8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103394; File No. SR-NYSEARCA-2025-45]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change to List and Trade Shares of the Truth Social Bitcoin and Ethereum ETF, B.T. under NYSE Arca Rule 8.201-E (Commodity-Based Trust Shares)

July 7, 2025.

Pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 ("Act")[2] and Rule 19b-4 thereunder,[3] notice is hereby given that, on June 24, 2025, NYSE Arca, Inc. ("NYSE Arca" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to list and trade shares of the following under NYSE Arca Rule 8.201-E: Truth Social Bitcoin and Ethereum ETF, B.T. (the "Trust"). The proposed rule change is available on the Exchange's website at www.nyse.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the

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

2 15 U.S.C. 78a.

3 17 CFR 240.19b-4.

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

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

1. Purpose

Under NYSE Arca Rule 8.201-E, the Exchange may propose to list and/or trade pursuant to unlisted trading privileges "Commodity-Based Trust Shares."[4] The Exchange proposes to list and trade shares (the "Shares") of the Trust pursuant to NYSE Arca Rule 8.201-E. [5]

The sponsor of the Trust is Yorkville America Digital, LLC (the "Sponsor"), a Florida limited liability company.

The Trust is a Nevada business trust that operates pursuant to a trust agreement (the "Trust Agreement") between the Sponsor and the trustee for the Trust (the "Trustee").

The custodian for the Trust's bitcoin and ether is Foris DAX Trust Company, LLC (the "Bitcoin and Ether Custodian"). The custodian for the Trust's cash is referred to here as the "Cash Custodian," the administrator and transfer agent of the Trust as the "Transfer Agent" and its administrator as the "Trust Administrator."

Each Share issued by the Trust represents a fractional undivided beneficial interest in the net assets of the Trust. The assets of the Trust consist primarily of bitcoin and ether held by the Bitcoin and Ether Custodian on behalf of the Trust.[6] As provided for in the Trust Agreement, the

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4 Commodity-Based Trust Shares are securities issued by a trust that represent investors' discrete identifiable and undivided beneficial ownership interest in the commodities deposited into the Trust.

5 The Trust expects to file a registration statement on Form S-1 under the Securities Act (the "Registration Statement"). The descriptions of the Trust and Shares contained herein are based, in part, on a draft of the Registration Statement. The Registration Statement is not yet effective, and the Shares will not trade on the Exchange until such time that the Registration Statement is effective.

6 From time to time, the Trust may be entitled to, or come into possession of rights to acquire, or otherwise establish dominion and control over, any virtual currency (for avoidance of doubt, other than bitcoin and ether) or other asset or right, which rights are incident to the Trust's ownership of bitcoin and/or ether and arise without any action of the Trust, or of the Sponsor on behalf of the Trust ("Incidental Rights") and/or virtual currency tokens, or other assets or rights, acquired by the Trust through the exercise (subject to the applicable provisions of the Trust Agreement) of any Incidental Right ("IR Digital Assets") by virtue of its ownership of bitcoin and/or ether, generally through a fork in the Bitcoin Blockchain or the Ethereum Blockchain, an airdrop offered to holders of bitcoin or ether, or other similar event. With respect to a fork, airdrop or similar event, the Sponsor will cause the Trust to permanently and irrevocably abandon the

Trust's allocation of its assets to bitcoin and ether (the "allocation ratio") is initially expected to approximate a three-to-one ratio of the value of the bitcoin held by the Trust to the value of the ether held by the Trust. Any change to the allocation ratio will require an amendment to the Trust Agreement. Additionally, upon any amendment of the Trust Agreement to change the allocation ratio, the Trust will notify Shareholders in a prospectus supplement, in its periodic reports filed pursuant to the requirements of the Exchange Act and/or on the Trust's website.

Investment Objective

According to the Registration Statement, the Trust is a passive investment vehicle that seeks to reflect generally the performance of the price of bitcoin and ether. The Trust seeks to reflect such performance before payment of the Trust's expenses and liabilities. The Shares are intended to constitute a simpler means of making an investment similar to an investment in bitcoin and ether rather than by acquiring, holding and trading bitcoin and ether directly on a peer-to-peer or other basis or via a digital asset trading platform. The Shares have been designed to remove the obstacles represented by the complexities and operational burdens involved in a direct investment in bitcoin and ether, while at the same time having an intrinsic value that reflects, at any given time, the investment exposure to the bitcoin and ether owned by the Trust at such time, less the Trust's expenses and liabilities. Although the Shares are not the exact equivalent of a direct investment in bitcoin and ether, they provide investors with an alternative method of achieving investment exposure to bitcoin and ether through the securities market, which may be more familiar to them.

Custody of the Trust's Bitcoin and Ether

The Bitcoin and Ether Custodian will keep custody of all of the Trust's bitcoin and ether, other than that which is maintained in a trading account (the "Trading Balance") with Foris DAX, Inc., the prime execution agent for the Trust (the "Prime Execution Agent"), in accounts

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Incidental Rights and IR Digital Assets. In the event the Trust seeks to change this position, the Exchange would file a subsequent proposed rule change with the Commission.

that are required to be segregated from the assets held by the Bitcoin and Ether Custodian as principal and the assets of its other customers (the "Vault Balance"). Except to the extent required to facilitate any Staking (as defined herein) activities, the Bitcoin and Ether Custodian will keep all of the private keys associated with the Trust's bitcoin and ether held by the Bitcoin and Ether Custodian in the Vault Balance in "cold storage," which refers to a safeguarding method by which the private keys corresponding to the Trust's bitcoin and ether are generated and stored in an offline manner using computers or devices that are not connected to the Internet, which is intended to make them more resistant to hacking.

The Sponsor represents that it will maintain ownership and control of the Trust's bitcoin and ether in a manner consistent with good delivery requirements for spot commodity transactions.

Valuation of Bitcoin and Ether and Determination of NAV

The net asset value of the trust (the "NAV") will be equal to the total assets of the Trust, which will consist solely of bitcoin, ether and cash, less total liabilities of the Trust.

In determining the NAV, the Trust Administrator values the bitcoin held by the Trust based on the CME CF Bitcoin Reference Rate—New York Variant (the "Bitcoin Pricing Benchmark") and the ether held by the Trust based on the CME CF Ether Reference Rate—New York Variant (the "Ether Pricing Benchmark," and, together with the Bitcoin Pricing Benchmark, the "Pricing Benchmarks"), unless otherwise determined by the Sponsor in its sole discretion. If either Pricing Benchmark is not available or the Sponsor determines, in its sole discretion, that a Pricing Benchmark should not be used, the Trust's holdings may be fair valued in accordance with policies approved by the Sponsor. If a Pricing Benchmark is not used, the Trust will notify the Exchange and its shareholders ("Shareholders") in a prospectus supplement, in its periodic Exchange Act reports and/or on the Trust's website.

On each day other than a day when NYSE Arca is closed for trading ("Business Day") at 4:00 p.m. E.T., or as soon thereafter as practicable, the Trust Administrator will evaluate the

bitcoin and ether held by the Trust as reflected by the applicable Pricing Benchmark and determine the NAV and net asset value per Share ("NAV per Share") of the Trust.

According to the Registration Statement, the Pricing Benchmarks are designed based on the IOSCO Principles for Financial Benchmarks and are registered benchmarks under the U.K. Benchmark Regulations ("BMR"). The administrator of the Pricing Benchmarks is CF Benchmarks Ltd. (the "Index Administrator"), a U.K. incorporated company, authorized and regulated by the U.K. Financial Conduct Authority (the "FCA") as a benchmark administrator, under U.K. BMR.

The Pricing Benchmarks are subject to the U.K. BMR regulations, compliance with which has been subject to a Limited Assurance Audit under the ISAE 3000 standard as of September 12, 2022, and are administered under the CF Benchmarks Control Framework to ensure compliance with U.K. BMR regulations.

According to the Registration Statement, the constituent platforms of the Pricing Benchmarks (the "Constituent Platforms"), as further described below, are selected by the Oversight Committee of the Index Administrator (the "Oversight Committee"). A trading platform is eligible as a Constituent Platform if it offers a market that facilitates the spot trading of the relevant crypto base asset against the corresponding quote asset, including markets where the quote asset is made fungible with accepted assets and makes trade data and order data available through an API with sufficient reliability, detail and timeliness, in the opinion of the Oversight Committee.

The Bitcoin Pricing Benchmark

The Bitcoin Pricing Benchmark serves as a once-a-day benchmark rate of the U.S. dollar price of bitcoin ("USD/BTC"), calculated as of 4:00 p.m. E.T. The Bitcoin Pricing Benchmark aggregates the trade flow of several bitcoin platforms, during an observation window between 3:00 p.m. and 4:00 p.m. E.T. into the U.S. dollar price of one bitcoin at 4:00 p.m. E.T. Specifically, the Bitcoin Pricing Benchmark is calculated based on the "Relevant Bitcoin

Transactions" (as defined below) of all of its constituent bitcoin platforms (collectively, the "Bitcoin Constituent Platforms"), which may change from time to time. A "Relevant Bitcoin Transaction" is any crypto asset versus U.S. dollar spot trade that occurs during the observation window between 3:00 p.m. and 4:00 p.m. E.T. on a Bitcoin Constituent Platform in the USD/BTC pair that is reported and disseminated by a Bitcoin Constituent Platform through its publicly available Application Programming Interface ("API") and observed by the Index Administrator. The Bitcoin Pricing Benchmark is calculated based on the Relevant Bitcoin Transactions on the Bitcoin Constituent Platforms, as follows:

- All Relevant Bitcoin Transactions are added to a joint list, recording the time of execution and trade price for each transaction;
- The list is partitioned by timestamp into 12 equally sized time intervals of five minutes in length;
- For each partition separately, the volume-weighted median trade price is calculated from the trade prices and sizes of all Relevant Bitcoin Transactions, i.e., across all Bitcoin Constituent Platforms; and
- The Bitcoin Pricing Benchmark is then determined by the equally weighted average of the volume medians of all partitions.

