLD has a float of 377 million shares[67] and a position limit of 250,000 contracts. SLV has a float of 552 million shares,[68] and a position limit of 250,000 contracts. Finally, BITO has 200.89 million shares outstanding[69] and a position limit of 250,000 contracts.

As previously noted, position limits 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 6.63% of the float of GLD; a position limit exercise in SLV would represent 4.53% of the float of SLV; a position limit exercise in BITO would represent 12.44% of the float of BITO.

In comparison, ISE determined that, as of February 11, 2026, a 1,000,000-contract position limit in IBIT options would represent 7.474% of the outstanding shares of IBIT. Consequently, the 1,000,000 proposed IBIT options position and exercise limit is generally aligned with the standard applied to GLD, SLV, and BITO, and appropriate.

Fifth, ISE notes that IBIT began trading in penny increments as of January 2, 2025 pursuant to the Penny Interval Program.[70] The Commission noted that evidence and analysis provided in connection with the Penny Pilot demonstrated that the Pilot benefited investors and

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66 GLD, SLV, and BITO each hold one asset in trust similar to IBIT.

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

68 See https://www.ishares.com/us/products/239855/ishares-silver-trust-fund.

69 See https://www.marketwatch.com/investing/fund/bito.

70 See Rule 22.140.

other market participants in the form of narrower spreads.[71] The most actively traded options classes are included in the Penny Program based on certain objective criteria (trading volume thresholds and initial price tests). As noted in the Penny Approval Order, the Penny Program reflects a certain level of trading interest (either because the class is newly listed or a class experienced a significant growth in investor interest) to quote in finer trading increments, which in turn should benefit market participants by reducing the cost of trading such options.[72]

The IBIT options class is among a select group of products that have achieved a certain level of liquidity that have garnered it the ability to trade in finer increments. Failing to increase position and exercise limits for IBIT options, now that it is trading in finer increments, may artificially inhibit liquidity and create price inefficiency. The Exchange notes that options on iShares MSCI Emerging Markets, iShares China Large-Cap ETF, and iShares MSCI EAFE ETF also trade in penny increments based on their liquidity.

Based on ISE's analysis, the Exchange believes the 1,000,000-contract position and exercise limits for options trading on IBIT continue to be appropriate. Specifically, the Exchange believes that IBIT options have more than sufficient liquidity to garner position and exercise limits of 1,000,000 contracts. The Exchange believes that any concerns related to manipulation and protection of investors are mollified by the significant liquidity provision in IBIT. The Exchange believes that, as a general principle, increases in active trading volume and deep liquidity of the underlying securities do not lead to manipulation and/or disruption.

The Exchange believes that the proposed position and exercise limits for IBIT options,

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71 See Securities Exchange Act Release No. 88532 (April 1, 2020), 85 FR 19545, 19548 (April 7, 2020) (File No. 4-443) (Joint Industry Plan; Order Approving Amendment No. 5 to the Plan for the Purpose of Developing and Implementing Procedures Designed to Facilitate the Listing and Trading of Standardized Options To Adopt a Penny Interval Program) ("Penny Approval Order").

72 Id. at 19548.

which are identical to such limits in place at all other options exchanges as noted above, would continue to support a liquid and competitive market for IBIT options, which will benefit customers that trade these options. Further, the reporting requirement for such options (which would be identical to the requirements of all other options exchanges), would require that each Options Member[73] that maintains positions in impacted 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 Makers would continue to be exempt from this reporting requirement, however, the Exchange may access Market Maker position information.[74] Moreover, the Exchange's requirement that Options 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 and will continue to serve as an important part of the Exchange's surveillance efforts.[75]

The Exchange understands that continued options volume growth in IBIT would provide opportunities for investors to participate in the options markets. The Exchange agrees with the other options exchanges that the proposed position and exercise limits are appropriate and that if lower limits had been established (e.g., position (and exercise) limits for IBIT at 250,000

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73 The term "Options Member" means a firm, or organization that is registered with the Exchange pursuant to Chapter 18 of the IEX Rule Book for purposes of participating in options trading on IEX Options as an Options Order Entry Firm, Options Market Maker, or Clearing Member. See Rule 17.100.

74 OCC through the Large Option Position Reporting ("LOPR") system acts as a centralized service provider for Options Member compliance with position reporting requirements by collecting data from each Options Member, consolidating the information, and ultimately providing detailed listings of each Options Member's report to the Exchange, as well as FINRA, acting as its agent pursuant to an RSA.

75 See Rule 19.190.

contracts pursuant to Rules 19.160(d)(5) and 19.180), trading in IBIT options would be restricted and the listed options markets would be prevented 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 change to position and exercise limits for IBIT options, market participants will find the 250,000-contract position an impediment to their business and investment objectives as well as an impediment to efficient pricing. As such, 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. Moreover, the Exchange notes that exchange position and exercise limits apply across all options exchanges and thus it would be disruptive to options exchange trading for IEX to not adopt conforming limits.

The Exchange believes that upon launch, its surveillance procedures and reporting requirements at the Exchange are capable of properly identifying disruptive and/or manipulative trading activity. The Exchange also represents that it will have adequate surveillances in place to detect potential manipulation, as well as reviews in place to identify continued compliance with the Exchange's listing standards. These procedures monitor market activity via automated surveillance techniques to identify unusual activity in both options and the underlying securities, as applicable. The Exchange also notes that large stock holdings must be disclosed to the Commission by way of Schedules 13D or 13G,[76] which are used to report ownership of stock

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[76] 17 CFR 240.13d-1.

which exceeds 5% of a company's total stock issue and may assist in providing information in monitoring for any potential manipulative schemes. Further, the Exchange believes that the current financial requirements imposed by the Exchange and by the Commission adequately address concerns regarding potentially large, unhedged positions in equity options. Current margin and risk-based haircut methodologies serve to limit the size of positions maintained by any one account by increasing the margin and/or capital that a Participant must maintain for a large position held by itself or by its customer.[77] In addition, Rule 15c3-1[78] imposes a capital charge on Participants to the extent of any margin deficiency resulting from the higher margin requirement.

b. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[79] Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(5)[80] requirements that the rules of an exchange be 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.

(i) Proposed Amendments to Rule 20.120(i) to Add a Generic Listing Standard for Crypto-Asset Commodity-Based Trusts

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77 See Rule 29.120.

78 17 CFR 240.15c3-1.

79 15 U.S.C. 78f(b).

80 15 U.S.C. 78f(b)(5).

The Exchange believes its proposal to permit Commodity-Based Trust Shares that hold a single or multiple crypto assets to be listed and traded without the need for additional Commission approvals, is consistent with the Act and will remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors because it would allow the Exchange to immediately list and trade qualifying options on Commodity-Based Trusts, provided the initial listing criteria has been met, without any additional approvals from the Commission.

Specifically, the Exchange's proposal to adopt Rule 20.120(i)(v) to allow the listing and trading of options on units that represent interests in Commodity-Based Trusts that meet the generic listing standards for Commodity-Based Trust Shares of the applicable primary listing market,[81] and hold a single or multiple crypto assets, is consistent with the Act because it will permit the Exchange to offer options on Commodity-Based Trusts soon after the listing of the ETF on the primary listing market, provided that all the generic listing standards for that Commodity-Based Trust on that primary listing market have been met. Listing these options will avail market participants of the opportunity to hedge their positions in the Commodity-Based Trusts in a timely manner, thereby providing investors with the ability to hedge their exposure to the underlying Commodity-Based Trust. Options on Commodity-Based Trusts benefits investors, similar to the listing of any other option on an ETF, by providing investors with a relatively lower-cost risk management tool to manage their positions and associated risk in their portfolios more easily in connection with exposure to the price of a crypto asset. Additionally, listing options on Commodity-Based Trusts provides investors with the ability to transact in such

81 See supra, note 11.

options on a listed market as opposed to the OTC options market, which increases market transparency and enhances the process of price discovery to the benefit of all investors.

In addition, this proposal would permit options on Commodity-Based Trusts to be listed on the Exchange in the same manner as all other securities that are subject to the current listing criteria in Rule 20.120(i). The Exchange notes that the majority of ETFs are able to list and trade options once the initial listing criteria have been met without the need for additional approvals. The proposed rule change would allow options on certain Commodity-Based Trusts to likewise list and trade options once the initial listing criteria on the primary listing market have been met without the need for additional approvals.

As proposed, the Exchange would list options in a Commodity-Based Trust that met the generic criteria of the applicable primary listing market, provided the Commodity-Based Trust held a single or multiple crypto assets. Further, each crypto asset held by the Commodity-Based Trust would also be required to satisfy the conditions in proposed Rule 20.120(i)(v), which requires that (1) the total global supply of each 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 (2) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the ISG.

These requirements are consistent with the Act and the protection of investors as they should ensure that each crypto asset held by the underlying ETF has sufficient liquidity prior to listing options, which will serve to prevent disruption to the underlying market. The Exchange believes that market supply serves as a good measure of liquidity to permit options trading in options on Commodity-Based Trusts that hold a single or multiple crypto assets. Requiring each underlying crypto asset to have a requisite amount of deliverable supply, in addition to all the other criteria the ETF is required to have under the applicable primary listing market rules, should ensure adequate liquidity prior to listing.

In addition, ensuring each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the ISG, will provide the Exchange with information to adequately surveil options on qualifying Commodity-Based Trusts. Today, the Exchange has a comprehensive surveillance sharing agreement in place with both the CME and Coinbase Derivatives through their common membership in ISG. This facilitates the sharing of information that is available to the CME and Coinbase Derivatives through their surveillance of their respective markets, including their surveillance of their respective digital asset futures markets.

The Exchange also believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system, because it is consistent with current IEX Rules, previously filed with the Commission. Options on qualifying Commodity-Based Trusts must satisfy the initial listing standards and continued listing standards currently in IEX Rules applicable to options on all ETFs. Options on qualifying Commodity-Based Trusts would trade in the same manner as any other ETF options – the same Exchange Rules that currently govern the listing and trading of all ETF options, including permissible strike prices and minimum increments, and applicable position and exercise limits and margin requirements, will govern the listing and trading of options on qualifying Commodity-Based Trusts.

Further, the proposal adopts new subparagraph (3) to Rule 20.130(g) which will require each crypto asset held by a Commodity-Based Trust to continue to meet the requirement of Rule 20.120(i)(v)(1) on a monthly basis and for the criteria in Rule 20.120(i)(v)(2) to be met on a continuous basis. Accordingly, each crypto asset held by a Commodity-Based Trust must continue to have a total global supply with an average daily market value of at least $700 million over the last 12 months, and also must continue to underlie a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the ISG. The Exchange believes that this continued listing standard, in addition to the requirements of Rule 20.120(i), would protect investors and the public interest by ensuring that each crypto asset held by the Commodity-Based Trust continues to remain liquid.

The Exchange believes that requiring the criteria in proposed Rule 20.120(i)(v)(1) on a monthly basis is consistent with the Act and the protection of investors given that the Exchange believes it is unlikely that a crypto asset with an average daily market value of at least $700 million over the previous twelve months would fail to meet that standard as a result of trading over a relatively short period of time. Given the unlikelihood that there would be a huge movement over a month's period of time and considering the work that would be required to calculate the criteria on a daily basis as compared to each month, the Exchange believes that the proposed continued listing obligation for the average daily market value criteria is sufficient.

