



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103570; File No. SR-NYSEARCA-2025-15]

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Granting Approval of a Proposed Rule Change to List and Trade Shares of the Bitwise Bitcoin and Ethereum ETF under NYSE Arca Rule 8.201-E (Commodity-Based Trust Shares)

July 29, 2025.

I. INTRODUCTION

On February 19, 2025, NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to list and trade shares (“Shares”) of the Bitwise Bitcoin and Ethereum ETF (“Trust”) under NYSE Arca Rule 8.201-E (Commodity-Based Trust Shares). The proposed rule change was published for comment in the Federal Register on March 12, 2025.³

On April 24, 2025, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ On June 10, 2025, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act⁶

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 102534 (Mar. 6, 2025), 90 FR 11855 (“Notice”). Comments received on the proposed rule change are available at: <https://www.sec.gov/comments/sr-nysearca-2025-15/srnysearca202515.htm>.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 102925, 90 FR 17985 (Apr. 30, 2025). The Commission designated June 10, 2025, as the date by which the Commission shall approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

⁶ 15 U.S.C. 78s(b)(2)(B).

to determine whether to approve or disapprove the proposed rule change.⁷ This order approves the proposed rule change (“Proposal”).

II. DESCRIPTION OF THE PROPOSAL

As described in more detail in the Notice,⁸ the Exchange proposes to list and trade Shares of the Trust under NYSE Arca Rule 8.201-E (Commodity-Based Trust Shares). The Trust will hold both spot bitcoin⁹ and spot ether.¹⁰

According to the Exchange, the investment objective of the Trust is to seek to provide exposure to the value of bitcoin and ether held by the Trust, less the expenses of the Trust’s operations and other liabilities.¹¹ The Trust’s allocation of its assets to bitcoin and ether will approximate the relative market capitalization of bitcoin and ether to one another.¹² The Trust’s only assets will be bitcoin, ether, and cash.¹³ The Trust’s net asset value (“NAV”) and NAV per Share will be determined by the administrator of the Trust once each Exchange trading day as of 4:00 p.m. E.T., or as soon thereafter as practicable.¹⁴ For purposes of calculating the Trust’s NAV, the administrator will determine the price of the Trust’s bitcoin and ether by reference to

⁷ See Securities Exchange Act Release No. 103215, 90 FR 25389 (Jun. 16, 2025).

⁸ See *supra* note 3.

⁹ Bitcoins are digital assets that are issued and transferred via a distributed, open-source protocol used by a peer-to-peer computer network through which transactions are recorded on a public transaction ledger known as the “Bitcoin blockchain.” The Bitcoin protocol governs the creation of new bitcoins and the cryptographic system that secures and verifies bitcoin transactions.

¹⁰ Ether is a digital asset that is native to, and minted and transferred via, a distributed, open-source protocol used by a peer-to-peer computer network through which transactions are recorded on a public transaction ledger known as “Ethereum.” The Ethereum protocol governs the creation of new ether and the cryptographic system that secures and verifies transactions on Ethereum.

¹¹ See Notice at 11855. The Trust is a Delaware statutory trust and will operate pursuant to a trust agreement between Bitwise Investment Advisers, LLC (“Sponsor”) and Delaware Trust Company, as trustee. Coinbase Custody Trust Company, LLC will maintain custody of the Trust’s bitcoin and ether. Bank of New York Mellon will be the custodian for the Trust’s cash holdings, the administrator of the Trust, and the transfer agent for the Trust. See *id.*

¹² See *id.* As of the date of the filing, the relative market capitalization of bitcoin and ether was 83% bitcoin and 17% ether. The Exchange states that the Trust will calculate the market capitalization of bitcoin and ether by multiplying the Pricing Benchmarks (as defined herein) by the current circulating supply of bitcoin and ether respectively, as determined by the Sponsor, and will calculate the relative market capitalization by dividing each of bitcoin and ether’s market capitalization by the combined market capitalization of both. See *id.* at 11855 n.9.

¹³ See *id.* at 11855.

¹⁴ See *id.* at 11856.

the CME CF Bitcoin – New York Variant for its bitcoin holdings and to the CME CF Ether – Dollar Reference Rate – New York Variant for its ether holdings (the “Pricing Benchmarks”).¹⁵ The Trust will create and redeem Shares from time to time, but only in one or more “Creation Units,” which will initially consist of at least 10,000 Shares.¹⁶

III. DISCUSSION AND COMMISSION FINDINGS

After careful review, the Commission finds that the Proposal is consistent with the Exchange Act and rules and regulations thereunder applicable to a national securities exchange.¹⁷ In particular, the Commission finds that the Proposal is consistent with Section 6(b)(5) of the Exchange Act,¹⁸ which requires, among other things, that the Exchange’s rules be designed to “prevent fraudulent and manipulative acts and practices” and, “in general, to protect investors and the public interest;” and with Section 11A(a)(1)(C)(iii) of the Exchange Act,¹⁹ which sets forth Congress’ finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities.