As of March 31, 2025, the Bitcoin Constituent Platforms were as follows:

- *Crypto.com*: Foris DAX, Inc. d/b/a Crypto.com is a U.S.-based platform that is registered as a money services business ("MSB") with the U.S. Department of Treasury's Financial Crimes Enforcement Network ("FinCEN") and licensed as a money transmitter in more than 40 states.
- *Bitstamp*: A U.K.-based platform registered as an MSB with FinCEN, licensed as a virtual currency business under the New York Department of Financial Services ("NYDFS") BitLicense regulation, as well as a money transmitter in various U.S. states.

- *Bullish*: A Gibraltar-based platform operated by Bullish (GI) Limited and regulated by the Gibraltar Financial Services Commission ("GFSC") as a distributed ledger technology ("DLT") provider for execution and custody services.
- *Coinbase*: A U.S.-based platform registered as an MSB with FinCEN and licensed as a virtual currency business under the NYDFS BitLicense regulation, as well as a money transmitter in various U.S. states.
- *Gemini*: A U.S.-based platform that is licensed as a virtual currency business under the NYDFS BitLicense regulation. Gemini is also registered with FinCEN as an MSB and is licensed as a money transmitter in various U.S. states.
- *itBit*: A U.S.-based platform that is licensed as a virtual currency business under the NYDFS BitLicense regulation. itBit is also registered with FinCEN as an MSB and is licensed as a money transmitter in various U.S. states.
- *Kraken*: A U.S.-based platform that is registered as an MSB with FinCEN in various U.S. states. Kraken is also registered with the FCA and is authorized by the Central Bank of Ireland as a virtual asset service provider. Kraken also holds a variety of other licenses and regulatory approvals, including those from the Japan Financial Services Agency and the Canadian Securities Administrators.
- *LMAX Digital*: A Gibraltar-based platform registered as an MSB with FinCEN and regulated by the GFSC as a DLT provider for execution and custody services. LMAX Digital is part of LMAX Group, a U.K.-based operator of an FCA-regulated multilateral trading facility and broker-dealer.

The Ether Pricing Benchmark

The Ether Pricing Benchmark serves as a once-a-day benchmark rate of the U.S. dollar price of ether ("USD/ETH"), calculated as of 4:00 p.m. E.T. The Ether Pricing Benchmark aggregates the trade flow of several ether platforms, during an observation window between 3:00 p.m. and 4:00

p.m. E.T. into the U.S. dollar price of one ether at 4:00 p.m. E.T. Specifically, the Ether Pricing Benchmark is calculated based on the "Relevant Ether Transactions" (as defined below) of all of its constituent ether platforms (collectively, the "Ether Constituent Platforms" and, together with the Bitcoin Constituent Platforms, the "Constituent Platforms"), which may change from time to time. A "Relevant Ether Transaction" is any cryptocurrency versus U.S. dollar spot trade that occurs during the observation window between 3:00 p.m. and 4:00 p.m. E.T. on an Ether Constituent Platform in the USD/ETH pair that is reported and disseminated by an Ether Constituent Platform through its publicly available API and observed by the Index Administrator. The Ether Pricing Benchmark is calculated based on the Relevant Ether Transactions of all of its Ether Constituent Platforms, as follows:

- All Relevant Ether Transactions are added to a joint list, recording the time of execution and trade price for each transaction.
- The list is partitioned by timestamp into 12 equally sized time intervals of five minutes in length.
- For each partition separately, the volume-weighted median trade price is calculated from the trade prices and sizes of all Relevant Ether Transactions, i.e., across all Ether Constituent Platforms.
- The Ether Pricing Benchmark is then determined by the equally weighted average of the volume medians of all partitions.

As of March 31, 2025, the Ether Constituent Platforms were as follows:

- *Crypto.com*: Foris DAX, Inc. d/b/a Crypto.com is a U.S.-based platform that is registered as an MSB with FinCEN and licensed as a money transmitter in more than 40 states.
- *Bitstamp*: A U.K.-based platform registered as an MSB with FinCEN, licensed as a virtual currency business under the NYDFS BitLicense regulation, as well as a money transmitter in various U.S. states.

- *Coinbase*: A U.S.-based platform registered as an MSB with FinCEN, licensed as a virtual currency business under the NYDFS BitLicense regulation and licensed as a money transmitter in various U.S. states.
- *Gemini*: A U.S.-based platform that is licensed as a virtual currency business under the NYDFS BitLicense regulation. Gemini is also registered with FinCEN as an MSB and is licensed as a money transmitter in various U.S. states.
- *itBit*: A U.S.-based platform that is licensed as a virtual currency business under the NYDFS BitLicense regulation. itBit is also registered with FinCEN as an MSB and is licensed as a money transmitter in various U.S. states.
- *Kraken*: A U.S.-based platform that is registered as an MSB with FinCEN in various U.S. states. Kraken is also registered with the FCA and is authorized by the Central Bank of Ireland as a virtual asset service provider. Kraken also holds a variety of other licenses and regulatory approvals, including those from the Japan Financial Services Agency and the Canadian Securities Administrators.
- *LMAX Digital*: A Gibraltar-based platform registered as an MSB with FinCEN and regulated by the GFSC as a DLT provider for execution and custody services. LMAX Digital is part of LMAX Group, a U.K.-based operator of an FCA-regulated multilateral trading facility and broker-dealer.

Bitcoin and the Bitcoin Network

Bitcoin is a digital asset that is created and transmitted through the operations of the peer-to-peer network (the "Bitcoin Network"), a decentralized network of computers that operates pursuant to cryptographic protocols. No single entity owns or operates the Bitcoin Network, the infrastructure of which is collectively maintained by its user base. The Bitcoin Network allows people to exchange tokens of value, called bitcoin, which are recorded on a public transaction ledger known as the "Bitcoin Blockchain." Bitcoin can be used to pay for goods and services, or it can be converted to fiat currencies, such as the U.S. dollar, at rates determined on bitcoin

platforms that enable trading in bitcoin or in individual end-user-to-end-user transactions under a barter system.

The Bitcoin Network is commonly understood to be decentralized and does not require governmental authorities or financial institution intermediaries to create, transmit or determine the value of bitcoin. Rather, bitcoin is created and allocated by the Bitcoin Network's cryptographic protocols through a "mining" process. The value of bitcoin is determined by the supply of and demand for bitcoin on bitcoin platforms or in private end-user-to-end-user transactions.

New bitcoin are created and rewarded to the miners of a block in the Bitcoin Blockchain for verifying transactions. The Bitcoin Blockchain is a shared database that includes all blocks that have been added by miners, and it is updated to include new blocks as they are added. Each bitcoin transaction is broadcast to the Bitcoin Network and, when included in a block, recorded in the Bitcoin Blockchain. As each new block records outstanding bitcoin transactions, and outstanding transactions are settled and validated through such recording, the Bitcoin Blockchain represents a complete, transparent and unbroken history of all transactions of the Bitcoin Network.

Overview of the Bitcoin Network's Operations

In order to own, transfer or use bitcoin directly on the Bitcoin Network (as opposed to through an intermediary, such as a trading platform), a person generally must have internet access to connect to the Bitcoin Network. Bitcoin transactions may be made directly between end users without the need for a third-party intermediary. To prevent the possibility of double-spending bitcoin, a user must notify the Bitcoin Network of the transaction by broadcasting the transaction data to its network peers. The Bitcoin Network provides confirmation against double-spending by memorializing every transaction in the Bitcoin Blockchain, which is publicly accessible and transparent. This memorialization and verification against double-spending is

accomplished through the Bitcoin Network mining process, which adds "blocks" of data, including recent transaction information, to the Bitcoin Blockchain.

Overview of Bitcoin Transfers

Prior to engaging in bitcoin transactions directly on the Bitcoin Network, a user generally must first install on its computer or mobile device a Bitcoin Network software program that will allow the user to generate a private and public key pair associated with a bitcoin address commonly referred to as a "wallet." The Bitcoin Network software program and the bitcoin address also enable the user to connect to the Bitcoin Network and transfer bitcoin to, and receive bitcoin from, other users.

Each Bitcoin Network address, or wallet, is associated with a unique "public key" and "private key" pair. To receive bitcoin, the bitcoin recipient must provide its public key to the party initiating the transfer. This activity is analogous to a recipient for a transaction in U.S. dollars providing a routing address in wire instructions to the payor so that cash may be wired to the recipient's account. The payor approves the transfer to the address provided by the recipient by "signing" a transaction that consists of the recipient's public key with the private key of the address from where the payor is transferring the bitcoin. The recipient, however, does not make public or provide to the sender its related private key.