In addition, options on Commodity-Based Trusts that are approved subject to proposed Rule 20.120(i)(v) would continue to be subject to Rule 20.130(g)(5), as renumbered, which states that the Exchange may consider suspending open transactions in options on an ETF if, "such other event occurs or condition exists that in the opinion of the Exchange makes further dealing in such options on IEX Options inadvisable." The Exchange may determine at any point to delist an option on a Commodity-Based Trust that may not have sufficient liquidity or market demand.

Options on qualifying Commodity-Based Trusts would trade in the same manner as any other ETF options – the same Exchange Rules that currently govern the listing and trading of all ETF options, including permissible expirations, strike prices and minimum increments, and applicable position and exercise limits and margin requirements, will govern the listing and trading of options on qualifying Commodity-Based Trusts.

The Exchange represents that it has the necessary systems capacity to support the listing and trading of options on qualifying Commodity-Based Trusts. The Exchange believes that its existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might arise from listing and trading of these options on Commodity-Based Trusts, particularly in light of the additional requirement that each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in ISG.

(ii) Proposed Amendments to Rules 19.160 and 19.180 to Add Position and Exercise Limits for IBIT

The Exchange believes that establishing position limits and exercise limits for options on IBIT at 1,000,000 contracts is consistent with the Act and the proposed position and exercise limits conform to such limits adopted by all other options exchanges for IBIT options. This proposal will remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors because it will provide market participants with the ability to more effectively execute their trading and hedging activities. Also, the proposed position and exercise limits for IBIT options may allow Market Makers to maintain their liquidity in these options in amounts commensurate with the continued high consumer demand in IBIT options. The proposed position and exercise limits 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. Further, this proposal would allow institutional investors to utilize IBIT options for prudent risk management purposes.

In addition, the Exchange believes that the liquidity in IBIT will continue to mitigate concerns regarding potential manipulation of IBIT options and/or disruption of IBIT upon amending the table of position limits in Rule 19.160, Supplementary Material .01. ISE compared IBIT's data relative to the market capitalization of the entire Bitcoin market in terms of exercise risk and availability of deliverables, and concluded that if a position limit of 1,000,000 contracts were considered, the exercisable risk would represent 7.474% of the outstanding shares of IBIT.[82] Since IBIT has a creation and redemption process managed through the issuer (whereby Bitcoin is used to create IBIT shares), the position limit can be compared to the total market capitalization of the entire Bitcoin market and in that case, the exercisable risk for options on IBIT would represent less than 0.278% of all Bitcoin outstanding.[83] This analysis demonstrated that a 1,000,000 contracts position and exercise limits would be appropriate.

Comparing a position limit of 1,000,000 for IBIT options against other options on ETFs with an underlying commodity, namely GLD, SLV, and BITO, a position limit exercise in GLD

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82 This percentage is arrived at with this equation: (1,000,000 contract limit * 100 share per option / 1,337,920,000 shares outstanding). This information was captured on February 11, 2026.

83 This number was arrived at with this calculation: (1,000,000 limit * 100 shares per option * $38.29 IBIT NAV) / (20,528,687 BTC outstanding * $66,938 BTC price).

represents 6.63% of the float of GLD; a position limit exercise in SLV represents 4.53% of the float of SLV; and a position limit exercise of BITO represents 12.44% of the float of BITO. In comparison, a 1,000,000-contract position limit in IBIT options would represent 7.474%[84] of the outstanding shares of IBIT. Consequently, a 1,000,000 IBIT options position limit is generally aligned with the standards applied to GLD, SLV, and BITO, and appropriate.

ISE notes that IBIT began trading in penny increments on January 2, 2025 pursuant to the Penny Interval Program.[85] The Commission noted that evidence and analysis provided in connection with the Penny Pilot demonstrated that the Pilot benefited investors and other market participants in the form of narrower spreads.[86] The most actively traded options classes are included in the Penny Program based on certain objective criteria (trading volume thresholds and initial price tests). As noted in the Penny Approval Order, the Penny Program reflects a certain level of trading interest (either because the class is newly listed or a class experienced a significant growth in investor interest) to quote in finer trading increments, which in turn should benefit market participants by reducing the cost of trading such options.[87]

The IBIT options class is among a select group of products that have achieved a certain level of liquidity that have garnered it the ability to trade in finer increments pursuant to the Penny Interval Program. Failing to increase position and exercise limits for IBIT options may artificially inhibit liquidity and create price inefficiency.

Finally, as discussed above, the Exchange's planned surveillance and reporting safeguards for launch are designed to deter and detect possible manipulative behavior that might

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84 See supra, note 82.

85 See Rule 22.140.

86 See supra, note 7171.

87 See id.

arise from increasing or eliminating position and exercise limits in certain classes. The Exchange believes that the current financial requirements imposed by the Exchange and by the Commission adequately address concerns regarding potentially large, unhedged positions in the options on the underlying securities, further promoting just and equitable principles of trading, the maintenance of a fair and orderly market, and the protection of investors.

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

As set forth in more detail below, 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. To the contrary, as noted in the Purpose section, each aspect of the proposed rule change is designed to adopt conforming rule changes to address competitive concerns and/or provide for regulatory consistency across the options exchanges.

Generic Listing Standard for Crypto-Asset Commodity-Based Trusts

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 notes that the proposed rule change is substantially similar in all material respects to proposals submitted by other options exchanges.[88] The Exchange does not believe that the proposal to add the proposed listing criteria at Rule 20.120(i)(v) with respect to ETFs, to adopt new criteria to permit the listing and trading of options on certain Commodity-Based Trusts that hold a single or multiple crypto assets and that were listed pursuant to the generic listing standards for Commodity-Based Trust Shares of the applicable primary listing market, without the need for additional approvals, will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Options on qualifying

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88 See supra, note 7.

Commodity-Based Trusts would need to satisfy the initial listing standards set forth in the Exchange Rules in the same manner as any other ETF before the Exchange could list options on them. Additionally, options on qualifying Commodity-Based Trusts will be equally available to all market participants who wish to trade such options. The Exchange Rules currently applicable to the listing and trading of options on ETFs on the Exchange will apply in the same manner to the listing and trading of all options on qualifying Commodity-Based Trusts.

Additionally, the Exchange notes that listing and trading options on qualifying Commodity-Based Trusts on the Exchange will subject such options to transparent exchange-based rules as well as price discovery and liquidity, as opposed to alternatively trading such options in the OTC market. The Exchange believes that the proposed rule change may relieve any burden on, or otherwise promote, competition as it is designed to increase competition for order flow on the Exchange in a manner that is beneficial to investors by providing them with a lower-cost option to hedge their investment portfolios in a timely manner.

The Exchange does not believe that the proposal to adopt new listing criteria at Rule 20.120(i)(v) to permit the listing and trading of options on certain Commodity-Based Trusts that hold a single or multiple crypto assets and that were listed pursuant to the generic listing standards for Commodity-Based Trust Shares of the applicable primary listing market, without the need for additional approvals, will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. And as noted herein, the proposed rule change would conform IEX listing rules to those in effect at other options exchanges.

<u>Position and Exercise Limits for IBIT</u>

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 notes that the proposed rule change is substantially similar in all material respects to proposals submitted by other options exchanges.[89]

The Exchange does not believe that the proposed rule change will impose any burden on intra-market competition because all market participants would be subject to the same position limits in Rule 19.160 and corresponding exercise limits in Rule 19.180. The proposed rule change will conform position and exercise limits for options on IBIT at IEX with limits already in effect at all other options exchanges.

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition as the proposal is not competitive in nature. The Exchange notes that other options exchanges have already adopted substantively similar proposals. 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.

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

Written comments were neither solicited nor received.

6. Extension of Time Period for Commission Action

Not applicable.

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

The Exchange has designated this rule filing as non-controversial under Section

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89 See supra, note 8.

19(b)(3)(A) of the Act[90] and paragraph (f)(6) of Rule 19b-4 thereunder.[91] The Exchange asserts that the proposed rule change: (1) will not significantly affect the protection of investors or the public interest, (2) will not impose any significant burden on competition, (3) and will not become operative for 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. 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.[92]

Generic Listing Standard for Crypto-Asset Commodity-Based Trusts

The Exchange believes that the proposed rule change would not adversely affect investors or the public interest. The proposal is substantially similar to previous proposals that have sought to establish listing standards for Commodity-Based Trusts that hold a single or multiple crypto assets. The proposed listing criteria would ensure the liquidity in the Commodity-Based Trust prior to listing options, and will still require that each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in ISG.

In addition, the Exchange requires that each crypto asset held by a Commodity-Based Trust must continue to have a total global supply with an average daily market value of at least $700 million over the last 12 months, ensuring liquidity prior to listing options on the

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90 15 U.S.C. 78s(b)(3)(A).

91 17 CFR 240.19b-4(f)(6).

92 17 CFR 240.19b-4(f)(6)(iii).

Commodity-Based Trust. The Exchange believes that market supply serves as a good measure of liquidity to prevent the addition of options trading from disrupting the market for the underlying security. Also, each crypto asset held by the Commodity-Based Trust must underlie a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in ISG. Finally, the Exchange believes that its planned surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might arise from listing and trading of these ETF options particularly in light of the additional requirement that the commodity held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in ISG, providing the Exchange with information to adequately surveil options on qualifying Commodity-Based Trusts.

Position and Exercise Limits for IBIT

The Exchange believes that the proposed rule change would not adversely affect investors or the public interest. The proposal is substantially similar to previous proposals submitted by all other options exchanges, and the proposed position and exercise limits conform to the position and exercise limits on IBIT options on all other options exchanges. 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 from those raised in the filings made by other options exchanges.[93]

The Exchange believes that setting the position limit and exercise limit for options on IBIT to 1,000,000 contracts is consistent with the Act. This proposal is designed to remove

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[93] See supra, note 8.

impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest, because it will support the ability of market participants to more effectively execute their trading and hedging activities. Also, based on current trading volume, the proposed position and exercise limits may allow Market Makers to maintain their liquidity in these options in amounts commensurate with the continued high consumer demand in IBIT options. The position and exercise limits 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. Further, this amendment would allow institutional investors to utilize IBIT options for prudent risk management purposes.

Accordingly, the Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act[94] and paragraph (f)(6) of Rule 19b-4 thereunder.[95]

The Exchange respectfully requests that the Commission waive the 30-day operative delay to the extent necessary, so that the proposed rule change may become operative upon effectiveness so that the proposed rule change will be operative sufficiently in advance of launch to enable internal IEX approval of eligible options classes, as well as to provide clarity to market participants on the applicable changes in the Exchange's rulebook.

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the

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94 15 U.S.C. 78s(b)(3)(A).

95 17 CFR 240.19b-4.

Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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

The proposed rule change with respect to adding listing and delisting criteria for crypto-asset Commodity-Based Trusts is substantively identical to proposals filed with the Commission by Nasdaq ISE, MIAX, and MEMX.[96] The proposed rule change with respect to adding position and exercise limits for IBIT is substantively identical to proposals filed with the Commission by Nasdaq ISE, PHLX, MIAX, BOX, MEMX, NYSE American, and NYSE Arca.[97]

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.