A. Exchange Act Section 6(b)(5)

The Trust will hold both spot bitcoin and spot ether weighted according to their relative market capitalizations.²⁰ The structure of the Trust, the terms of its operation and the trading of its Shares, and the representations in the Exchange’s filing are substantially similar to those of the spot bitcoin and spot ether exchange-traded product (“ETP”) proposals approved in prior

¹⁵ See id. at 11855. The Pricing Benchmarks are calculated by CF Benchmarks Ltd. based on an aggregation of executed trade flow of major bitcoin and ether trading platforms and are designed to provide a daily, 4:00 p.m. E.T. reference rate of the U.S. dollar price of one bitcoin or one ether. See id. at 11855 n.10.

¹⁶ See id. at 11857. Authorized participants will deliver only cash to create Shares and will receive only cash when redeeming Shares. See id.

¹⁷ In approving the Proposal, the Commission has considered the Proposal’s impacts on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁸ 15 U.S.C. 78f(b)(5).

¹⁹ 15 U.S.C. 78k-1(a)(1)(C)(iii).

²⁰ See Notice at 11855. The Trust could also hold cash. See id.

Commission orders.²¹ As such, based on the record before the Commission, the Commission is able to conclude that the Proposal is consistent with Section 6(b)(5) of the Exchange Act.²²

B. Exchange Act Section 11A(a)(1)(C)(iii)

The Proposal sets forth aspects of the proposed ETP, including the availability of pricing information, transparency of portfolio holdings, and types of surveillance procedures, that are consistent with other ETPs that the Commission has approved.²³ This includes commitments regarding: the availability of quotation and last-sale information for the Shares; the availability on the Trust's website of certain information related to the Trust, including NAV; the dissemination of an intra-day indicative value by one or more major market data vendors, updated every 15 seconds throughout the Exchange's core trading session; the Exchange's surveillance procedures and ability to obtain information regarding trading in the Shares; the conditions under which the Exchange would implement trading halts and suspensions; and the requirements of registered market makers in the Shares.²⁴ In addition, 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.²⁵ Further, the listing rules of the Exchange require that all statements and representations made in its filing regarding, among others, the description of the Trust's holdings, limitations on such holdings, and the applicability of the Exchange's listing rules specified in the filing, will constitute continued listing

²¹ See, e.g., 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, Securities Exchange Act Release No. 101998 (Dec. 19, 2024), 89 FR 106707 (Dec. 30, 2024) (SR-NASDAQ-2024-028; SR-CBOEBZX-2024-091) ("Spot Bitcoin/Ether ETP Approval Order"). See also *infra* Item III.B.

²² The Commission received one comment letter supporting the Proposal and stating that approving the Proposal would provide clear benefits to investors while promoting fair, orderly, and efficient markets. See Letter from Gregory E. Xethalis, General Counsel, Daniel A. Leonardo, Chief Compliance Officer & Deputy General Counsel, and Jay B. Stolkin, Deputy General Counsel, Multicoïn Capital Management, LLC, dated Apr. 29, 2025.

²³ See, e.g., Spot Bitcoin/Ether ETP Approval Order at 106709.

²⁴ See Notice at 11862-64.

²⁵ See *id.* at 11863.

requirements.²⁶ Moreover, the Proposal states that: the Trust's Sponsor has represented to the Exchange that it will advise the Exchange of any failure by the Trust to comply with the continued listing requirements; pursuant to obligations under Section 19(g)(1) of the Exchange Act, the Exchange will monitor for compliance with the continued listing requirements; and if the Trust is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures.²⁷

The Commission therefore finds that the Proposal, as with other ETPs that the Commission has approved,²⁸ is reasonably designed to promote fair disclosure of information that may be necessary to price the Shares appropriately, to prevent trading when a reasonable degree of transparency cannot be assured, to safeguard material non-public information relating to the Trust's portfolio, and to ensure fair and orderly markets for the Shares.

IV. CONCLUSION

This approval order is based on all of the Exchange's representations and descriptions in the Proposal, which the Commission has carefully evaluated as discussed above.²⁹ For the reasons set forth above, the Commission finds, pursuant to Section 19(b)(2) of the Exchange Act,³⁰ that the Proposal is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to a national securities exchange, and in particular, with Section 6(b)(5) and Section 11A(a)(1)(C)(iii) of the Exchange Act.³¹

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Exchange Act,³² that the Proposal (SR-NYSEARCA-2025-15) be, and hereby is, approved.

²⁶ See NYSE Arca Rule 8.201-E(e)(2)(vii).

²⁷ See Notice at 11864.

²⁸ See Spot Bitcoin/Ether ETP Approval Order.

²⁹ In addition, the Shares of the Trust must comply with the requirements of NYSE Arca Rule 8.201-E (Commodity-Based Trust Shares) to be listed and traded on the Exchange on an initial and continuing basis.

³⁰ 15 U.S.C. 78s(b)(2).

³¹ 15 U.S.C. 78f(b)(5); 15 U.S.C. 78k-1(a)(1)(C)(iii).

³² 15 U.S.C. 78s(b)(2).

By the Commission.

Sherry R. Haywood,

Assistant Secretary.

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