Neither the recipient nor the sender reveals its private keys in a transaction because the private key authorizes transfer of the funds in that address to other users. Therefore, if a user loses his private key, the user may permanently lose access to the bitcoin contained in the associated address. When sending bitcoin, a user's Bitcoin Network software program must validate the transaction with the associated private key. The resulting digitally validated transaction is sent by the user's Bitcoin Network software program to the Bitcoin Network to allow transaction confirmation.

Some bitcoin transactions are conducted "off-blockchain" and are therefore not recorded in the Bitcoin Blockchain. Some "off-blockchain transactions" involve the transfer of control

over, or ownership of, a specific digital wallet holding bitcoin or the reallocation of ownership of certain bitcoin in a digital wallet containing assets owned by multiple persons, such as a digital wallet maintained by a digital asset trading platform. In contrast to on-blockchain transactions, which are publicly recorded on the Bitcoin Blockchain, information and data regarding off-blockchain transactions are generally not publicly available. Off-blockchain transactions do not involve the transfer of transaction data on the Bitcoin Network and do not reflect a movement of bitcoin between addresses recorded in the Bitcoin Blockchain. For these reasons, off-blockchain transactions are subject to risks as any such transfer of bitcoin ownership is not protected by the protocol behind the Bitcoin Network or recorded in, and validated through, the blockchain mechanism.

Summary of a Bitcoin Transaction

In a bitcoin transaction directly on the Bitcoin Network between two parties (as opposed to through an intermediary, such as a platform or a custodian), the following circumstances must initially be in place: (i) the party seeking to send bitcoin must have a Bitcoin Network public key, and the Bitcoin Network must recognize that public key as having sufficient bitcoin for the transaction; (ii) the receiving party must have a Bitcoin Network public key; and (iii) the spending party must have internet access with which to send its spending transaction.

The receiving party must provide the spending party with its public key and allow the Bitcoin Blockchain to record the sending of bitcoin to that public key. After the provision of a recipient's Bitcoin Network public key, the spending party must enter the address into its Bitcoin Network software program along with the number of bitcoin to be sent. The number of bitcoin to be sent will typically be agreed upon between the two parties based on a set number of bitcoin or an agreed-upon conversion of the value of fiat currency to bitcoin.

Since every computation on the Bitcoin Network requires the payment of bitcoin, including verification and memorialization of bitcoin transfers, there is a transaction fee involved

with the transfer, which is based on computation complexity and not on the value of the transfer and is paid by the payor with a fractional number of bitcoin.

After the entry of the Bitcoin Network address, the number of bitcoin to be sent and the transaction fees, if any, to be paid will be transmitted by the spending party. The transmission of the spending transaction results in the creation of a data packet by the spending party's Bitcoin Network software program, which is transmitted onto the Bitcoin Network, resulting in the distribution of the information among the software programs of users across the Bitcoin Network for eventual inclusion in the Bitcoin Blockchain.

Creation of a New Bitcoin

New bitcoin are created through the mining process.

The Bitcoin Network is kept running by computers all over the world. In order to incentivize those who incur the computational costs of securing the network by validating transactions, there is a reward that is given to the computer that was able to create the latest block on the chain. Every 10 minutes, on average, a new block is added to the Bitcoin Blockchain with the latest transactions processed by the network, and the computer that generated this block is currently awarded 3.125 bitcoin. Due to the nature of the algorithm for block generation, this process (called "proof-of-work" consensus) is random. Over time, rewards are expected to be proportionate to the computational power of each machine.

The process by which bitcoin is "mined" results in new blocks being added to the Bitcoin Blockchain and new bitcoin tokens being issued to the miners. Computers on the Bitcoin Network engage in a set of prescribed complex mathematical calculations in order to add a block to the Bitcoin Blockchain and thereby confirm bitcoin transactions included in that block's data.

To begin mining, a user can download and run Bitcoin Network mining software, whereby the user's computer acts as a "node" on the Bitcoin Network that validates blocks. Each block contains the details of some or all of the most recent transactions that are not memorialized in prior blocks, as well as a record of the award of bitcoin to the miner who added the new block.

Each unique block can be solved and added to the Bitcoin Blockchain by only one miner. Therefore, all individual miners and mining pools on the Bitcoin Network are engaged in a competitive process of constantly seeking to increase their computing power to improve their likelihood of solving for new blocks. As more miners join the Bitcoin Network and its processing power increases, the Bitcoin Network adjusts the complexity of the block-solving equation to maintain a predetermined pace of adding a new block to the Bitcoin Blockchain approximately every 10 minutes. A miner's proposed block is added to the Bitcoin Blockchain once a majority of the nodes on the Bitcoin Network confirms the miner's work. Miners that are successful in adding a block to the Bitcoin Blockchain are automatically awarded bitcoin for their effort and may also receive transaction fees paid by transferors whose transactions are recorded in the block. This reward system is the method by which new bitcoin enter circulation.

The Bitcoin Network is designed in such a way that the reward for adding new blocks to the Bitcoin Blockchain decreases over time. More specifically, the reward rate halves approximately every four years. Once new bitcoin tokens are no longer awarded for adding a new block (expected to occur in the year 2140), miners will only have transaction fees to incentivize them, and as a result, it is expected that miners will need to be better compensated with higher transaction fees to ensure that there is adequate incentive for them to continue mining.

Limits on Bitcoin Supply

Under the source code that governs the Bitcoin Network, the supply of new bitcoin is mathematically controlled so that the number of bitcoin grows at a limited rate pursuant to a preset schedule. The number of bitcoin awarded for solving a new block is automatically halved after every 210,000 blocks are added to the Bitcoin Blockchain, approximately every four years. Currently, the fixed reward for solving a new block is 3.125 bitcoin per block, and this is expected to decrease by half to become 1.5625 bitcoin in approximately mid-2028.

This deliberately controlled rate of bitcoin creation means that the number of bitcoin in existence will increase at a controlled rate until the number of bitcoin in existence reaches the predetermined 21 million bitcoin. However, the 21 million supply cap could be changed pursuant to a hard fork. As of March 31, 2025, approximately 19.8 million bitcoin were outstanding and the date when the 21 million bitcoin limitation will be reached is estimated to be the year 2140.

Ether and the Ethereum Network

Ether is a digital asset that is created and transmitted through the operations of the peer-to-peer network (the "Ethereum Network"), a network of computers, known as nodes, that operates pursuant to cryptographic protocols. No single entity owns or operates the Ethereum Network, the infrastructure of which is collectively maintained by a distributed user base. Ether is not issued by governments, banks or any other centralized authority. The Ethereum Network allows people to exchange tokens of value, called ether, which are recorded on a public transaction ledger known as the Ethereum blockchain (the "Ethereum Blockchain"). Ether can be used to pay for goods and services, including computational power on the Ethereum Network, or it can be converted to fiat currencies, such as the U.S. dollar, at rates determined on digital asset exchanges or in individual end-user-to-end-user transactions under a barter system.

The Ethereum Network allows users to write and implement computer programs called smart contracts—that is, general-purpose code that executes on every computer in the network and can instruct the transmission of information and value based on a set of logical conditions. Using smart contracts, users can create markets, store registries of debts or promises, represent the ownership of property, move funds in accordance with conditional instructions and create digital assets other than ether on the Ethereum Network. Smart contract operations are executed on the Ethereum Blockchain in exchange for payment of ether. The Ethereum Network is one of a number of projects intended to expand blockchain use beyond just a peer-to-peer money and payments system.

The Ethereum Network is commonly understood to be decentralized and does not require governmental authorities or financial institution intermediaries to create, transmit or determine the value of ether. Rather, following the initial distribution of ether, ether is created, burned and allocated by the Ethereum Network protocol through a process that is currently subject to an issuance and burn rate. The value of ether is determined by the supply of and demand for ether on the digital asset exchanges or in private end-user-to-end-user transactions. There is no hard cap which would limit the number of outstanding ether at any one time to a predetermined maximum.

New ether is created and rewarded to the validators of a block in the Ethereum Blockchain for verifying transactions. The Ethereum Blockchain is effectively a decentralized database that includes all blocks that have been validated and it is updated to include new blocks as they are validated. Each ether transaction is broadcast to the Ethereum Network and, when included in a block, recorded in the Ethereum Blockchain. As each new block records outstanding ether transactions, and outstanding transactions are settled and validated through such recording, the Ethereum Blockchain represents a complete, transparent and unbroken history of all transactions of the Ethereum Network.

Among other things, ether is used to pay for transaction fees and computational services (e.g., smart contracts) on the Ethereum Network; users of the Ethereum Network pay for the computational power of the machines executing the requested operations with ether. Requiring payment in ether also is designed to ensure that the Ethereum Network remains economically viable by compensating people for their contributed computational resources and making it costly to spam the network.

Assets in the Ethereum Network are held in accounts. Each account, or "wallet," is made up of at least two components: a public address and a private key. An Ethereum private key controls the transfer or "spending" of ether from its associated public ether address. An ether "wallet" is a collection of a public Ethereum address and its associated private key. This design

allows only the owner of ether to send ether, the intended recipient of ether to unlock it, and the validation of the transaction and ownership to be verified by any third party anywhere in the world.