11. Exhibits

Exhibit 1 – Form of Notice of the Proposed Rule Change for Publication in the Federal Register.

Exhibit 5 – Text of Proposed Rule Change.

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[96] See supra, note 7.

[97] See supra, note 8.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34 - ; File No. SR-IEX-2026-34)

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Certain Options Listings Standards and Withdrawal Criteria, and Amend Position and Exercise Limits

Pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 (the "Act")[2] and Rule 19b-4 thereunder,[3] notice is hereby given that, on (date), the Investors Exchange LLC ("IEX" 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

Pursuant to the provisions of Section 19(b)(1) under the Act,[4] and Rule 19b-4 thereunder,[5] the Exchange is filing with the Commission a proposed rule change to update certain of its options listing standards and position and exercise limits rules in advance of the launch of IEX Options. The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b-

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

2 15 U.S.C. 78a.

3 17 CFR 240.19b-4.

4 15 U.S.C. 78s(b)(1).

5 17 CFR 240.19b-4.

4(f)(6)(iii) under the Act.[6]

The text of the proposed rule change is available at the Exchange's website at https://www.iexexchange.io/resources/regulation/rule-filings and at the principal office of the Exchange.

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

On September 18, 2025, the Commission approved IEX's proposal to adopt rules governing the trading of options on the Exchange in a new facility called "IEX Options";[7] IEX Options has announced its plan to commence trading options on October 2, 2026.[8] In advance of the launch of IEX Options, IEX proposes to update certain of its

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6 17 CFR 240.19b-4(f)(6)(iii).

7 See Securities Exchange Act Release No. 103290 (June 18, 2025), 90 FR 26865, 26878 (June 24, 2025) (SR-IEX-2025-02) (Notice of Filing of Amendment No. 3 to a Proposed Rule Change To Adopt Rules To Govern the Trading of Options on the Exchange for a New Facility Called IEX Options) ("Options Rule Filing") and Securities Exchange Act Release No. 103998 (September 18, 2025), 90 FR 45861 (September 23, 2025) (SR-IEX-2025-02) (Commission order approving a Proposed Rule Change, as Modified by Amendment No. 3, to Adopt Rules To Govern the Trading of Options on the Exchange for a New Facility Called IEX Options) ("Approval Order").

8 See https://www.iex.io/options/resources#important-dates.

options listing standards and position and exercise limits rules. Specifically, as described herein, the Exchange proposes to amend Rule 20.120, Criteria for Underlying Securities, Rule 20.130, Withdrawal of Approval of Underlying Securities, Rule 19.160, Position Limits, and Rule 19.180, Exercise Limits, to amend certain listing standards, establish certain listing standards and withdrawal criteria, and amend position and exercise limits.

The Exchange proposes to amend Rule 20.120(i) and Rule 20.130(g) to establish listing criteria and withdrawal standards for options on Commodity-Based Trusts that hold a single crypto asset or multiple crypto assets. Specifically, the Exchange proposes to amend the criteria for listing options on Fund Shares[9] at Rule 20.120(i) and withdrawal criteria at Rule 20.130(g). This aspect of the proposal is competitive and is substantively identical to proposals submitted by other options exchanges that have been approved by the Commission.[10]

The Exchange proposes to amend Rule 19.160, Position Limits, and Rule 19.180, Exercise Limits, to establish position and exercise limits for iShares Bitcoin Trust ETF ("IBIT"). This aspect of the proposal is competitive and is substantively identical to proposals submitted by other options exchanges that have been approved by the Commission or were immediately effective upon filing.[11]

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9 The term "Fund Shares" is defined in Rule 20.120(i).

10 See, e.g., Securities Exchange Act Release No. 105072 (March 24, 2026), 91 FR 14894 (March 27, 2026) (SR-ISE-2025-30) (establishing listing criteria and withdrawal standards for options on Commodity-Based Trusts that hold multiple crypto assets); Securities Exchange Act Release No. 105958 (July 21, 2026), 91 FR 46814 (July 24, 2026) (SR-MEMX-2026-13); Securities Exchange Act Release No. 105220 (April 13, 2026), 91 FR 20530 (April 16, 2026) (SR-MIAX-2026-13). The Exchange notes that at the time the Commission approved these rule changes, ISE, MEMX, and MIAX already had effective rules for listing criteria and withdrawal standards for options on Commodity-Based Trusts that hold a single crypto asset.

11 See, e.g., Securities Exchange Act Release No. 105317 (April 27, 2026), 91 FR 23333 (April 30, 2026) (SR-ISE-2025-26) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 5, to Amend the Position and Exercise Limits for IBIT Options); Securities Exchange Act

(i) Proposed Amendments to Rule 20.120(i) to Add a Generic Listing Standard for Crypto-Asset Commodity-Based Trusts

The Exchange proposes to amend Rule 20.120, Criteria for Underlying Securities, and Rule 20.130, Withdrawal of Approval of Underlying Securities, to establish listing criteria and withdrawal standards for options on Commodity-Based Trusts that hold a single crypto asset or multiple crypto assets.

Specifically, the Exchange proposes to amend the criteria for listing options on Fund Shares at Rule 20.120(i)[12] to allow the Exchange to list and trade options on Fund Shares that represent interests in a Commodity-Based Trust that meets the generic criteria of the U.S. securities exchange that is the primary equities listing market for the Commodity-Based Trust, except that Commodity-Based Trust holds a single crypto asset or multiple crypto assets that meets the following requirements: (1) the total global supply of each underlying crypto asset(s) held by the Commodity-Based Trust has an average daily market value of at least $700 million over the last 12 months; and (2) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing

Release No. 105501 (May 18, 2026), 91 FR 30008 (May 21, 2026) (SR-Phlx-2026-29); Securities Exchange Act Release No. 105510 (May 18, 2026), 91 FR 29997 (May 21, 2026) (SR-MIAX-2026-20); Securities Exchange Act Release No. 105520 (May 19, 2026), 91 FR 30340 (May 22, 2026) (SR-BOX-2026-13); Securities Exchange Act Release No. 105652 (June 10, 2026), 91 FR 36031 (June 15, 2026) (SR-MEMX-2026-14); Securities Exchange Act Release No. 105919 (July 15, 2026), 91 FR 44909 (July 17, 2026) (SR-NYSEAMER-2026-60); Securities Exchange Act Release No. 105920 (July 15, 2026), 91 FR 45294 (July 20, 2026) (SR-NYSEARCA-2026-76).

12 In connection with this filing, the Exchange is proposing to renumber the list of securities deemed appropriate for listing and trading of options under Rule 20.120(i) using lowercase Roman numerals i – iv, as opposed to the numbers 1 – 4 currently used in the Rule in an effort to avoid confusion when referencing sections of this Rule and otherwise maintain consistency with the numbering throughout the Exchange's rulebook. The proposed fifth subparagraph of Rule 20.120(i) for Commodity-Based Trusts will conform to the renumbering and will be added as Rule 20.120(i)(v). In addition, the Exchange is proposing to reformat Rule 20.120(l)(1) by moving subparagraph (F) to the next line so that it is appropriately distinguished from Rule 20.120(l)(1)(E). The Exchange is not proposing any changes to the rule text of Rule 20.120(l)(1)(E) or Rule 20.120(l)(1)(F).

agreement, whether directly or through common membership in the Intermarket Surveillance Group. For purposes of this section of the Rule, 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 relies on cryptographic protocols. This aspect of the proposal is competitive and is substantively identical to proposals submitted by other options exchanges that have been approved or deemed approved by the Commission.[13]

On September 17, 2025, the Commission approved proposals by The Nasdaq Stock Market LLC, Cboe BZX Exchange, Inc., and NYSE Arca, Inc. to Adopt Generic Listing Standards for Commodity-Based Trusts.[14] In the Generic Listing Standards for Commodity-Based Trust Shares Approval Order, the Commission noted that each of the exchanges proposed to adopt substantially identical "generic" listing standards for

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13 SR-ISE-2025-08 Amendment No. 1 was deemed approved as of October 24, 2025. See Securities Exchange Act Release No. 104210 (November 18, 2025), 90 FR 52727 (November 21, 2025) (SR-ISE-2025-08) (Notice of Deemed Approval of Various Proposed Rule Changes – BOX Exchange, LLC, Cboe Exchange, Inc., Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe EDGX Exchange, Inc., Miami International Securities Exchange, LLC, MIAX PEARL, LLC, MIAX Sapphire, LLC, Nasdaq ISE, LLC, New York Stock Exchange LLC, NYSE American LLC, NYSE Arca, Inc., NYSE National, Inc., and NYSE Texas, Inc.); see also Securities Exchange Act Release No. 105072 (March 24, 2026), 91 FR 14894 (March 27, 2026) (SR-ISE-2025-30) (Order Approving a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, Regarding the Adoption of Listing Criteria for Options on Commodity-Based Trusts That Hold Multiple Crypto Assets); Securities Exchange Act Release No. 105958 (July 21, 2026), 91 FR 46814 (July 24, 2026) (SR-MEMX-2026-13); Securities Exchange Act Release No. 105578 (May 29, 2026), 91 FR 33272 (June 3, 2026) (SR-MIAX-2026-13).

14 See Securities Exchange Act Release No. 103995 (September 17, 2025), 90 FR 45414 (September 22, 2025) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, To Adopt Generic Listing Standards for Commodity-Based Trust Shares) (SR-NASDAQ-2025-056; SR-CboeBZX-2025-104; SR-NYSEARCA-2025-54) ("Generic Listing Standards for Commodity-Based Trust Shares Approval Order"). The Exchange believes it is appropriate to rely on the generic listing standards outlined by the primary listing market due to the potential proliferation of new primary listing markets and the Commission's acknowledgment that the definition of shares of a Commodity-Based Trust across those primary listing markets is substantially identical.

Commodity-Based Trusts. Those generic listing standards define the term shares of a "Commodity-Based Trust" as a security[15] that:

(1) is issued by a trust, limited liability company, partnership, or other similar entity ("Trust") that, if applicable, is operated by a registered commodity pool operator pursuant to the Commodity Exchange Act ("CEA"), and is not registered as an investment company pursuant to the Investment Company Act of 1940, or series or class thereof;

(2) is designed to reflect the performance of one or more reference assets or an index of reference assets;

(3) in order to reflect the performance, is issued by a Trust that holds (a) one or more commodities or commodity-based assets, and (b) in addition to such commodities or commodity-based assets, may hold securities, cash, and cash equivalents;

(4) is issued by such Trust in a specified aggregate minimum number in return for a deposit of (a) a specified quantity of the underlying commodities, commodity-based assets, securities, cash, and/or cash equivalents or (b) a cash amount with a value based on the next determined net asset value per Trust share; and

(5) when aggregated in the same specified minimum number, may be redeemed at a holder's request by such Trust which will deliver to the redeeming holder (a) the specified quantity of the underlying commodities, commodity-based assets, securities, cash, and/or cash equivalents or (b) a cash amount with a value based on the next determined net asset value per Trust share.

