



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103561; File No. SR-NASDAQ-2025-053]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Proposed Rule Change to Amend the iShares Ethereum Trust to Permit Staking of Ether Under Nasdaq Rule 5711(d) (Commodity-Based Trust Shares)

July 29, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹, and Rule 19b-4 thereunder,² notice is hereby given that on July 16, 2025, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II below, which Items have been substantially prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend the iShares Ethereum Trust (the “Trust”), shares (the “Shares”) of which have been approved by the Commission to list and trade on the Exchange pursuant to Nasdaq Rule 5711(d), to permit staking of ether held by the Trust.

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

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Commission approved the listing and trading of the Shares on the Exchange pursuant to Nasdaq Rule 5711(d)³ on May 23, 2024.⁴ iShares Delaware Trust Sponsor LLC, a Delaware limited liability company and an indirect subsidiary of BlackRock, Inc. (“BlackRock”), is the sponsor of the Trust (the “Sponsor”). Coinbase Custody Trust Company, LLC (the “Ether Custodian”) is the custodian for the Trust’s ether holdings, and maintains a custody account for the Trust (“Custody Account”); Coinbase, Inc. (the “Prime Execution Agent”), an affiliate of the Ether Custodian, is the prime broker for the Trust and maintains a trading account for the Trust (“Trading Account”); and The Bank of New York Mellon is the custodian for the Trust’s cash holdings (the “Cash Custodian”) and the administrator of the Trust (the “Trust Administrator”).⁵

The Exchange now proposes to amend several portions of Amendment No. 2, as amended, to allow the staking of ether held by the Trust.⁶ Except for the changes described below, all other representations in Amendment No. 2, as amended, remain unchanged and will

³ Nasdaq Rule 5711(d) governs the listing and trading of Commodity-Based Trust Shares, which means a security (1) that is issued by a trust that holds (a) a specified commodity deposited with the trust, or (b) a specified commodity and, in addition to such specified commodity, cash; (2) that is issued by such trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity and/or cash; and (3) that, when aggregated in the same specified minimum number, may be redeemed at a holder’s request by such trust which will deliver to the redeeming holder the quantity of the underlying commodity and/or cash. See Nasdaq Rule 5711(d)(iv)(A).

⁴ See Securities Exchange Act Release No. 100224 (May 23, 2024), 89 FR 46937 (May 30, 2024) (Self-Regulatory Organizations; NYSE Arca, Inc.; The Nasdaq Stock Market LLC; Cboe BZX Exchange, Inc.; Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, To List and Trade Shares of Ether-Based Exchange-Traded Products) (“Spot ETH ETP Approval Order”).

⁵ See Securities Exchange Act Release No. 100212 (May 22, 2024), 89 FR 46556 (May 29, 2024) (SR-NASDAQ-2023-045) (Notice of Filing of Amendment No. 2 to a Proposed Rule Change To List and Trade Shares of the iShares Ethereum Trust Under Nasdaq Rule 5711(d)) (“Amendment No. 2”).

⁶ The Exchange has also filed a separate rule change proposal to amend portions of Amendment No. 2 to allow for in-kind creations and redemptions. See Securities Exchange Act Release No. 103095 (May 21, 2025), 90 FR 22525 (May 28, 2025) (SR-NASDAQ-2025-038).

continue to constitute continued listing requirements. In addition, the Trust will continue to comply with the terms of Amendment No. 2, as amended, and the requirements in Rule 5711(d).

Description of the Trust

The Exchange first proposes to amend the Amendment No. 2 section entitled “Description of the Trust” by deleting the following representation:

Neither the Trust, nor the Sponsor, nor the Ether Custodian (as defined below), nor any other person associated with the Trust will, directly or indirectly, engage in action where any portion of the Trust’s ETH becomes subject to the Ethereum proof-of-stake validation or is used to earn additional ETH or generate income or other earnings.

Staking

Next, the Exchange proposes to add the following “Staking” section after the “Custody of the Trust’s Ether and Creation and Redemption” section in Amendment No. 2:

Staking

The Sponsor may stake, or cause to be staked, all or a portion of the Trust’s ether through one or more trusted staking providers (“Staking Providers”). In consideration for any staking activity in which the Trust may engage, the Trust would receive all or a portion of the staking rewards generated by the Staking Provider, which may be treated as income to the Trust.

The Sponsor’s use of Staking Providers for staking activities on behalf of the Trust will be conducted through a custodial arrangement, consistent with the May 29, 2025 statement issued by the Division of Corporation Finance’s statement, entitled “Certain Protocol Staking Activities” (“Corp Fin Statement”).⁷ The Sponsor may seek to utilize alternative means to engage in staking activities, subject to its determination that the Trust may do so without undue legal, regulatory or tax risk and consistent with the Corp Fin Statement. The Sponsor’s engagement in any staking activities on behalf of the Trust is contingent upon it receiving an opinion of counsel or guidance from the U.S. government on the U.S. federal income tax treatment of staking activities by the Trust.

Staking by the Sponsor on Behalf of the Trust

The Sponsor expects to maintain sufficient liquidity in the Trust to satisfy redemptions. Any ether staked, or cause to be staked by the Sponsor on behalf of the Trust will consist exclusively of ether owned by the Trust.

First, the Sponsor will only stake, or cause to be staked, the ether held by the Trust. The

⁷ See Division of Corporation Finance, Statement on Certain Protocol Staking Activities (May 29, 2025), available at <https://www.sec.gov/newsroom/speeches-statements/statement-certain-protocol-staking-activities-052925>.

Sponsor will not seek to pool the ether held by the Trust with ether held by other entities. Second, the Sponsor will not advertise itself as providing any staking services generally, or promise any specific level of return from staking, or solicit delegated stakes from entities other than the Trust. Third, the Sponsor will stake, or cause to be staked, the Trust's ether solely in order to preserve the assets of the Trust by contributing to the security of the network and to capture economic value for the Trust's shareholders. Fourth, the Sponsor will not bear or subsidize the risk of slashing or forks on behalf of the Trust.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁹ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

The Exchange believes the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest because it would allow the Trust to stake its ether on behalf of its investors. The Ethereum network allows for staking of its native asset, ether, and permits validators who successfully stake ether to receive block rewards. The net beneficiaries are not only validators, or those on behalf of whom they stake ether, but also the Ethereum blockchain itself, which grows and is progressively made more secure through the validation of transactions. Staking permits validators to contribute to network security and functionality. Validators are compensated for fulfilling this important role through block rewards.

Allowing the Trust to stake its ether would benefit investors and help the Trust to better track the returns associated with holding ether. This would improve the creation and redemption

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

process for both authorized participants and the Trust, increase efficiency, and ultimately benefit the end investors in the Trust.

Except for the changes described above, all other representations in Amendment No. 2, as amended, remain unchanged and will continue to constitute continued listing requirements for the Trust. In addition, the Trust will continue to comply with the terms of Amendment No. 2, as amended, and the requirements in Rule 5711(d).

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 not necessary or appropriate in furtherance of the purposes of the Act. As discussed above, the proposed amendments are intended to benefit investors and allow the Trust to better track the returns associated with holding ether. The Exchange believes these changes will not impose any burden on competition.

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

No written comments were either solicited or received.

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

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 Exchange consents, the Commission shall: (a) by order approve or disapprove such 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-NASDAQ-2025-053 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-NASDAQ-2025-053. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NASDAQ-2025-053 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.¹⁰

Sherry R. Haywood,

Assistant Secretary.

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¹⁰ 17 CFR 200.30-3(a)(12).