Transaction fees (including transactions that involve the operation of smart contracts) are only payable in ether. An Ethereum improvement proposal known as EIP-1559 simplified the transaction fee process. Instead of performing complex calculations to estimate the fee that is charged ("gas"), users instead pay an algorithmically determined transaction fee set by the protocol itself. Gas price is often a small fraction of ether, which is denoted in the unit of Gwei (10^9 Gwei = 1 ether). Gas is essential in sustaining the Ethereum Network. It motivates validators to process and verify transactions for a monetary reward. Gas price fluctuates with supply. Gas has another important function in preventing unintentional waste of energy. Because the coding language for Ethereum is Turing-complete, there is a possibility of a program running indefinitely, and a transaction can be left consuming a lot of energy. A gas limit is imposed as the maximum price users are willing to pay to facilitate transactions. When gas runs out, the program will be terminated, and no additional energy would be used.

In 2022 the Ethereum Network implemented software upgrades and other changes to its protocol, including the adoption of network upgrades collectively referred to as the Merge, or Ethereum 2.0. Ethereum 2.0 aimed to improve the network's speed, scalability, efficiency, security, accessibility, and transaction throughput in part by reducing its energy footprint and decreasing transaction times for the network. As part of Ethereum 2.0, in mid-September 2022, a shift from the proof-of-work to the proof-of-stake model occurred. Ethereum 2.0 also encompassed the addition of other new features, such as "sharding." Sharding is a multi-phase upgrade to improve Ethereum's scalability and capacity. Shard chains spread the network's load across numerous new chains splitting the data processing responsibility among many nodes and allowing for parallel processing and validation of transactions. Sharding makes it easier to run a node by keeping hardware requirements low. A digital asset network's consensus mechanism is

an aspect of its source code, and any failure to properly implement such a change could have a material adverse effect on the value of ether and the value of the Shares. The move to proof-of-stake may subject Ethereum and ether to new and unexpected vulnerabilities not applicable to proof-of-work consensus models.

Smart Contracts and Development on the Ethereum Network

Smart contracts are programs that run on a blockchain that can execute automatically when certain conditions are met. Smart contracts facilitate the exchange of anything representative of value, such as money, information, property, or voting rights. Using smart contracts, users can send or receive digital assets, create markets, store registries of debts or promises, represent ownership of property or a company, move funds in accordance with conditional instructions and create new digital assets, among other actions.

Development on the Ethereum Network involves building more complex tools on top of smart contracts, such as decentralized applications ("dApps"); decentralized autonomous organizations ("DAOs"); and entirely new decentralized networks. For example, a company that distributes charitable donations on behalf of users could hold donated funds in smart contracts that are paid to charities only if the charities satisfy certain pre-defined conditions.

Moreover, the Ethereum Network has also been used as a platform for creating new digital assets. A majority of digital assets not issued as the native token on their own blockchains were built on the Ethereum Network, with such assets representing a significant amount of the total market value of all digital assets.

More recently, the Ethereum Network has been used for DeFi platforms, which seek to democratize access to financial services, such as borrowing, lending, custody, trading, derivatives and insurance, by replacing third-party intermediaries with autonomous code. DeFi platforms can allow users to lend and earn interest on their digital assets, exchange one digital asset for another and create derivative digital assets such as stablecoins, which are digital assets pegged to a reference asset such as fiat currency.

In addition, the Ethereum Network and other smart contract platforms have been used for creating non-fungible tokens ("NFTs"). Unlike digital assets native to smart contract platforms which are fungible, NFTs allow for digital ownership of unique assets that convey certain rights to other digital or real-world assets. For example, an NFT may convey rights to a digital asset that exists in an online game or a dApp, and users can trade their NFTs in the dApp or game and carry them to other digital experiences.

The DAO and Ethereum Classic

In July 2016, the Ethereum Network experienced what is referred to as a hard fork that resulted in two different versions of its blockchain: Ethereum and Ethereum Classic.

In April 2016, a blockchain solutions company known as Slock.it announced the launch of a decentralized autonomous organization, known as "The DAO," on the Ethereum Network. The DAO was designed as a decentralized crowdfunding model, in which anyone could contribute ether tokens to The DAO in order to become a voting member and equity stakeholder in the organization. Members of The DAO could then make proposals about different projects to pursue and put them to a vote. By committing to profitable projects, members would be rewarded based on the terms of a smart contract and their proportional interest in The DAO. As of May 27, 2016, $150 million, or approximately 14% of all ether outstanding, was contributed to, and invested in, The DAO.

On June 17, 2016, an anonymous hacker exploited The DAO's smart contract code to syphon approximately $60 million, or 3.6 million ether, into a segregated account. Upon the news of the breach, the price of ether was quickly cut in half as investors liquidated their holdings and members of the Ethereum community worked to develop a solution.

In the days that followed, several attempts were made to retrieve the stolen funds and secure the Ethereum Network, but none were successful. Members of the community subsequently coalesced around performing a hard fork that would create an entirely new version of the Ethereum Blockchain, erasing any record of the theft, and restoring the stolen funds to

their original owners. The counterargument was that it would be antithetical to the core principle of immutability of the Ethereum Blockchain.

The decision over whether or not to hard fork the Ethereum Blockchain was put to a vote of Ethereum community members. A majority of votes were cast in favor of a hard fork. On July 15, 2016, a hard fork specification was implemented by the Ethereum Foundation. On July 20, 2016, the Ethereum Network completed the hard fork, and a new version of the blockchain, without recognition of the theft, went live.

Many believed that after the hard fork the original version of the Ethereum Blockchain would dissipate entirely. However, a group of validators continued to mine the original Ethereum Blockchain for philosophical and economic reasons. On July 20, 2016, the original Ethereum protocol was rebranded as Ethereum Classic, and its native token as ether classic ("ETC"), preserving the untampered transaction history (including the DAO theft). Following the hard fork of Ethereum, each holder of original ether (subsequently regarded as ETC) automatically received an equivalent number of new ether (subsequently regarded as simply "ether").

Overview of the Ethereum Network's Operations

In order to own, transfer or use ether directly on the Ethereum Network on a peer-to-peer basis (as opposed to through an intermediary, such as a custodian or centralized exchange), a person generally must have internet access to connect to the Ethereum Network. Ether transactions may be made directly between end-users without the need for a third-party intermediary. To prevent the possibility of double-spending ether, a user must broadcast the transaction data to the Ethereum Network. The Ethereum Network provides confirmation against double-spending by memorializing every peer-to-peer transaction in the Ethereum Blockchain, which is publicly accessible and transparent. This memorialization and verification against double-spending of peer-to-peer transactions is accomplished through the Ethereum Network validation process, which adds "blocks" of data, including recent transaction information, to the Ethereum Blockchain.

Summary of an Ether Transaction

A "transaction request" refers to a request to the Ethereum Network made by a user, in which the requesting user (the "sender") asks the Ethereum Network to send some ether or execute some code. A "transaction" refers to a fulfilled transaction request and the associated change in the Ethereum Network's state. An Ethereum Client is a software application that implements the Ethereum Network specification and communicates with the Ethereum Network. A node is a computer or other device, such as a mobile phone, running an individual Ethereum Client that is connected to other computers also running their own Ethereum Clients, which collectively form the Ethereum Network. Nodes can be full nodes (meaning they host a local copy of the entire Ethereum Blockchain) or light nodes, which only host a local copy of a sub-portion of the full Ethereum Blockchain with reduced data. Nodes may (but do not have to) be validators, which requires them to download an additional piece of software in the node's Ethereum Client and stake a certain amount of ether, which is discussed below.

Any user can broadcast a transaction request to the Ethereum Network from a node located on the network. A user can run its own node, or it can connect to a node operated by others. For the transaction request to actually result in a change to the current state of the Ethereum Network, it must be validated, executed and "committed to the network" by another node (specifically, a validator node). Execution of the transaction request by the validator results in a change to the state of the Ethereum Network once the transaction is broadcast to all other nodes across the Ethereum Network. Transactions can include, for example, sending ether from one account to another, as discussed below; publishing a new smart contract onto the Ethereum Network; or activating and executing the code of an existing smart contract, in accordance with the terms and conditions specified in the sender's transaction request.

The Ethereum Blockchain can be thought of as a ledger recording a history of transactions and the balances associated with individual accounts, each of which has an address on the Ethereum Network. An Ethereum Network account can be used to store ether. There are

two types of Ethereum accounts: “externally owned accounts,” which are controlled by a private key, and “smart contract accounts,” which are controlled by their own code. Externally owned accounts are controlled by users, do not contain executable code, and are associated with a unique “public key” and “private key” pair, commonly referred to as a “wallet,” with the private key being used to execute transactions. Smart contract accounts contain, and are controlled by, their own executable code: every time the smart contract account receives a transaction from, or is “called” by, another user, the smart contract account’s code activates, allowing it to read and write to internal storage, send ether, or perform other operations. Both externally owned accounts and smart contract accounts can be used to send, hold or receive ether, and both can interact with other smart contracts. However, only externally owned accounts have the power to initiate transactions; smart contract accounts can only send transactions of their own after they are first activated or called by another transaction. An externally owned account is associated with both a public address on the Ethereum Network and a private key, while a smart contract account is only associated with a public address. While a smart contract account does not use a private key to authorize transactions, including transfers of ether, the developer of a smart contract may hold an “admin key” to the smart contract account, or have special access privileges, allowing the developer to make changes to the smart contract, enable or disable features on the smart contract, or change how the smart contract receives external inputs and data, among others.