As proposed, the Commodity-Based Trust must satisfy the following: (1) the total global supply of each 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 (2) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing

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15 Shares of the applicable Commodity-Based Trust trade as equity securities. See Nasdaq Rule 5711(d)(ii); proposed BZX Rule 14.11(e)(4)(B); proposed NYSE Arca Rule 8.201-E(b) (Generic) (stating that Commodity-Based Trust Shares are included within the definition of a "security" as such term is used in the Exchanges' rules and are subject to the Exchanges' existing rules governing the trading of equity securities).

agreement, whether directly or through common membership in the Intermarket Surveillance Group ("ISG").

The proposed rule change would require a Commodity-Based Trust to: (1) meet the generic criteria of a U.S. equities listing exchange[16] and hold a single crypto asset or multiple crypto assets;[17] (2) meet the criteria and guidelines set forth in Rule 20.120(a)[18] and (b),[19] or Rule 20.120(i)(1)(B);[20] and (3) meet the requirements of proposed Rule 20.120(i)(v),[21] which are as follows: (A) the total global supply of each underlying crypto asset held by the Commodity-Based Trust has an average daily market value of at least

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16 A Commodity-Based Trust is defined in Cboe BZX Exchange, Inc. Rule 14.11(e)(4), NYSE Arca, Inc. Rule 8.201(c)(1), and The Nasdaq Stock Market LLC Rule 5711(d)(iv) (the three current U.S. equities exchanges that serve as primary listing markets) as a security (a) that is issued by a trust ("Trust") that holds (1) a specified commodity deposited with the Trust, or (2) a specified commodity and, in addition to such specified commodity, cash; (b) that is issued by such Trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity and/or cash; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder's request by such Trust which will deliver to the redeeming holder the quantity of the underlying commodity and/or cash ("Commodity-Based Trust Share").

17 The proposed rule defines a "crypto asset" to mean, for purposes of Rule 20.120(i)(v), 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 relies on cryptographic protocols.

18 Pursuant to Rule 20.120(a), a security (which includes an ETF/Fund Share) on which options may be listed and traded on the Exchange must be duly registered with the Commission and be an NMS stock as defined in Rule 600 of Regulation NMS under the Act, as amended, and be characterized by a substantial number of outstanding shares that are widely held and actively traded.

19 Rule 20.120(b) provides criteria and guidelines when evaluating potential securities for the listing of options.

20 Rule 20.120(i)(1)(B) provides that the Fund Shares are available for creation or redemption each business day in cash or in kind from the investment company, commodity pool or other entity at a price related to net asset value, and the investment company, commodity pool or other entity is obligated to provide that Fund Shares may be created even if some or all of the securities and/or cash required to be deposited have not been received by the Fund, the unit investment trust or the management investment company, provided the authorized creation participant has undertaken to deliver the securities and/or cash as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the Fund, all as described in the Fund's or unit trust's prospectus.

21 As described in more detail below, the Exchange proposes to renumber the subparagraphs of Rule 20.120(i) to provide clarity.

$700 million over the last 12 months; and (B) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the ISG.

The Exchange will calculate the market value of each underlying crypto asset by taking the total global supply of the particular crypto asset multiplied by the token price.[22] Total supply of crypto assets includes all crypto assets currently issued and does not include unissued crypto assets.[23] Further, the Exchange has specified in proposed Rule 20.120(i)(v) that each crypto asset held by the Commodity-Based Trust must underlie a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the ISG.[24] The Exchange will be required to ensure that this requirement is met prior to listing options on a Commodity-Based Trust pursuant to proposed Rule 20.120(i)(v).

As a result of this proposal, the proposed listing criteria would permit a Commodity-Based Trust that (a) is generically listed on a U.S. exchange that is the primary equities listing market for the Commodity-Based Trust and (b) holds a single crypto asset or multiple crypto assets to qualify for the listing of options on that ETF,

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22 The market supply information can be obtained from publicly available sources such as https://www.coingecko.com/ or https://coinmarketcap.com/.

23 For example, if Bitcoin were the underlying crypto asset, the Exchange would consider the total supply of all Bitcoin currently issued instead of the maximum supply, which would be currently issued as well as unminted Bitcoin. As of September 21, 2026, Bitcoin's total supply was 20,087,515 (the maximum supply is 21,000,000). See https://www.coingecko.com/en/coins/bitcoin. The Exchange would calculate market value by utilizing the total supply number multiplied by the Bitcoin price on that day.

24 For a list of the current members of ISG, see https://isgportal.org/page/isg_members.

provided proposed Rule 20.120(i)(v) has also been met, as well as the listing criteria in Rule 20.120(a) and (b), or Rule 20.120(i)(1)(B).

Accordingly, the Exchange proposes to add the following rule text as new subparagraph (v) to Rule 20.120(i):

> (v) represent interests in a Commodity-Based Trust that meets the generic criteria of the U.S. securities exchange that is the primary equities listing market for the Commodity-Based Trust, except that the Commodity-Based Trust holds a single crypto asset or multiple crypto assets that meets the following requirements: (1) the total global supply of each 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 (2) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the Intermarket Surveillance Group. For purposes of subparagraph (v) in this Rule, 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 relies on cryptographic protocols.

(ii) <u>Proposed Amendments to Rule 20.130(g) to Add Delisting Requirements for Options on Commodity-Based Trusts</u>

Similar to options on any ETF, an option on a Commodity-Based Trust that meets the requirements of proposed Rule 20.120(i)(v) would also be subject to the Exchange's delisting requirements set forth in Rule 20.130(g) for Fund Shares approved for options trading pursuant to Rule 20.120(i). Rule 20.130(g) provides that Fund Shares approved for options trading pursuant to Rule 20.120 will not be deemed to meet the requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts of the class covering such Fund Shares if the security is delisted from trading as provided in Rule 20.130(b)(4) (i.e., the underlying security ceases to be an

"NMS stock" as defined in Rule 600 of Regulation NMS under the Act).[25] With respect to options on Commodity-Based Trusts that are approved subject to proposed Rule 20.120(i)(v), the Exchange proposes to amend Rule 20.130(g) to adopt a new subparagraph (3) which states: "In the case of options covering Fund Shares approved pursuant to Rule 20.120(i)(v), if the criteria in Rule 20.120(i)(v)(1) are no longer satisfied, as determined by the Exchange on a monthly basis, or if the criteria in Rule 20.120(i)(v)(2) are no longer satisfied."[26]

This proposed new criteria would require ETFs that are listed pursuant to Rule 20.120(i)(v) to continue to meet the requirements of Rules 20.120(i)(v)(1) and (2). Additionally, this proposed new criteria, which would also be added to Rule 20.130(g)(1), would require ETFs that are listed pursuant to 20.120(i)(1)(A) to continue to meet the requirements of subparagraphs (1), (2), (3), and (4), of Rule 20.130(g), as amended.

The Exchange is proposing that the criteria in Rule 20.120(i)(v)(1) be met on a monthly basis while the criteria in Rule 20.120(i)(v)(2) be met on a continuous basis. The Exchange believes that requiring the criteria in Rule 20.120(i)(v)(1) to be met on a monthly basis is reasonable given that the Exchange believes that it is unlikely that a crypto asset with an average daily market value of at least $700 million over the previous twelve months would fail to meet that standard as a result of trading over a relatively short period of time. By way of example, if a crypto asset has a market capitalization of $900 million and traded at that market capitalization for 15 days in a 20-day trading

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25 See Rule 20.130(g).

26 The Exchange proposes to renumber the remaining paragraphs of Rule 20.130(g).

month, the crypto asset could lose a substantial amount of its value (up to 88%) and still meet the criteria. Similarly, a crypto asset with a market capitalization of $500 million for 15 days in a 20-day trading month would have to achieve a market capitalization of $1.3 billion (a 160% increase) in the last 5 days to meet the criteria. Given the unlikelihood that there would be a huge movement over a month's period of time and considering the work that would be required to calculate the criteria on a daily basis as compared to each month, the Exchange believes that the proposed continued listing obligation for the average daily market value criteria is sufficient. Also, the Exchange proposes to add "crypto asset(s)" to the list of items covered by subparagraph (4).

Further, options on Commodity-Based Trusts that are approved subject to Rule 20.120(i)(v) would continue to be subject to Exchange Rule 20.130(g)(5), as renumbered, which states that the Exchange may consider suspending opening transactions in options on Fund Shares if, "such other event occurs or condition exists that in the opinion of the Exchange makes further dealing in such options on IEX Options inadvisable." The Exchange may determine at any point to delist an option on a Commodity-Based Trust that may not have sufficient liquidity or market demand.

Consistent with current Rule 20.140, which governs the opening of options series on a specific underlying security (including ETFs), the Exchange will open at least one expiration month series of options on a Commodity-Based Trust Fund Share[27] at the

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27 See Rule 20.140(b) and (e). The monthly expirations are subject to certain listing criteria for underlying securities described within Rule 20.120. Monthly listings expire the third Friday of the month. The term "expiration date" (unless separately defined elsewhere in the OCC By-Laws), when used in respect of an option contract (subject to certain exceptions), means the third Friday of the expiration month of such option contract, or if such Friday is a day on which the exchange on which such option is listed is not open for business, the preceding day on which such exchange is open for business. See OCC By-Laws Article I, Section 1. Pursuant to Rule 20.140(c), additional series of options of the same class may be opened for trading on the Exchange when the

commencement of trading on the Exchange and may also list series of options on a Commodity-Based Fund Share for trading on a weekly,[28] monthly,[29] or quarterly basis.[30] The Exchange may also list long-term options series that expire from 12 to 39 months from the time they are listed.[31]

Pursuant to Rule 20.140, Supplementary Material .01, which governs strike prices of series of options on Fund Shares, the interval of strike prices for series of options on Commodity-Based Fund Shares may be $1 or greater where the strike price is $200 or less or $5 or greater where the strike price is over $200.[32] Additionally, the Exchange may list series of options pursuant to the $1 Strike Price Interval Program,[33] the $0.50 Strike Program,[34] the $2.50 Strike Price Program,[35] and the $5 Strike Program.[36] Pursuant to Rule 22.140, where the price of a series of a Commodity-Based Fund Share option is less than $3.00, the minimum increment will be $0.05, and where the price is $3.00 or higher, the minimum increment will be $0.10.[37] Any and all new series of

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Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying stock moves more than five strike prices from the initial exercise price or prices. New series of options on an individual stock may be added until the beginning of the month in which the options contract will expire. Due to unusual market conditions, the Exchange, in its discretion, may add a new series of options on an individual stock until the close of trading on the business day prior to expiration.

28 See Rule 20.140, Supplementary Material .05.

29 See Rule 20.140, Supplementary Material .07.

30 See Rule 20.140, Supplementary Material .04.

31 See Rule 20.160.

32 The Exchange notes that for options listed pursuant to the Short Term Options Series Program, Rule 20.140, Supplementary Material .05 sets forth intervals between strike prices on Short Term Option Series.

33 See Rule 20.140, Supplementary Material .01 and .02.

34 See Rule 20.140, Supplementary Material .06.

35 See Rule 20.140, Supplementary Material .03.

36 See Rule 20.140(d)(5).

37 If options on a Commodity-Based Trust are eligible to participate in the Penny Interval Program,

Commodity-Based Fund Share options that the Exchange lists will be consistent and comply with the expirations, strike prices, and minimum increments set forth in Rules 20.140 and 22.140, as applicable.

Options on Commodity-Based Trusts that may be listed pursuant to proposed Rule 20.120(i)(v) will trade in the same manner as options on other ETFs on the Exchange. The Exchange Rules that currently apply to the listing and trading of all Fund Share options on the Exchange, including, for example, Rules that govern listing criteria, expirations, exercise prices, minimum increments, position and exercise limits, margin requirements, customer accounts, and trading halt procedures will apply to the listing and trading of options on Commodity-Based Trusts that are approved subject to Rule 20.120(i)(v) in the same manner.

Position and exercise limits for options, including options on Commodity-Based Trust Shares, are determined pursuant to Rules 19.160 and 19.180, respectively. Position and exercise limits for options on ETFs vary according to the number of outstanding shares and the trading volumes of the underlying security over the past six months, where the largest in capitalization and the most frequently traded funds have an option position and exercise limit of 250,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market; and smaller capitalization funds have position and exercise limits of 200,000, 75,000, 50,000 or 25,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market.[38] Further, the Exchange notes that Rule 29.120, which governs margin requirements applicable to the trading of

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the minimum increment will be \$0.01 for series with a price below \$3.00 and \$0.05 for series with a price at or above \$3.00. See Rule 22.140(c).

38 See Rules 19.160 and 19.180.

all options on the Exchange, including options on ETFs, will also apply to the trading of options on Commodity-Based Trusts listed pursuant to proposed Rule 20.120(i)(v).

The Exchange represents that, upon launch, it will have an adequate surveillance program in place for options and intends to apply those same program procedures to options on Commodity-Based Trusts that may be listed pursuant to proposed Rule 20.120(i)(v) that it will apply to the Exchange's other options products.[39] The Exchange believes that its planned surveillance procedures are designed to deter and detect possible manipulative behavior which might potentially arise from listing and trading the proposed options on Commodity-Based Trusts. Additionally, the Exchange is a member of the ISG under the Intermarket Surveillance Group Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. In addition, the Exchange has a Regulatory Services Agreement ("RSA") with the Financial Industry Regulatory Authority ("FINRA") for certain market surveillance, investigation, and examinations functions, including for options-related regulation. Further, pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate amongst themselves and FINRA responsibilities to conduct certain options-related market surveillance that are common to rules of all options exchanges.[40]

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39 The surveillance program includes surveillance patterns for price and volume movements as well as patterns for potential manipulation (e.g., spoofing and marking the close).

40 Section 19(g)(1) of the Act, among other things, requires every self-regulatory organization ("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 ("common members"). 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

Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on Commodity-Based Trusts pursuant to proposed Rule 20.120(i)(v).

The Exchange has also analyzed its capacity and represents that it believes the Exchange and the Options Price Reporting Authority ("OPRA") have the necessary systems capacity to handle the additional traffic associated with the listing of new series of options on ETFs, including on Commodity-Based Trusts pursuant to proposed Rule 20.120(i)(v), up to the number of expirations currently permissible under the Rules. The Exchange believes any additional traffic generated from the trading of options on Commodity-Based Trusts listed pursuant to proposed Rule 20.120(i)(v) would be manageable. The Exchange represents that Exchange members will not have a capacity issue as a result of this proposed rule change.

Further, quotation and last sale information for Commodity-Based Trusts listed pursuant to proposed Rule 20.120(i)(v) is available via the Consolidated Tape Association ("CTA") high speed line and the Unlisted Trading Privileges Plan. Quotation and last sale information for such securities is also available from the exchange on which such securities are listed. Quotation and last sale information for options on Commodity-Based Trusts listed pursuant to proposed Rule 20.120(i)(v) will be available via OPRA,[41] IEX's proprietary market data fees, and major market data vendors.

(iii) Proposed Amendments to Rules 19.160 and 19.180 to Add Position and Exercise Limits for IBIT

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responsibilities with respect to such members.

41 Last sale reports and quotations are the core of the information that OPRA disseminates. OPRA also disseminates certain other types of information with respect to the trading of options on the markets of the OPRA participants, such as the number of options contracts traded, open interest, and end of day summaries. OPRA also disseminates certain kinds of administrative messages.

The Exchange proposes to amend Rules 19.160 (Position Limits) and 19.180 (Exercise Limits) to provide for position and exercise limits for options on IBIT that are identical to such limits provided for in other options exchanges' rules.[42] IBIT is an ETF that holds bitcoin and is listed on The Nasdaq Stock Market LLC.[43] The Exchange plans to list options on IBIT as a Commodity-Based Trust listed pursuant to proposed Rule 20.120(i)(v).

Position and exercise limits are designed to limit the number of options contracts in an underlying security traded across all options exchanges that an investor, acting alone or in concert with others directly or indirectly, may control. These limits 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 specify the position limits and exercise limits for options on IBIT to 1,000,000 contracts by including the proposed position limit in Rule 19.160, Supplementary Material .01, Position Limits, and the proposed exercise limit in Rule 19.180, Supplementary Material .01, Exercise Limits.

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42 See supra, note 11.

43 In 2024, Nasdaq received approval to list and trade Bitcoin-based Commodity-Based Trust Shares in IBIT pursuant to Nasdaq Rule 5711(d). See Securities Exchange Act Release No. 99306 (January 10, 2024), 89 FR 3008 (January 17, 2024) (SR-NASDAQ-2023-016) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, To List and Trade Bitcoin-Based Commodity-Based Trust Shares and Trust Units). IBIT started trading on January 11, 2024.

The Exchange notes that the proposed position limits and exercise limits for options on IBIT are consistent with existing position limits and exercise limits for options on iShares Russell 2000 ETF, iShares MSCI Emerging Markets ETF, iShares China Large-Cap ETF, and iShares MSCI EAFE ETF.

Composition and Growth Analysis for Underlying ETFs

As stated above, position (and exercise) limits are intended to prevent the establishment of options positions that can be used or might create incentives to manipulate the underlying market so as to benefit options positions. The Commission has recognized that these limits are designed to minimize the potential for mini-manipulations and for corners or squeezes of the underlying market, as well as serve to reduce the possibility for disruption of the options market itself, especially in illiquid classes.[44]

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."[45] 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

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[44] See Securities Exchange Act Release No. 67672 (August 15, 2012), 77 FR 50750 (August 22, 2012) (SR-NYSEAmex-2012-29).

[45] 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 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) ("ISE IBIT Approval Order").

supply and average trading volume of the underlying security."[46]

The Exchange believes that establishing the position limit (and exercise limit) for options on IBIT at 1,000,000 contracts would enable liquidity providers to provide liquidity to the Exchange, as well as other options exchanges on which they participate. As described in further detail below, the Exchange believes that the continuously increasing market capitalization of IBIT options, as well as the highly liquid markets for those securities, reduces the concerns for potential market manipulation and/or disruption in the underlying markets upon the proposed position limits, while the rising demand for trading options on IBIT for legitimate economic purposes compels the proposed position limits and corresponding exercise limits.

Absent this proposed change, the Exchange believes that options trading on IBIT would be subject to the 250,000-contract position limit pursuant to the criteria in Rule 19.160(d).[47] However, as described below, at the time that Nasdaq ISE, LLC("ISE") proposed to increase the position and exercise limits for IBIT to 1,000,000 contracts, it provided a robust analysis on why the proposed increased limits were appropriate. The following describes the information provided by ISE:

As of February 11, 2026, the market capitalization for IBIT was $52,661,063,818[48] with an average daily volume ("ADV") for the preceding 6 months

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46 See id.

47 Rule 19.160(d) provides at subparagraph (5) that to be eligible for the 250,000-contract limit, either the most recent six (6) month trading volume of the underlying security must have totaled at least 100 million shares or the most recent six-month trading volume of the underlying security must have totaled at least seventy-five (75) million shares and the underlying security must have at least 300 million shares currently outstanding.

48 The market capitalization was determined by multiplying a Net Asset Value of $38.29 by the number of shares outstanding: 1,337,920,000. This figure was acquired as of February 11, 2026. See https://www.ishares.com/us/products/333011/ishares-Bitcoin-trust-etf; see also Securities

prior to February 11, 2026 of 61,803,035 shares. By comparison on the same day, the iShares MSCI Emerging Markets ("EEM") had an ADV of 29,459,889 shares and assets under management ("AUM") of $27,761,941,292; the iShares China Large-Cap ETF ("FXI") had an ADV of 31,656,532 shares and an AUM of $6,594,337,253, and the iShares MSCI EAFE ETF ("EFA") had an ADV of 17,215,037 shares and an AUM of $76,788,457,200.[49] As of September 18, 2026, the market capitalization for IBIT was $63,708,756,000[50] with ADV for the 6 months prior to September 18, 2026 of 46,401,565 shares. By comparison on the same day, EEM had an ADV of 27,258,887 shares and an AUM of $31,274,777,620; FXI had an ADV of 25,059,273 shares and an AUM of $4,097,373,502, and EFA had an ADV of 13,905,337 shares and an AUM of $77,651,223,358.[51]

In addition to IBIT's Rule 19.160(d) eligibility for the 250,000 contract position limit, in proposing to establish the 1,000,000 contract position and exercise limits for IBIT, ISE performed additional analysis with respect to IBIT.[52] First, ISE considered IBIT's market capitalization and ADV, and prospective position limit in relation to other securities. In measuring IBIT against other securities, ISE aggregated market capitalization and volume data for securities that have defined position limits utilizing

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Exchange Act Release No. 104884 (February 26, 2026), 91 FR 9904 (February 27, 2026) (SR-ISE-2024-03, Amendment No. 5) ("SR-ISE-2024-03, Amendment No. 5").

49 These figures are from February 11, 2026. See SR-ISE-2024-03, Amendment No. 5, supra note 48.

50 The market capitalization was determined by multiplying a Net Asset Value of $45.95 by the number of shares outstanding: 1,386,480,000. This figure was acquired as of September 18, 2026. See https://www.ishares.com/us/products/333011/ishares-Bitcoin-trust-etf.

51 These figures are from September 18, 2026 and are consistent with the analysis conducted by ISE set forth in SR-ISE-2024-03, Amendment No. 5, supra, note 48.

52 See SR-ISE-2024-03, Amendment No. 5, supra, note 48.

data from The Options Clearing Corporation ("OCC").[53] This pool of data took into consideration 3,797 options on single stock securities, excluding broad based ETFs.[54] Next, the data was aggregated based on market capitalization and ADV and grouped by option symbol and position limit utilizing statistical thresholds for ADV, based on 180 days, and market capitalization that were one standard deviation[55] above the mean for each position limit category (i.e., 25,000; 50,000 to 52,000; 75,000; 200,000; 250,000 to 375,000; 450,000 to 650,000; 750,000 to 1,250,000 and greater than or equal to 2,000,000).[56] This exercise was performed to demonstrate IBIT's position limit relative to other options symbols in terms of market capitalization and ADV. For reference, at the time of the ISE filing, the market capitalization for IBIT was $52,661,063,818[57] with an ADV for the preceding 180 days prior to February 11, 2026 of 61,803,035 shares. As noted above, IBIT's market capitalization as of September 18, 2026 was $63,708,756,000 and its ADV for the preceding 180 days prior to September 18, 2026 was 46,401,565 shares.