Accounts depend on nodes to access the peer-to-peer Ethereum Network. Through the node’s Ethereum Client, a user’s Ethereum wallet and its associated Ethereum Network address enable the user to connect to the Ethereum Network and transfer ether to, and receive ether from, other users, and interact with smart contracts, on a peer-to-peer basis. A user with an externally owned account can either run its own node (and its own Ethereum Client) and connect that node to its Ethereum wallet, allowing it to make transactions from its Ethereum wallet on the Ethereum Network, or a user’s wallet can connect to third-party nodes operated as a service (e.g.,

Infura) and access the Ethereum Network that way. Multiple accounts can access the Ethereum Network through one node.

Each user's Ethereum wallet is associated with a unique "public key" and "private key" pair. To receive ether in a peer-to-peer transaction, the ether recipient must provide its public key to the sender. This activity is analogous to a recipient for a transaction in U.S. dollars providing a routing address in wire instructions to the payor so that cash may be wired to the recipient's account. The sender approves the transfer to the address provided by the recipient by "signing" a transaction that consists of the recipient's public key with the private key of the address from which the sender is transferring the ether. The recipient, however, does not make public or provide to the sender the recipient's related private key, only its public key.

Neither the recipient nor the sender reveals its private keys in a peer-to-peer transaction, because the private key authorizes transfer of the funds in that address to other users. Therefore, if a user loses its private key, the user may permanently lose access to the ether contained in the associated address. When sending ether, a user's Ethereum wallet must sign the transaction with the sender's associated private key. In addition, since every computation on the Ethereum Network requires processing power, there is a mandatory transaction fee involved with the transfer that is paid by the sender to the Ethereum Network itself ("base fee"), plus additional transaction fees the sender can elect (or not) to pay at their discretion to the validators who validate their transaction ("tip"). The resulting digitally signed transaction is sent by the user's Ethereum wallet, via a node (whether run by the user or operated by others), to other Ethereum Network nodes, who in turn broadcast it on a peer-to-peer basis to validators to allow transaction confirmation.

Ethereum Network validators record and confirm transactions when they validate and add blocks of information to the Ethereum Blockchain. Validators operate through nodes whose Ethereum Clients have an extra piece of software that permits the node to perform validation transactions. In a proof-of-stake consensus protocol like that used by the Ethereum Network,

validators compete to be randomly selected to validate transactions. A validator must stake 32 ether to become a validator, which allows it to activate a unique validator key pair (consisting of a public and private validator key). Each stake of 32 ether results in issuance of a validator key pair, meaning that multiple validators can operate through a single validator node (including a validator node operated by a third party as a service). Validators may engage in two categories of activities: first, they may propose blocks ("proposers") and second, they may approve a proposer's block ("attesters"). Staking more ether (in chunks of 32 ether) can increase the numerical chances that a given validator will be randomly selected to propose a new block. When a validator is randomly selected by the protocol's algorithm to propose a block, it creates that block, which includes data relating to (i) the verification of newly submitted transaction requests submitted by senders and (ii) a reference to the prior block in the Ethereum Blockchain to which the new block is being added. The proposing validator becomes aware of outstanding transaction requests through peer-to-peer data packet transmission and distribution enforced by the Ethereum protocol rules, which connects the proposer to users who want transactions recorded. If—once created—the proposing validator's block is confirmed by a committee of randomly selected attesters, the block is broadcast to the Ethereum Network and added to the Ethereum Blockchain. Any smart contract code that has been called by the transaction request is also executed (provided the requisite fee is paid for the Ethereum Network's computational power associated with executing the code). Upon the addition of a block included in the Ethereum Blockchain, an adjustment to the ether balance in both the sender and recipient's Ethereum Network public key will occur, completing the ether transaction. Once a transaction is confirmed on the Ethereum Blockchain, it is irreversible.

As a reward for their services in adding the block to the Blockchain, both the proposing validator and the attesting validators receive newly minted ether from the Ethereum Network. If the proposing validator's block is determined by the approving validator committee to be faulty or to break protocol rules, the proposer is penalized by having its staked ether reduced.

Validators can also be penalized for attesting to transactions that break protocol rules or are inconsistent with the majority of other validators, or for inactivity or missing attestations that the Ethereum Network protocol assigned to them. In extreme cases, a proposing or attesting validator can be "slashed," meaning forcibly ejected by other validators, with its staked ether continuously drained, potentially up to the loss of its entire stake. In this way, the Ethereum Network attempts to reduce double-spend and other attacks by validators and incentivize validator integrity.

Some ether transactions are conducted "off-blockchain" and are therefore not recorded in the Ethereum Blockchain. Some "off-blockchain transactions" involve the transfer of control over, or ownership of, a specific digital wallet holding ether or the reallocation of ownership of certain ether in a pooled-ownership digital wallet, such as a digital wallet owned by a digital asset exchange. If a transaction can also take place through a centralized digital asset exchange or a custodian's internal books and records, it is not broadcast to the Ethereum Network or recorded on the Ethereum Blockchain. In contrast to on-blockchain transactions, which are publicly recorded on the Ethereum Blockchain, information and data regarding off-blockchain transactions are generally not publicly available. Therefore, off-blockchain transactions are not peer-to-peer ether transactions in that they do not involve a transaction on the Ethereum Network and do not reflect a movement of ether between addresses recorded in the Ethereum Blockchain. For these reasons, off-blockchain transactions are not necessarily immutable or irreversible as any such transfer of ether ownership is not cryptographically protected by the protocol behind the Ethereum Network or recorded in, and validated through, the blockchain mechanism.

Ether has generally exhibited high price volatility relative to more traditional asset classes. One volatility measure, standard deviation, is based on the variability of historical price returns. A higher standard deviation indicates a wider dispersion of past price returns and thus greater historical volatility.

Creation of New Ether

Unlike other digital assets, such as bitcoin, which are solely created through a progressive mining process, 72.0 million ether were created in connection with the launch of the Ethereum Network. The initial 72.0 million ether were distributed as follows:

Initial Distribution: 60.0 million ether, or 83.33% of the supply, was sold to the public in a crowd sale conducted between July and August 2014 that raised approximately $18 million.

Ethereum Foundation: 6.0 million ether, or 8.33% of the supply, was distributed to the Ethereum Foundation for operational costs.

Ethereum Developers: 3.0 million ether, or 4.17% of the supply, was distributed to developers who contributed to the Ethereum Network.

Developer Purchase Program: 3.0 million ether, or 4.17% of the supply, was distributed to members of the Ethereum Foundation to purchase at the initial crowd sale price.

Following the launch of the Ethereum Network, ether supply initially increased through a progressive validation process. Following the introduction of EIP-1559, described below, ether supply and issuance rates vary based on factors such as recent use of the network.

Proof-of-Stake Process

Prior to September 2022, Ethereum operated using a proof-of-work consensus mechanism. In the second half of 2020, the Ethereum Network began the first of several stages of an upgrade that was initially known as “Ethereum 2.0” and eventually became known as the “Merge” to transition the Ethereum Network from a proof-of-work consensus mechanism to a proof-of-stake consensus mechanism. The Merge was completed on September 15, 2022, and the Ethereum Network has operated on a proof-of-stake model since such time.

Unlike proof-of-work, in which validators expend computational resources to compete to validate transactions and are rewarded coins in proportion to the amount of computational resources expended, in proof-of-stake, validators risk or “stake” tokens to compete to be randomly selected to validate transactions and are rewarded in tokens. Any malicious activity,

such as validating multiple blocks, disagreeing with the eventual consensus or otherwise violating protocol rules, results in the forfeiture or "slashing" of a portion of the staked coins. Proof-of-stake is commonly regarded as more energy efficient than proof-of-work. Approximately every 12 seconds, a new block is added to the Ethereum Blockchain with the latest transactions processed by the network, and the validator that generated this block is awarded ether.

Limits on Ether Supply

The rate at which new ether are issued and put into circulation is expected to vary. In September 2022 the Ethereum Network converted from proof-of-work to a new proof-of-stake consensus mechanism. Following the Merge, approximately 1,700 ether are issued per day, though the issuance rate varies based on the number of validators on the network. In addition, the issuance of new ether could be partially or completely offset by the burn mechanism introduced by the EIP-1559 modification, under which ether are removed from supply at a rate determined by network usage. On many occasions, the ether supply has been deflationary over 24-hour periods as a result of the burn mechanism. The attributes of the new consensus algorithm are subject to change, but in sum, the new consensus algorithm and related modifications reduced total new ether issuances and may turn the ether supply deflationary over the long term.

As of March 31, 2025, approximately 121 million ether were outstanding.