According to the ISE IBIT Approval Order,[58] if IBIT were compared to the 10

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53 The computations are based on OCC data from February 11, 2026. Data displaying zero values in market capitalization or ADV were removed.

54 IBIT has one asset and therefore is not comparable to a broad-based ETF where there are typically multiple components.

55 The standard deviation added limited utility to the analysis given the heavily skewed distribution of market capitalizations in the single stock securities.

56 These buckets are based on OCC's current position limits. See https://www.theocc.com/market-data/market-data-reports/series-and-trading-data/position-limits. Rule 19.160 sets out position limits for various contracts. For example, a 25,000 contract limit applies to those options having an underlying security that does not meet the requirements for a higher options contract limit. The Exchange notes that position limits may also be higher due to corporate actions in the underlying equities, such as a stock split.

57 See supra, note 48.

58 See supra, note 45.

stocks that have position limits of 750,000 contracts to 1.25 million contracts, it would rank in the 45th percentile for market capitalization and the 89th percentile for ADV. ISE also analyzed the position limits for IBIT by regressing the median elements from each bucket of market capitalization and the 180-day ADV of all non-ETF equities, against their respective position limit figures. From this regression, ISE was able to determine the implied coefficients to create a formulaic method for determining an appropriate position limit.[59] ISE utilized a linear model approach which incorporated the median metric from each bucket given the data at both the lower end of each position limit bucket and the higher end of each position limit bucket could be considered significant outliers, thereby skewing the results.

ISE utilized IBIT's market capitalization of $52,661,063,818 to arrive at a modeled position limit of 1,707,654. Additionally, ISE utilized IBIT's ADV of 61,803,035 to arrive at a modeled position limit of 5,672,081. Based on the aforementioned analysis, the Exchange believes that the proposed 1,000,000 contracts position and exercise limit is appropriate.

Second, ISE reviewed IBIT's data relative to the market capitalization of the entire Bitcoin market in terms of exercise risk and availability of deliverables. Also, as of February 11, 2026, there were approximately 20.5 million Bitcoins in circulation.[60] At a price of $66,938,[61] that equates to a market capitalization of greater than $1.374 trillion. If a position limit of 1,000,000 contracts were considered, the exercisable risk would

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[59] ISE utilized Excel's Data Analysis Package to model the position limit.

[60] See https://www.coingecko.com/en/coins/bitcoin.

[61] This was the approximate price of Bitcoin on February 11, 2026.

represent 7.474%[62] of the outstanding shares of IBIT. Since IBIT has a creation and redemption process managed through the issuer, the position limit can be compared to the total market capitalization of the entire Bitcoin market and in that case, the exercisable risk for options on IBIT would represent 0.278% of all Bitcoin outstanding.[63] Assuming a scenario where all options on IBIT shares were exercised given the proposed 1,000,000-contract position limit (and exercise limit), this would have a virtually unnoticed impact on the entire Bitcoin market. This analysis demonstrates that the proposed 1,000,000 per same side position and exercise limit is appropriate for options on IBIT given its liquidity.

Third, ISE reviewed the proposed position limit by comparing it 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), ISE examined equivalent bitcoin futures position limits. In particular, ISE looked at the Chicago Mercantile Exchange ("CME") bitcoin futures contract[64] that has a position limit of 2,000 futures.[65]

On February 11, 2026, CME bitcoin futures settled at $677,150,406.33.[66] On

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62 This percentage is arrived at with this equation: (1,000,000 contract limit * 100 share per option / 1,337,920,000 shares outstanding).

63 This number was arrived at with this calculation: (1,000,000 contract limit * 100 share per option * $38.29 IBIT NAV) / (20,528,687 BTC outstanding * $66,938 BTC price).

64 CME bitcoin Futures are described in Chapter 350 of CME's Rulebook.

65 See the Position Accountability and Reportability Level Table in the Interpretations & Special Notices Section of Chapter 5 of CME's Rulebook.

66 2,000 futures at a 5 bitcoin multiplier (per the contract specifications) equates to $677,150,000 (2,000 contracts * 5 BTC per contract * $67,715 price of February BTC future) of notional value.

February 11, 2026, IBIT settled at $38.29, which would equate to greater than 17,684,774 shares of IBIT if the CME notional position limit was utilized. Since substantial portions of any distributed options portfolio is likely to be out of the money on 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 176,848 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).[67] Therefore, if a portfolio includes positions in options on futures, CME would aggregate those positions into the underlying futures contracts in accordance with a table published by CME on a delta equivalent value for the relevant spot month, subsequent spot month, single month and all month position limits.[68] 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. Based on the aforementioned analysis, the Exchange believes that the proposed 1,000,000 contracts position and exercise limit is appropriate.

Fourth, ISE analyzed a position limit and exercise limit of 1,000,000 for IBIT

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[67] See SR-ISE-2024-03, Amendment No. 5, footnote 33, supra note 48.

[68] Id.

options against other options on ETFs with an underlying commodity, namely SPDR Gold Shares ("GLD"), iShares Silver Trust ("SLV"), and ProShares Bitcoin ETF ("BITO").[69] GLD has a float of 377 million shares[70] and a position limit of 250,000 contracts. SLV has a float of 552 million shares,[71] and a position limit of 250,000 contracts. Finally, BITO has 200.89 million shares outstanding[72] and a position limit of 250,000 contracts.

As previously noted, position limits 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 6.63% of the float of GLD; a position limit exercise in SLV would represent 4.53% of the float of SLV; a position limit exercise in BITO would represent 12.44% of the float of BITO.

In comparison, ISE determined that, as of February 11, 2026, a 1,000,000-contract position limit in IBIT options would represent 7.474% of the outstanding shares of IBIT. Consequently, the 1,000,000 proposed IBIT options position and exercise limit is generally aligned with the standard applied to GLD, SLV, and BITO, and appropriate.

Fifth, ISE notes that IBIT began trading in penny increments as of January 2, 2025 pursuant to the Penny Interval Program.[73] The Commission noted that evidence and analysis provided in connection with the Penny Pilot demonstrated that the Pilot

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69 GLD, SLV, and BITO each hold one asset in trust similar to IBIT.

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

71 See https://www.ishares.com/us/products/239855/ishares-silver-trust-fund.

72 See https://www.marketwatch.com/investing/fund/bito.

73 See Rule 22.140.

benefited investors and other market participants in the form of narrower spreads.[74] The most actively traded options classes are included in the Penny Program based on certain objective criteria (trading volume thresholds and initial price tests). As noted in the Penny Approval Order, the Penny Program reflects a certain level of trading interest (either because the class is newly listed or a class experienced a significant growth in investor interest) to quote in finer trading increments, which in turn should benefit market participants by reducing the cost of trading such options.[75]

The IBIT options class is among a select group of products that have achieved a certain level of liquidity that have garnered it the ability to trade in finer increments. Failing to increase position and exercise limits for IBIT options, now that it is trading in finer increments, may artificially inhibit liquidity and create price inefficiency. The Exchange notes that options on iShares MSCI Emerging Markets, iShares China Large-Cap ETF, and iShares MSCI EAFE ETF also trade in penny increments based on their liquidity.

Based on ISE's analysis, the Exchange believes the 1,000,000-contract position and exercise limits for options trading on IBIT continue to be appropriate. Specifically, the Exchange believes that IBIT options have more than sufficient liquidity to garner position and exercise limits of 1,000,000 contracts. The Exchange believes that any concerns related to manipulation and protection of investors are mollified by the significant liquidity provision in IBIT. The Exchange believes that, as a general principle,

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74 See Securities Exchange Act Release No. 88532 (April 1, 2020), 85 FR 19545, 19548 (April 7, 2020) (File No. 4-443) (Joint Industry Plan; Order Approving Amendment No. 5 to the Plan for the Purpose of Developing and Implementing Procedures Designed to Facilitate the Listing and Trading of Standardized Options To Adopt a Penny Interval Program) ("Penny Approval Order").

75 Id. at 19548.

increases in active trading volume and deep liquidity of the underlying securities do not lead to manipulation and/or disruption.

The Exchange believes that the proposed position and exercise limits for IBIT options, which are identical to such limits in place at all other options exchanges as noted above, would continue to support a liquid and competitive market for IBIT options, which will benefit customers that trade these options. Further, the reporting requirement for such options (which would be identical to the requirements of all other options exchanges), would require that each Options Member[76] that maintains positions in impacted 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 Makers would continue to be exempt from this reporting requirement, however, the Exchange may access Market Maker position information.[77] Moreover, the Exchange's requirement that Options 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 and will continue to serve as an important part of

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[76] The term "Options Member" means a firm, or organization that is registered with the Exchange pursuant to Chapter 18 of the IEX Rule Book for purposes of participating in options trading on IEX Options as an Options Order Entry Firm, Options Market Maker, or Clearing Member. See Rule 17.100.

[77] OCC through the Large Option Position Reporting ("LOPR") system acts as a centralized service provider for Options Member compliance with position reporting requirements by collecting data from each Options Member, consolidating the information, and ultimately providing detailed listings of each Options Member's report to the Exchange, as well as FINRA, acting as its agent pursuant to an RSA.

the Exchange's surveillance efforts.[78]

The Exchange understands that continued options volume growth in IBIT would provide opportunities for investors to participate in the options markets. The Exchange agrees with the other options exchanges that the proposed position and exercise limits are appropriate and that if lower limits had been established (e.g., position (and exercise) limits for IBIT at 250,000 contracts pursuant to Rules 19.160(d)(5) and 19.180), trading in IBIT options would be restricted and the listed options markets would be prevented 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 change to position and exercise limits for IBIT options, market participants will find the 250,000-contract position an impediment to their business and investment objectives as well as an impediment to efficient pricing. As such, 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. Moreover, the Exchange notes that exchange position and exercise limits apply across all options exchanges and thus it would be disruptive to options exchange trading for IEX to not adopt conforming limits.

The Exchange believes that upon launch, its surveillance procedures and reporting requirements at the Exchange are capable of properly identifying disruptive and/or

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78 See Rule 19.190.

manipulative trading activity. The Exchange also represents that it will have adequate surveillances in place to detect potential manipulation, as well as reviews in place to identify continued compliance with the Exchange's listing standards. These procedures monitor market activity via automated surveillance techniques to identify unusual activity in both options and the underlying securities, as applicable. The Exchange also notes that large stock holdings must be disclosed to the Commission by way of Schedules 13D or 13G,[79] which are used to report ownership of stock which exceeds 5% of a company's total stock issue and may assist in providing information in monitoring for any potential manipulative schemes. Further, the Exchange believes that the current financial requirements imposed by the Exchange and by the Commission adequately address concerns regarding potentially large, unhedged positions in equity options. Current margin and risk-based haircut methodologies serve to limit the size of positions maintained by any one account by increasing the margin and/or capital that a Participant must maintain for a large position held by itself or by its customer.[80] In addition, Rule 15c3-1[81] imposes a capital charge on Participants to the extent of any margin deficiency resulting from the higher margin requirement.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[82] Specifically, the Exchange believes the

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[79] 17 CFR 240.13d-1.