Applicable Standard

The Commission has historically approved or disapproved exchange filings to list and trade series of Trust Issued Receipts, including spot, Commodity-Based Trust Shares, on the basis of whether the listing exchange has in place a comprehensive surveillance sharing agreement ("CSSA") with a regulated market of significant size related to the underlying commodity to be held.[7] The Commission has since approved the listing and trading of shares of

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[7] See Securities Exchange Act Release No. 83723 (July 26, 2018), 83 FR 37579 (August 1, 2018) (SR-BatsBZX-2016-30) (Order Setting Aside Action by Delegated Authority and Disapproving a Proposed Rule Change, as Modified by Amendments No. 1 and 2, to List and Trade Shares of the Winklevoss

spot bitcoin exchange-traded products ("Spot Bitcoin ETPs") and spot ether exchange-traded products ("Spot Ether ETPs"), finding that there were sufficient "other means" of preventing fraud and manipulation sufficient to satisfy the requirements of Section 6(b)(5) of the Exchange Act.[8] In each of the Spot Bitcoin ETP Approval Order and Spot Ether Approval Order, the Commission concluded, through a robust correlation analysis, that fraud or manipulation that impacts prices in spot bitcoin markets or spot ether markets would likely similarly impact CME bitcoin futures prices and CME ether futures prices, respectively.[9] The Commission further found that, because the CME's surveillance can assist in detecting those impacts on CME bitcoin futures prices and CME ether futures prices, a listing exchange's CSSA with the CME can be reasonably expected to assist in surveilling for fraudulent and manipulative acts and practices in the context of the Spot Bitcoin ETPs and Spot Ether ETPs.[10]

The Commission also more recently approved the listing and trading of shares of exchange-traded products that, like the Trust, hold both spot bitcoin and spot ether in proportion to their market capitalizations (the "Spot Bitcoin/Ether ETPs").[11] In approving the Spot

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Bitcoin Trust) ("Winklevoss Order"). In the Winklevoss Order, the Commission set forth both the importance and definition of a surveilled, regulated market of significant size, explaining that, for approved commodity-trust ETPs, "there has been in every case at least one significant, regulated market for trading futures on the underlying commodity—whether gold, silver, platinum, palladium, or copper —and the ETP listing exchange has entered into surveillance-sharing agreements with, or held Intermarket Surveillance Group membership in common with, that market." Winklevoss Order, 83 FR at 37594.

8 See Securities Exchange Act Release No. 34-99306 (January 10, 2024), 89 FR 3008 (January 17, 2024) (SR-NYSEARCA-2021-90; SR-NYSEARCA-2023-44; SR-NYSEARCA-2023-58; SR-NASDAQ-2023-016; SR-NASDAQ-2023-019; SR-CboeBZX-2023028; SR-CboeBZX-2023-038; SR-CboeBZX-2023-040; SR-CboeBZX-2023-042; SRCboeBZX-2023-044; SR-CboeBZX-2023-072) (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) (the "Spot Bitcoin ETP Approval Order"); Securities Exchange Act Release No. 100224 (May 23, 2024), 89 FR 46937 (May 30, 2024) (SR-NYSEARCA-2023-70; SR-NYSEARCA-2024-31; SR- NASDAQ-2023-045; SR-CboeBZX-2023-069; SR-CboeBZX-2023-070; SR-CboeBZX-2023-087; SR-CboeBZX-2023-095; SR-CboeBZX-2024-018) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, to List and Trade Shares of Ether-Based Exchange-Traded Products) (the "Spot Ether ETP Approval Order").

9 See Spot Bitcoin ETP Approval Order, 89 FR at 3010; Spot Ether ETP Approval Order, 89 FR at 46938.

10 See Spot Bitcoin ETP Approval Order, 89 FR at 3010; Spot Ether ETP Approval Order, 89 FR at 46938-39.

11 See Securities Exchange Act Release No. 101998 (December 19, 2024), 89 FR 106707 (December 30, 2024) (SR-NASDAQ-2024-028; SR-CboeBZX-2024-091) (Order Granting Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the Hashdex Nasdaq Crypto Index US ETF and Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the Franklin Crypto Index ETF, a Series of the Franklin Crypto Trust) (the

Bitcoin/Ether ETPs, the Commission similarly found, based on the continued consistent correlation between the spot bitcoin market and the CME bitcoin futures market and between the spot ether market and the CME ether futures market that a listing exchange's CSSA with the CME can be reasonably expected to assist in surveilling for fraudulent and manipulative acts and practices in the context of the Spot Bitcoin/Ether ETPs.[12]

The Trust is structured and will operate in a manner materially the same as the Spot Bitcoin ETPs, Spot Ether ETPs, and Spot Bitcoin/Ether ETPs. The Sponsor believes that the Exchange's ability to obtain information regarding trading in bitcoin futures and ether futures from the CME, which, like the Exchange, is a member of the ISG, would assist the Exchange in detecting potential fraud or manipulation with respect to trading in the Shares. The Sponsor thus believes that, for reasons similar to those set forth in the Spot Bitcoin ETP Approval Order, Spot Ether ETP Approval Order, and Spot Bitcoin/Ether ETP Approval Order, listing and trading Shares of the Trust would be consistent with the requirements of the Act.

Creation and Redemption of Shares

The Trust issues and redeems "Baskets" on a continuous basis. Baskets are only created or redeemed in exchange for the amount of bitcoin and ether represented by the Baskets being created or redeemed. Only "Authorized Participants" can initiate a creation or redemption of Baskets. Each Authorized Participant must be a registered broker-dealer, a participant in Depository Trust Company ("DTC"), have entered into an agreement with the Sponsor and be in a position to transfer cash to, and take delivery of cash from, the Cash Custodian through one or more accounts.

The Trust issues and redeems Shares only in Baskets of 10,000 or integral multiples thereof, based on the quantity of bitcoin and ether attributable to each Share (net of accrued but unpaid Sponsor's Fee and any accrued but unpaid expenses or liabilities). Baskets may be

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"Spot Bitcoin/Ether ETP Approval Order").

12 See Spot Bitcoin/Ether ETP Approval Order, 89 FR at 106708.

redeemed by the Trust in exchange for the amount of bitcoin and ether corresponding to their redemption value. Only Authorized Participants can initiate a creation or redemption of Baskets.

The Authorized Participants will deliver only cash to create Shares and will receive only cash when redeeming Shares. Further, Authorized Participants will not directly or indirectly purchase, hold, deliver or receive bitcoin or ether as part of the creation or redemption process or otherwise direct the Trust or a third party with respect to purchasing, holding, delivering or receiving bitcoin or ether as part of the creation or redemption process. For a redemption in cash, the Sponsor shall arrange for the bitcoin and ether represented by the creation Basket to be sold to the Liquidity Provider,[13] and the cash proceeds distributed from the Trust's account at the Cash Custodian to the Authorized Participant.

Baskets are only issued or redeemed in exchange for an amount of bitcoin and ether determined by the Sponsor on each day that the Exchange is open for regular trading. No Shares are issued unless the Bitcoin and Ether Custodian or Prime Execution Agent has allocated to the Trust's account the corresponding amount of bitcoin and ether.

Issuance of Baskets

For a creation of Baskets, the Authorized Participant will be required to submit the purchase order by an early order cutoff time (the "Creation Early Order Cutoff Time") on the Business Day prior to the trade date. The Authorized Participant must submit a purchase order through an electronic order entry system, indicating the number of Baskets it intends to acquire. The date that order is received will determine the basket amount of bitcoin and ether (the "Basket Amount") the Trust needs to purchase from the Liquidity Provider or through the Prime Execution Agent. The final cash amounts will be determined after the net asset value of the Trust is struck and the Trust's bitcoin and ether transactions have settled. However, orders received

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[13] The Trust's Liquidity Provider is Foris DAX, Inc. The Liquidity Provider facilitates the purchase and sale of bitcoin and ether for creations or redemptions of Baskets in cash.

after the Creation Early Order Cutoff Time on a Business Day will not be accepted and should be resubmitted on the following Business Day.

The Basket Amount necessary for the creation of a Basket changes from day to day. On each Business Day, the Trust Administrator will adjust the quantity of bitcoin and ether constituting the Basket Amount as appropriate to reflect sales of bitcoin and ether, any loss of bitcoin or ether that may occur and accrued expenses. The Basket Amount is determined for a given day by multiplying the NAV per Share by the number of Shares in each Basket and dividing the resulting product by the weighted-average value of the Trust's bitcoin and ether holdings that day, as determined by reference to the applicable Pricing Benchmark and the proportion of bitcoin and ether in the Trust's NAV as of such date. The Basket Amount so determined will be made available to all Authorized Participants and the Liquidity Provider and will be made available on the Sponsor's website for the Shares.

On the date of the Creation Early Order Cutoff Time, the Trust will choose, in its sole discretion, to enter into a transaction with the Liquidity Provider or the Prime Execution Agent to buy bitcoin and ether in exchange for the cash proceeds from such purchase order. For settlement of a creation, the Trust delivers Shares to the Authorized Participant in exchange for cash received from the Authorized Participant. Meanwhile, the Liquidity Provider or Prime Execution Agent, as applicable, delivers the required bitcoin and ether pursuant to its trade with the Trust into the Trust's Trading Balance with the Prime Execution Agent in exchange for cash.

Upon the deposit by the Liquidity Provider or the Prime Execution Agent of the corresponding amount of bitcoin and ether with the Trust's Trading Balance, and of any expenses, taxes or charges, the Cash Custodian will deliver the appropriate number of Baskets to the DTC account of the depositing Authorized Participant.

Because the Sponsor has assumed what are expected to be most of the Trust's expenses, and the Sponsor's Fee accrues daily at the same rate, in the absence of any extraordinary expenses or liabilities, the amount of bitcoin and ether by which the Basket Amount will

decrease each day will be predictable. The Sponsor intends to have the Trust Administrator make available on each Business Day an indicative Basket Amount for the next Business Day. Authorized Participants may use that indicative Basket Amount as guidance regarding the amount of cash that they may expect to have to deposit with the Trust Administrator in respect of purchase orders placed by them on such next Business Day and accepted by the Sponsor.

The Sponsor may suspend the acceptance of purchase orders or the delivery or registration of transfers of Shares or may refuse a particular purchase order, delivery or registration of Shares (i) during any period when the transfer books of the Sponsor are closed or (ii) at any time, if the Sponsor thinks it advisable for any reason. The Sponsor will reject any purchase order that is not in proper form.

Redemption of Baskets

Authorized Participants, acting on authority of the registered holder of Shares, may surrender Baskets in exchange for the corresponding Basket Amount announced by the Sponsor.

For a redemption of Baskets, the Authorized Participant will be required to submit a redemption order by an early order cutoff time (the "Redemption Early Order Cutoff Time") on the Business Day prior to the trade date. On the date of the Redemption Early Order Cutoff Time, the Trust may choose, in its sole discretion, to enter into a transaction with the Liquidity Provider or the Prime Execution Agent to sell bitcoin and ether in exchange for cash. Also on the date of the Redemption Order Early Cutoff, the Trust instructs the Bitcoin and Ether Custodian to prepare to move the associated bitcoin and ether from the Trust's Vault Balance with the Bitcoin and Ether Custodian to the Trust's Trading Balance with the Prime Execution Agent. For settlement of a redemption, the Authorized Participant delivers the necessary Shares to the Trust, the Liquidity Provider or the Prime Execution Agent, as applicable, delivers the cash to the Trust associated with the Trust's sale of bitcoin and ether, the Sponsor delivers bitcoin and ether to the Liquidity Provider's account at the Prime Execution Agent or directly to the Prime Execution Agent, as applicable, and the Trust delivers cash to the Authorized Participant.

Disruption of services at the Prime Execution Agent, the Bitcoin and Ether Custodian, the Cash Custodian or the Authorized Participant's banks would have the potential to delay settlement of the bitcoin and ether related to Share redemptions.

Upon the surrender of such Shares and the payment of applicable costs, expenses, taxes or charges (such as stamp taxes or stock transfer taxes or fees), by the redeeming Authorized Participant, and the completion of the sale of bitcoin and ether for cash by the Trust, the Sponsor will instruct the delivery of cash to the Authorized Participant. The Authorized Participant is responsible for the dollar cost of the difference between the value of bitcoin and ether calculated by the Trust Administrator for the applicable NAV per Share of the Trust and the prices at which the Trust sells bitcoin and ether to raise the cash needed for the cash redemption order to the extent the prices realized in selling the bitcoin and ether are lower in the aggregate than the prices of bitcoin and ether utilized in the NAV. To the extent the prices realized in selling the bitcoin and ether are higher in the aggregate than the price utilized in the NAV, the Authorized Participant shall get to keep the dollar impact of any such difference. Shares can only be surrendered for redemption in Baskets of 10,000 Shares each.

An Authorized Participant must submit a redemption order through an electronic order entry system, indicating the number of Baskets it intends to redeem. The date that order is received determines the Basket Amount to be received in exchange. However, orders received after the Redemption Early Order Cutoff Time on a Business Day will not be accepted and should be resubmitted on the following Business Day.

All taxes incurred in connection with the delivery of bitcoin and/or ether to the Bitcoin and Ether Custodian or cash to the Cash Custodian in exchange for Baskets (including any applicable value added tax) will be the sole responsibility of the Authorized Participant making such delivery.

Redemptions may be suspended (1) during any period in which regular trading on NYSE Arca is suspended or restricted or the exchange is closed (other than scheduled holiday or

weekend closings), or (2) during a period when the Sponsor determines that delivery, disposal or evaluation of bitcoin or ether is not reasonably practicable. The Sponsor and the Trust Administrator will reject any redemption order that is not in proper form. If the Trust suspends redemptions, Shareholders will be notified in a prospectus supplement, in its periodic Exchange Act reports and/or on the Trust's website.

Availability of Information

The Trust's website will include quantitative information on a per Share basis updated on a daily basis, including (i) the current NAV per Share daily and the prior Business Day's NAV per Share and the reported closing price of the Shares; (ii) the mid-point of the bid-ask price[14] as of the time the NAV per Share is calculated ("Bid-Ask Price") and a calculation of the premium or discount of such price against such NAV per Share; and (iii) data in chart format displaying the frequency distribution of discounts and premiums of the daily Bid-Ask Price against the NAV per Share, within appropriate ranges, for each of the four previous calendar quarters (or for as long as the Trust has been trading as an ETP if shorter). In addition, on each Business Day, the Trust's website will provide pricing information for the Shares.

The Trust Administrator will also disseminate the Trust's holdings on a daily basis on the Trust's website. The NAV per Share for the Trust will be calculated by the Trust Administrator once a day and will be disseminated daily to all market participants at the same time. Quotation and last sale information regarding the Shares will be disseminated through the facilities of the Consolidated Tape Association (the "CTA").

The Sponsor will publish an intraday indicative value per Share ("IIV") using the CME CF Bitcoin Real Time Index and the CME CF Ether Real Time Index. One or more major market data vendors will provide an IIV updated every 15 seconds, as calculated by the Exchange or a third-party financial data provider during the Exchange's Core Trading Session (9:30 a.m. to

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[14] The bid-ask price of the Trust is determined using the highest bid and lowest offer on the Consolidated Tape as of the time of calculation of the closing day NAV.

4:00 p.m. E.T.). The IIV will be calculated by using the prior day's closing NAV per Share as a base and updating that value during the NYSE Arca Core Trading Session to reflect changes in the value of the Trust's NAV per Share during the trading day.

The IIV's dissemination during the Core Trading Session should not be viewed as an actual real time update of the NAV per Share, which will be calculated only once at the end of each trading day. The IIV will be widely disseminated every 15 seconds during the Core Trading Session by one or more major market data vendors. In addition, the IIV will be available through online information services.

The NAV per Share for the Trust will be calculated by the Trust Administrator once a day and will be disseminated daily to all market participants at the same time.

Quotation and last sale information for bitcoin and ether will be widely disseminated through a variety of major market data vendors, including Bloomberg and Reuters. In addition, real-time price (and volume) data for bitcoin and ether is available by subscription from Reuters and Bloomberg. The spot prices of bitcoin and ether are available on a 24-hour basis from major market data vendors, including Bloomberg and Reuters. Information relating to trading, including price and volume information, in bitcoin and ether will be available from major market data vendors and from the trading platforms on which bitcoin and ether are traded.

Rebalancing

Foris DAX, Inc., will serve as the exclusive rebalancing agent (in such capacity, the "Rebalancing Agent") for the Trust. The Rebalancing Agent will rebalance the Trust's digital asset holdings quarterly, on the first Business Day in January, April, July, and October (each such date, a "Reconstitution Date"), to ensure the allocation of the Trust's assets to bitcoin and ether approximates the allocation ratio. The Sponsor may, in its sole discretion, instruct the Rebalancing Agent to defer any such rebalancing to the following Reconstitution Date if on the applicable Reconstitution Date the actual allocation of the Trust's assets to each of bitcoin and ether is within 2% of its respective allocation ratio. The rebalancing process involves adjusting

the quantities of bitcoin and ether held by the Trust (i.e., by buying or selling some amount of each asset) to reflect changes in the digital assets' relative market values. This rebalancing is executed by purchasing or selling the necessary quantities of bitcoin and/or ether to re-align their weightings with the appropriate ratio. To that end, on or about each Reconstitution Date, the Sponsor will halt creations and redemptions of Shares as needed to complete the rebalancing process.

The Trust is a passive investment vehicle which seeks to reflect generally the performance of the price of bitcoin and ether in accordance with the allocation ratio set forth in the Trust Agreement. The Sponsor does not intend to actively manage the Trust's digital asset holdings in response to price changes in bitcoin and ether, and any quarterly rebalancing described herein is not a form of active management.

Staking

"Staking" is the act of committing capital in the form of ether to participate in verifying and adding transactions to the Ethereum Blockchain digital ledger and in securing the Ethereum Network in exchange for ether as a reward. If the Trust decides to pursue Staking activities with respect to all or a portion of the Trust's ether, the Trust's ether may be restricted within the Ethereum Network's protocol for a specific period of time.

Staking activity may require withdrawals of ether by the Sponsor in order to deposit ether within the Ethereum Network's protocol. While the ability to gain temporary control of even a portion of the Trust's ether is restricted to a limited number of authorized personnel of the Sponsor, Staking activities introduce a risk of loss. Should the Sponsor decide to engage in any Staking activities, the Trust's ether would be staked directly from the Trust's wallets and would not be transferred to any other wallet as part of the Staking process. Further, the Staking Provider (as defined below) would not have any control over the Trust's staked ether other than in connection with Staking and unstaking the Trust's ether at the Sponsor's direction. However, Staking activities would expose the Trust's ether to increased risk of loss, including in the form

of potential penalties, slashing or inactivity leaks, or technological complication that could result in the loss of such ether in its entirety.

Further, while any ether is staked, it will not be available to the Trust. In connection with Staking's "activation" and "exit" processes, the Trust's staked ether will not be accessible for a variable period of time, resulting in liquidity risk to the Trust's ability to satisfy redemptions or rebalance its holdings, which could create deviations between the Trust's actual and intended allocation of bitcoin to ether.