[80] See Rule 29.120.

[81] 17 CFR 240.15c3-1.

[82] 15 U.S.C. 78f(b).

proposed rule change is consistent with Section 6(b)(5)[83] requirements that the rules of an exchange be 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.

(i) Proposed Amendments to Rule 20.120(i) to Add a Generic Listing Standard for Crypto-Asset Commodity-Based Trusts

The Exchange believes its proposal to permit Commodity-Based Trust Shares that hold a single or multiple crypto assets to be listed and traded without the need for additional Commission approvals, is consistent with the Act and will remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors because it would allow the Exchange to immediately list and trade qualifying options on Commodity-Based Trusts, provided the initial listing criteria has been met, without any additional approvals from the Commission.

Specifically, the Exchange's proposal to adopt Rule 20.120(i)(v) to allow the listing and trading of options on units that represent interests in Commodity-Based Trusts that meet the generic listing standards for Commodity-Based Trust Shares of the applicable primary listing market,[84] and hold a single or multiple crypto assets, is consistent with the Act because it will permit the Exchange to offer options on

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[83] 15 U.S.C. 78f(b)(5).

[84] See supra, note 14.

Commodity-Based Trusts soon after the listing of the ETF on the primary listing market, provided that all the generic listing standards for that Commodity-Based Trust on that primary listing market have been met. Listing these options will avail market participants of the opportunity to hedge their positions in the Commodity-Based Trusts in a timely manner, thereby providing investors with the ability to hedge their exposure to the underlying Commodity-Based Trust. Options on Commodity-Based Trusts benefits investors, similar to the listing of any other option on an ETF, by providing investors with a relatively lower-cost risk management tool to manage their positions and associated risk in their portfolios more easily in connection with exposure to the price of a crypto asset. Additionally, listing options on Commodity-Based Trusts provides investors with the ability to transact in such options on a listed market as opposed to the OTC options market, which increases market transparency and enhances the process of price discovery to the benefit of all investors.

In addition, this proposal would permit options on Commodity-Based Trusts to be listed on the Exchange in the same manner as all other securities that are subject to the current listing criteria in Rule 20.120(i). The Exchange notes that the majority of ETFs are able to list and trade options once the initial listing criteria have been met without the need for additional approvals. The proposed rule change would allow options on certain Commodity-Based Trusts to likewise list and trade options once the initial listing criteria on the primary listing market have been met without the need for additional approvals.

As proposed, the Exchange would list options in a Commodity-Based Trust that met the generic criteria of the applicable primary listing market, provided the Commodity-Based Trust held a single or multiple crypto assets. Further, each crypto asset held by the Commodity-Based Trust would also be required to satisfy the conditions in proposed Rule 20.120(i)(v), which requires that (1) the total global supply of each 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 (2) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the ISG.

These requirements are consistent with the Act and the protection of investors as they should ensure that each crypto asset held by the underlying ETF has sufficient liquidity prior to listing options, which will serve to prevent disruption to the underlying market. The Exchange believes that market supply serves as a good measure of liquidity to permit options trading in options on Commodity-Based Trusts that hold a single or multiple crypto assets. Requiring each underlying crypto asset to have a requisite amount of deliverable supply, in addition to all the other criteria the ETF is required to have under the applicable primary listing market rules, should ensure adequate liquidity prior to listing.

In addition, ensuring each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the ISG, will provide the Exchange with information to adequately surveil options on qualifying Commodity-Based Trusts. Today, the Exchange has a comprehensive surveillance sharing agreement in place with both the CME and Coinbase Derivatives through their common membership in ISG. This facilitates the sharing of information that is available to the CME and Coinbase Derivatives through their surveillance of their respective markets, including their surveillance of their respective digital asset futures markets.

The Exchange also believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system, because it is consistent with current IEX Rules, previously filed with the Commission. Options on qualifying Commodity-Based Trusts must satisfy the initial listing standards and continued listing standards currently in IEX Rules applicable to options on all ETFs. Options on qualifying Commodity-Based Trusts would trade in the same manner as any other ETF options – the same Exchange Rules that currently govern the listing and trading of all ETF options, including permissible strike prices and minimum increments, and applicable position and exercise limits and margin requirements, will govern the listing and trading of options on qualifying Commodity-Based Trusts.

Further, the proposal adopts new subparagraph (3) to Rule 20.130(g) which will require each crypto asset held by a Commodity-Based Trust to continue to meet the requirement of Rule 20.120(i)(v)(1) on a monthly basis and for the criteria in Rule 20.120(i)(v)(2) to be met on a continuous basis. Accordingly, each crypto asset held by a Commodity-Based Trust must continue to have a total global supply with an average daily market value of at least $700 million over the last 12 months, and also must continue to underlie a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the ISG. The Exchange believes that this continued listing standard, in addition to the requirements of Rule 20.120(i), would protect investors and the public interest by ensuring that each crypto asset held by the Commodity-Based Trust continues to remain liquid.

The Exchange believes that requiring the criteria in proposed Rule 20.120(i)(v)(1) on a monthly basis is consistent with the Act and the protection of investors given that the Exchange believes it is unlikely that a crypto asset with an average daily market value of at least $700 million over the previous twelve months would fail to meet that standard as a result of trading over a relatively short period of time. Given the unlikelihood that there would be a huge movement over a month's period of time and considering the work that would be required to calculate the criteria on a daily basis as compared to each month, the Exchange believes that the proposed continued listing obligation for the average daily market value criteria is sufficient.

In addition, options on Commodity-Based Trusts that are approved subject to proposed Rule 20.120(i)(v) would continue to be subject to Rule 20.130(g)(5), as renumbered, which states that the Exchange may consider suspending open transactions in options on an ETF if, "such other event occurs or condition exists that in the opinion of the Exchange makes further dealing in such options on IEX Options inadvisable." The Exchange may determine at any point to delist an option on a Commodity-Based Trust that may not have sufficient liquidity or market demand.

Options on qualifying Commodity-Based Trusts would trade in the same manner as any other ETF options – the same Exchange Rules that currently govern the listing and trading of all ETF options, including permissible expirations, strike prices and minimum increments, and applicable position and exercise limits and margin requirements, will govern the listing and trading of options on qualifying Commodity-Based Trusts.

The Exchange represents that it has the necessary systems capacity to support the listing and trading of options on qualifying Commodity-Based Trusts. The Exchange believes that its existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might arise from listing and trading of these options on Commodity-Based Trusts, particularly in light of the additional requirement that each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in ISG.

(ii) Proposed Amendments to Rules 19.160 and 19.180 to Add Position and Exercise Limits for IBIT

The Exchange believes that establishing position limits and exercise limits for options on IBIT at 1,000,000 contracts is consistent with the Act and the proposed position and exercise limits conform to such limits adopted by all other options exchanges for IBIT options. This proposal will remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors because it will provide market participants with the ability to more effectively execute their trading and hedging activities. Also, the proposed position and exercise limits for IBIT options may allow Market Makers to maintain their liquidity in these options in amounts commensurate with the continued high consumer demand in IBIT options. The proposed position and exercise limits 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. Further, this proposal would allow institutional investors to utilize IBIT options for prudent risk management purposes.

In addition, the Exchange believes that the liquidity in IBIT will continue to mitigate concerns regarding potential manipulation of IBIT options and/or disruption of IBIT upon amending the table of position limits in Rule 19.160, Supplementary Material .01. ISE compared IBIT's data relative to the market capitalization of the entire Bitcoin market in terms of exercise risk and availability of deliverables, and concluded that if a position limit of 1,000,000 contracts were considered, the exercisable risk would represent 7.474% of the outstanding shares of IBIT.[85] Since IBIT has a creation and redemption process managed through the issuer (whereby Bitcoin is used to create IBIT shares), the position limit can be compared to the total market capitalization of the entire Bitcoin market and in that case, the exercisable risk for options on IBIT would represent less than 0.278% of all Bitcoin outstanding.[86] This analysis demonstrated that a 1,000,000 contracts position and exercise limits would be appropriate.

Comparing a position limit of 1,000,000 for IBIT options against other options on ETFs with an underlying commodity, namely GLD, SLV, and BITO, a position limit exercise in GLD represents 6.63% of the float of GLD; a position limit exercise in SLV represents 4.53% of the float of SLV; and a position limit exercise of BITO represents 12.44% of the float of BITO. In comparison, a 1,000,000-contract position limit in IBIT options would represent 7.474%[87] of the outstanding shares of IBIT. Consequently, a 1,000,000 IBIT options position limit is generally aligned with the standards applied to

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[85] This percentage is arrived at with this equation: (1,000,000 contract limit * 100 share per option / 1,337,920,000 shares outstanding). This information was captured on February 11, 2026.

[86] This number was arrived at with this calculation: (1,000,000 limit * 100 shares per option * $38.29 IBIT NAV) / (20,528,687 BTC outstanding * $66,938 BTC price).

[87] See supra, note 85.

GLD, SLV, and BITO, and appropriate.

ISE notes that IBIT began trading in penny increments on January 2, 2025 pursuant to the Penny Interval Program.[88] The Commission noted that evidence and analysis provided in connection with the Penny Pilot demonstrated that the Pilot benefited investors and other market participants in the form of narrower spreads.[89] The most actively traded options classes are included in the Penny Program based on certain objective criteria (trading volume thresholds and initial price tests). As noted in the Penny Approval Order, the Penny Program reflects a certain level of trading interest (either because the class is newly listed or a class experienced a significant growth in investor interest) to quote in finer trading increments, which in turn should benefit market participants by reducing the cost of trading such options.[90]

The IBIT options class is among a select group of products that have achieved a certain level of liquidity that have garnered it the ability to trade in finer increments pursuant to the Penny Interval Program. Failing to increase position and exercise limits for IBIT options may artificially inhibit liquidity and create price inefficiency.

Finally, as discussed above, the Exchange's planned surveillance and reporting safeguards for launch are designed to deter and detect possible manipulative behavior that might arise from increasing or eliminating position and exercise limits in certain classes. The Exchange believes that the current financial requirements imposed by the Exchange and by the Commission adequately address concerns regarding potentially large,

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88 See Rule 22.140.

89 See supra, note 7474.

90 See id.

unhedged positions in the options on the underlying securities, further promoting just and equitable principles of trading, the maintenance of a fair and orderly market, and the protection of investors.

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

As set forth in more detail below, 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. To the contrary, as noted in the Purpose section, each aspect of the proposed rule change is designed to adopt conforming rule changes to address competitive concerns and/or provide for regulatory consistency across the options exchanges.

Generic Listing Standard for Crypto-Asset Commodity-Based Trusts

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 notes that the proposed rule change is substantially similar in all material respects to proposals submitted by other options exchanges.[91] The Exchange does not believe that the proposal to add the proposed listing criteria at Rule 20.120(i)(v) with respect to ETFs, to adopt new criteria to permit the listing and trading of options on certain Commodity-Based Trusts that hold a single or multiple crypto assets and that were listed pursuant to the generic listing standards for Commodity-Based Trust Shares of the applicable primary listing market, without the need for additional approvals, will impose any burden on intramarket competition that is not necessary or appropriate in

[91] See supra, note 10.

furtherance of the purposes of the Act. Options on qualifying Commodity-Based Trusts would need to satisfy the initial listing standards set forth in the Exchange Rules in the same manner as any other ETF before the Exchange could list options on them. Additionally, options on qualifying Commodity-Based Trusts will be equally available to all market participants who wish to trade such options. The Exchange Rules currently applicable to the listing and trading of options on ETFs on the Exchange will apply in the same manner to the listing and trading of all options on qualifying Commodity-Based Trusts.

Additionally, the Exchange notes that listing and trading options on qualifying Commodity-Based Trusts on the Exchange will subject such options to transparent exchange-based rules as well as price discovery and liquidity, as opposed to alternatively trading such options in the OTC market. The Exchange believes that the proposed rule change may relieve any burden on, or otherwise promote, competition as it is designed to increase competition for order flow on the Exchange in a manner that is beneficial to investors by providing them with a lower-cost option to hedge their investment portfolios in a timely manner.

The Exchange does not believe that the proposal to adopt new listing criteria at Rule 20.120(i)(v) to permit the listing and trading of options on certain Commodity-Based Trusts that hold a single or multiple crypto assets and that were listed pursuant to the generic listing standards for Commodity-Based Trust Shares of the applicable primary listing market, without the need for additional approvals, will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. And as noted herein, the proposed rule change would conform IEX listing rules to those in effect at other options exchanges.

Position and Exercise Limits for IBIT

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 notes that the proposed rule change is substantially similar in all material respects to proposals submitted by other options exchanges.[92]

The Exchange does not believe that the proposed rule change will impose any burden on intra-market competition because all market participants would be subject to the same position limits in Rule 19.160 and corresponding exercise limits in Rule 19.180. The proposed rule change will conform position and exercise limits for options on IBIT at IEX with limits already in effect at all other options exchanges.

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition as the proposal is not competitive in nature. The Exchange notes that other options exchanges have already adopted substantively similar proposals. 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

Written comments were neither solicited nor received.

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

The Exchange has designated this rule filing as non-controversial under Section

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[92] See supra, note 11.

19(b)(3)(A)[93] of the Act and Rule 19b-4(f)(6)[94] thereunder. 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 for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)[95] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),[96] 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. The Exchange has proposed a rule change to establish listing criteria and withdrawal standards for options on Commodity-Based Trusts that hold a single crypto asset or multiple crypto assets, and to amend position and exercise limits. The Exchange requests waiver of the 30-day operative delay so that the proposed rule change may become operative upon effectiveness so that the proposed rule change will be operative sufficiently in advance of launch to enable internal IEX approval of eligible options classes, as well as to provide clarity to market participants on the applicable changes in the Exchange's rulebook

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

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93 15 U.S.C. 78s(b)(3)(A).

94 17 CFR 240.19b-4(f)(6).

95 17 CFR 240.19b-4(f)(6).

96 17 CFR 240.19b-4(f)(6)(iii).

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 Commission shall institute proceedings under Section 19(b)(2)(B)[97] 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-IEX-2026-34 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-IEX-2026-34. 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

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97 15 U.S.C. 78s(b)(2)(B).

and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-IEX-2026-34 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.[98]

Sherry R. Haywood,

Assistant Secretary.

[98] 17 CFR 200.30-3(a)(12).

Exhibit 5 – Text of Proposed Rule Change

Proposed new language is underlined; proposed deletions are in brackets.

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INVESTORS EXCHANGE RULE BOOK

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CHAPTER 19. BUSINESS CONDUCT

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Rule 19.160. Position Limits

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(a) - (f) No change.

• • • Supplementary Material • • •

.01 The position limits applicable to options contracts on the securities listed in the chart below are as follows:

Security Underlying Option	***Position Limit***
SPDR® Dow Jones® Industrial Average℠ ETF Trust (“DIA”)	*300,000 contracts*
SPDR® S&P 500® ETF Trust (“SPY”)	*3,600,000 contracts*
iShares® Russell 2000 ETF (“IWM”)	*1,000,000 contracts*
iShares® MSCI Emerging Markets ETF (“EEM”)	*1,000,000 contracts*
Invesco QQQ Trust℠ (“QQQ”)	*1,800,000 contracts*
iShares® China Large-Cap ETF (“FXI”)	*1,000,000 contracts*
iShares® MSCI EAFE ETF (“EFA”)	*1,000,000 contracts*
iShares® MSCI Brazil ETF (“EWZ”)	*500,000 contracts*
iShares® 20+ Year Treasury Bond ETF (“TLT”)	*500,000 contracts*
iShares® MSCI Japan ETF (“EWJ”)	*500,000 contracts*
iShares® iBoxx® $ High Yield Corporate Bond ETF (“HYG”)	*500,000 contracts*
Financial Select Sector SPDR® Fund (“XLF”)	*500,000 contracts*
iShares® iBoxx® $ Investment Grade Corporate Bond ETF (“LQD”)	*500,000 contracts*
VanEck Vectors Gold Miners ETF (“GDX”)	*500,000 contracts*
iShares Bitcoin Trust ETF (“IBIT”)	*1,000,000 contracts*

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Rule 19.180. Exercise Limits

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(a) - (f) No change.

• • • Supplementary Material • • •

.01 The exercise limits applicable to options contracts on the securities listed in the chart below are as follows:

Security Underlying Option	***Exercise Limit***
SPDR® Dow Jones® Industrial Average℠ ETF Trust ("DIA")	*300,000 contracts*
SPDR® S&P 500® ETF Trust ("SPY")	*3,600,000 contracts*
iShares® Russell 2000 ETF ("IWM")	*1,000,000 contracts*
iShares® MSCI Emerging Markets ETF ("EEM")	*1,000,000 contracts*
Invesco QQQ Trust℠ ("QQQ")	*1,800,000 contracts*
iShares® China Large-Cap ETF ("FXI")	*1,000,000 contracts*
iShares® MSCI EAFE ETF ("EFA")	*1,000,000 contracts*
iShares® MSCI Brazil ETF ("EWZ")	*500,000 contracts*
iShares® 20+ Year Treasury Bond ETF ("TLT")	*500,000 contracts*
iShares® MSCI Japan ETF ("EWJ")	*500,000 contracts*
iShares® iBoxx® $ High Yield Corporate Bond ETF ("HYG")	*500,000 contracts*
Financial Select Sector SPDR® Fund ("XLF")	*500,000 contracts*
iShares® iBoxx® $ Investment Grade Corporate Bond ETF ("LQD")	*500,000 contracts*
VanEck Vectors Gold Miners ETF ("GDX")	*500,000 contracts*
iShares Bitcoin Trust ETF ("IBIT")	*1,000,000 contracts*

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CHAPTER 20. SECURITIES TRADED ON IEX OPTIONS

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Rule 20.120. Criteria for Underlying Securities

(a) – (h) No change.

(i) Securities deemed appropriate for options trading shall include shares or other securities ("Fund Shares"), including but not limited to Partnership Units as defined in this Rule, that are principally traded on a national securities exchange and are defined as an "NMS stock" under Rule 600 of Regulation NMS, and that ([1]i) represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities, and that hold portfolios of securities comprising or otherwise based on or representing investments in indexes or portfolios of securities (or that hold securities in one or more other registered investment companies that themselves hold such portfolios of securities) ("Funds") and/or financial instruments including, but not limited to, stock index futures contracts, options on futures, options on securities and indexes, equity caps, collars and floors, swap agreements, forward contracts, repurchase agreements and reverse repurchase agreements (the "Financial Instruments"), and money market instruments, including, but not limited to, U.S. government securities and repurchase agreements (the "Money Market Instruments") constituting or otherwise based on or representing an investment in an index or portfolio of securities and/or Financial Instruments and Money Market Instruments, or ([2]ii) represent commodity pool interests principally engaged, directly or indirectly, in holding and/or managing portfolios or baskets of securities, commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and /or non U.S. currency ("Commodity Pool ETFs") or ([3]iii) represent interests in a trust or similar entity that holds a specified non-U.S. currency or currencies deposited with the trust or similar entity when aggregated in some specified minimum number may be surrendered to the trust by the beneficial owner to receive the specified non-U.S. currency or currencies and pays the beneficial owner interest and other distributions on the deposited non-U.S. currency or currencies, if any, declared and paid by the trust ("Currency Trust Shares"), or ([4]iv) represent interests in the SPDR Gold Trust or are issued by the iShares COMEX Gold Trust [or], iShares Silver Trust, or (v) represent interests in a Commodity-Based Trust that meets the generic criteria of the U.S. securities exchange that is the primary equities listing market for the Commodity-Based Trust, except that the Commodity-Based Trust holds a single crypto asset or multiple crypto assets that meets the following requirements: (1) the total global supply of each 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 (2) each crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the Intermarket Surveillance Group. For purposes of subparagraph (v) in this Rule, 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 relies on cryptographic protocols; provided that all of the following conditions are met:

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(l) Index-Linked Securities

(1) No changes.

(A) – (D) No changes.

(E) Futures-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of an index of (i) futures on Treasury Securities, GSE Securities, supranational debt and debt of a foreign country or a subdivision thereof, or options or other derivatives on any of the foregoing; or (ii) interest rate futures or options or derivatives on the foregoing in this subparagraph (ii) ("Futures Reference Asset"); and [(F) Multifactor Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of any combination of two or more Equity Reference Assets, Commodity Reference Assets, Currency Reference Assets, Fixed Income Reference Assets, or Futures Reference Assets ("Multifactor Reference Asset");]

(F) Multifactor Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of any combination of two or more Equity Reference Assets, Commodity Reference Assets, Currency Reference Assets, Fixed Income Reference Assets, or Futures Reference Assets ("Multifactor Reference Asset")[;].

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Rule 20.130. Withdrawal of Approval of Underlying Securities

(a) – (f) No change.

(g) Fund Shares approved for options trading pursuant to Rule 20.120 (Criteria for Underlying Securities) will not be deemed to meet the requirements for continued approval, and the Exchange shall not open for trading any additional series of options contracts of the class covering such Fund Shares if the security is delisted from trading as provided in subparagraph (b)(4) of this Rule. In addition, the Exchange shall consider the suspension of opening transactions in any series of options of the class covering Fund Shares in any of the following circumstances:

(1) In the case of options covering Fund Shares approved pursuant to Rule 20.120, in accordance with the terms of subparagraphs (b)(1), (2),[and] (3), and (4) of this

Rule;

(2) No change.

(3) In the case of options covering Fund Shares approved pursuant to Rule 20.120(i)(v), if the criteria in Rule 20.120(i)(v)(1) are no longer satisfied, as determined by the Exchange on a monthly basis, or if the criteria in Rule 20.120(i)(v)(2) are no longer satisfied;

([3]4) the value of the index, non-U.S. currency, portfolio of commodities including commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or Financial Instruments or Money Market Instruments, crypto asset(s), or portfolio of securities on which the Fund Shares are based is no longer calculated or available; or

([4]5) No change.

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