The Trust would record receipt of Staking rewards when they are received if there is value to the Trust in doing so. Ether received from Staking rewards have no cost basis and the Trust recognizes unrealized gains equal to the fair value of the new ether received. The Trust may engage in Staking activities if the Trust deems such activity to be in the best interest of Shareholders and solely to the extent the Sponsor believes, in its sole discretion, that such Staking activities may be conducted in compliance with applicable law.

The Trust has engaged Foris DAX, Inc. as its exclusive Staking infrastructure provider (in such capacity, the "Staking Provider") in connection with any Staking activities the Trust may conduct. The Staking Provider would provide hardware, software and services necessary to enable the Trust to establish validator nodes and stake the Trust's ether on the Ethereum Network. The Staking Provider would exercise no discretion as to the amount the Trust's ether to be staked or timing of the Staking activities (other than as is incidental in establishing or deactivating validator nodes).

Trading Rules

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

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

The Shares will be required to conform to the initial and continued listing criteria under NYSE Arca Rule 8.201-E. The trading of the Shares will be subject to NYSE Arca Rule 8.201-E(g), which sets forth certain restrictions on Equity Trading Permit Holders ("ETP Holders") acting as registered market makers ("Market Makers") in Commodity-Based Trust Shares to facilitate surveillance. The Exchange represents that, for initial and continued listing, the Trust is required to comply with Rule 10A-3[15] under the Act, as provided by NYSE Arca Rule 5.3-E. A minimum of 100,000 Shares of the Trust will be outstanding at the commencement of trading on the Exchange.

Trading Halts

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares of the Trust.[16] Trading in Shares of the Trust will be halted if the circuit breaker parameters in NYSE Arca Rule 7.12-E have been reached. Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable.

The Exchange may halt trading during the day in which an interruption to the dissemination of the IIV or the value of either Pricing Benchmark occurs. If the interruption to the dissemination of the IIV or the value of either Pricing Benchmark persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the NAV per

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15 17 CFR 240.10A-3.

16 See NYSE Arca Rule 7.12-E.

Share is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV per Share is available to all market participants.

Surveillance

The Exchange represents that trading in the Shares of the Trust on the Exchange will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances administered by the Financial Industry Regulatory Authority ("FINRA") on behalf of the Exchange, which are designed to detect potential violations of Exchange rules and applicable federal securities laws with respect to the Shares of the Trust trading on the Exchange.[17] The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws with respect to the Shares of the Trust trading on the Exchange.

The existing surveillances referred to above generally focus on detecting securities trading outside their normal trading patterns, which could be indicative of manipulative or other violative activity with respect to the Shares of the Trust. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares with other markets and other entities that are members of the Intermarket Surveillance Group (the "ISG"), and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares and bitcoin and ether derivatives from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares and bitcoin and ether derivatives from markets and

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

other entities that are members of ISG or with which the Exchange has in place a CSSA.[18] The Exchange is also able to obtain information from ETP Holders regarding their trading (as principal or agent) in the Shares and any underlying bitcoin, ether, bitcoin futures contracts, ether futures contracts, options on bitcoin futures, options on ether futures or any other bitcoin or ether derivative.

In addition, under NYSE Arca Rule 8.201-E(g), an ETP Holder acting as a registered Market Maker in the Shares is required to provide the Exchange with information relating to its accounts for trading in any underlying commodity, related futures or options on futures or any other related derivatives. Commentary .04 of NYSE Arca Rule 11.3-E requires an ETP Holder acting as a registered Market Maker, and its affiliates, in the Shares to establish, maintain and enforce written policies and procedures reasonably designed to prevent the misuse of any material nonpublic information with respect to such products, any components of the related products, any physical asset or commodity underlying the product, applicable currencies, underlying indexes, related futures or options on futures, and any related derivative instruments (including the Shares). As a general matter, the Exchange has regulatory jurisdiction over its ETP Holders and their associated persons, which include any person or entity controlling an ETP Holder. To the extent the Exchange may be found to lack jurisdiction over a subsidiary or affiliate of an ETP Holder that does business only in commodities or futures contracts and that subsidiary or affiliate is a member of another regulatory organization, the Exchange could obtain information regarding the activities of such subsidiary or affiliate through surveillance sharing agreements with that regulatory organization to the extent such agreements exist.

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

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18 For a list of the current members of ISG, see www.isgportal.org.

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

The Sponsor has represented to the Exchange that it will advise the Exchange if the Trust no longer complies with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If the Exchange becomes aware that the Trust is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Rule 5.5-E(m).

Information Bulletin

Prior to the commencement of trading, the Exchange will inform its ETP Holders in an "Information Bulletin" of the special characteristics and risks associated with trading the Shares. Specifically, the Information Bulletin will discuss the following: (1) the procedures for creations of Shares in Baskets; (2) NYSE Arca Rule 9.2-E(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Shares; (3) information regarding how the value of the Pricing Benchmarks and NAV are disseminated; (4) the possibility that trading spreads and the resulting premium or discount on the Shares may widen during the Early and Late Trading Sessions, when an updated IIV will not be calculated or publicly disseminated; (5) the requirement that members deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (6) trading information.

In addition, the Information Bulletin will reference that the Trust is subject to various fees and expenses as described in the Registration Statement. The Information Bulletin will disclose that information about the Shares of the Trust is publicly available on the Trust's website. The Information Bulletin will also reference the fact that there is no regulated source of

last sale information regarding bitcoin or ether, that the Commission has no jurisdiction over the trading of bitcoin or ether as a commodity, and that the Commodity Futures Trading Commission (the "CFTC") has regulatory jurisdiction over the trading of CME bitcoin futures contracts, ether futures contracts and options on CME bitcoin futures contracts and ether futures contracts.

The Information Bulletin will also discuss any relief, if granted, by the Commission or the staff from any rules under the Act.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)[19] that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of, a free and open market and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Rule 8.201-E. The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares in all trading sessions on the Exchange and to deter and detect violations of Exchange rules and applicable federal securities laws. The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares with other markets that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares and bitcoin and ether derivatives from such markets. In addition, the Exchange may obtain information regarding trading in the Shares and bitcoin and ether derivatives from markets that are members of ISG or with which the Exchange has in place

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[19] 15 U.S.C. 78f(b)(5).

a CSSA. Also, pursuant to NYSE Arca Rule 8.201-E(g), the Exchange is able to obtain information regarding Market Maker accounts for trading in the Shares and the underlying bitcoin, underlying ether or any bitcoin or ether derivative through ETP Holders acting as registered Market Makers, in connection with such ETP Holders' proprietary trades which they effect on any relevant market.

The proposed rule change is also designed to prevent fraudulent and manipulative acts and practices because the Trust is structured similarly to and will operate in materially the same manner as the Spot Bitcoin ETPs, Spot Ether ETPs, and Spot Bitcoin/Ether ETPs previously approved by the Commission. The Exchange further believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices because, as noted by the Commission in the Spot Bitcoin ETP Approval Order, Spot Ether ETP Approval Order, and Spot Bitcoin/Ether ETP Approval Order, the Exchange's ability to obtain information regarding trading in the Shares and futures from markets and other entities that are members of the ISG (including the CME) would assist the Exchange in detecting and deterring misconduct. In particular, the CME bitcoin and ether futures markets are large, surveilled and regulated markets that are closely connected with the spot markets for bitcoin and ether, respectively, through which the Exchange could obtain information to assist in detecting and deterring potential fraud or manipulation.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that there is a considerable amount of bitcoin and ether price and market information available on public websites and through professional and subscription services. Investors may obtain, on a 24-hour basis, bitcoin and ether pricing information based on the spot price for bitcoin and ether from various financial information service providers. The closing price and settlement prices of bitcoin and ether are readily available from the Constituent Platforms and other publicly available websites.

In addition, such prices are published in public sources, or on-line information services such as Bloomberg and Reuters. The NAV per Share will be calculated daily and made available to all market participants at the same time. The Trust will provide website disclosure of its NAV and NAV per Share daily. One or more major market data vendors will disseminate for the Trust on a daily basis information with respect to the most recent NAV per Share and Shares outstanding. In addition, if the Exchange becomes aware that the NAV per Share is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV per Share is available to all market participants. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the CTA. The IIV will be widely disseminated on a per Share basis every 15 seconds during the NYSE Arca Core Trading Session (normally 9:30 a.m. E.T. to 4:00 p.m. E.T.) by one or more major market data vendors. The Exchange represents that the Exchange may halt trading during the day in which an interruption to the dissemination of the IIV or the value of either Pricing Benchmark occurs. If the interruption to the dissemination of the IIV or the value of either Pricing Benchmark persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption.

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

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that the proposed rule change will facilitate the listing and trading of an additional type of exchange-traded product, which will enhance competition among market participants, to the benefit of investors and the marketplace.

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

No written comments were solicited or received with respect to the proposed rule change.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove the proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (https://www.sec.gov/rules/sro.shtml); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NYSEARCA-2025-45 on the subject line.

Paper Comments:

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

All submissions should refer to file number SR-NYSEARCA-2025-45. 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 submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NYSEARCA-2025-45 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.[20]

J. Matthew DeLesDernier,
Deputy Secretary.

[FR Doc. 2025-12809 Filed: 7/9/2025 8:45 am; Publication Date: 7/10/2025]

[20] 17 CFR 200.30-3(a)(12).