



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104506; File No. SR-PHLX-2025-50]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change to List and Trade Nasdaq Bitcoin Index Options

December 23, 2025.

I. Introduction

On September 23, 2025, Nasdaq PHLX LLC (“Phlx” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission” or “SEC”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act” or the “Exchange Act”),¹ and Rule 19b-4 thereunder,² a proposal to list and trade Nasdaq Bitcoin Index options. The proposed rule change was published for comment in the Federal Register on September 29, 2025.³ On November 3, 2025, pursuant to Section 19(b)(2) of the Exchange Act,⁴ the Commission designated a longer period within which to either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ This order institutes proceedings under Section 19(b)(2)(B) of the Exchange Act⁶ to determine whether to approve or disapprove the proposed rule change.

II. Description of the Proposed Rule Change

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 104038 (Sept. 24, 2025), 90 FR 46706 (“Notice”). Comments received regarding the proposed rule change are available at <https://www.sec.gov/comments/sr-phlx-2025-50/srphlx202550.htm>.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 104173 (Nov. 3, 2025), 90 FR 51424 (Nov. 17, 2025). The Commission designated December 28, 2025, as the date by which it shall approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

⁶ 15 U.S.C. 78s(b)(2)(B).

As described more fully in the Notice,⁷ the Exchange proposes to list and trade options on the Nasdaq Bitcoin Index, an index that reflects the price of bitcoin.⁸ According to the Exchange, Nasdaq Bitcoin Index options will be based on the CME CF Bitcoin Real Time Index (“BRTI”) divided by a factor of 100, and the final settlement price for the options will be the CME CF Cryptocurrency Reference Rate—New York Variant (“BRRNY”) divided by 100, which will be known as the BRRNY—Nasdaq Options Settlement (“NOS”).⁹ Options on the Nasdaq Bitcoin Index will be cash-settled with European-style exercise.¹⁰ The Exchange states that holders of Nasdaq Bitcoin Index options will receive U.S. dollars representing the difference between the current bitcoin spot markets as represented by the BRRNY and the exercise price of the option.¹¹ The Exchange states that the proposal is designed to ensure that Nasdaq Bitcoin Index options are listed and traded under the same terms that apply to other index options traded on the Exchange.¹² The Exchange states that its sales practice and trading rules, including rules addressing account opening, suitability, discretionary accounts, supervision of accounts, confirmations to customers, and delivery of the options disclosure document, will apply to the Nasdaq Bitcoin Index options.¹³ The Exchange states that it will apply the same surveillance procedures it applies to other index option products to the Nasdaq Bitcoin Index options.¹⁴

III. Proceedings to Determine Whether to Approve or Disapprove SR-PHLX-2025-50 and Grounds for Disapproval under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act¹⁵ to determine whether the proposed rule change should be approved or

⁷ See supra note 3.

⁸ See Notice, 90 FR at 46707.

⁹ See id.

¹⁰ See id.

¹¹ See id. at 46714.

¹² See id. at 46716.

¹³ See id. at 46720.

¹⁴ See id. at 46721.

¹⁵ 15 U.S.C. 78s(b)(2)(B).

disapproved. Institution of such proceedings is appropriate at this time in view of the legal and policy issues raised by the proposed rule change. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, as described below, the Commission seeks and encourages interested persons to provide comments on the proposed rule change to inform the Commission's analysis of whether to approve or disapprove the proposal.

Pursuant to Section 19(b)(2)(B) of the Exchange Act,¹⁶ the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of, and input from commenters with respect to, the consistency of the proposal with Section 6(b)(5) of the Act,¹⁷ which requires, among other things, that the rules of a national securities exchange not be designed to regulate by virtue of any authority conferred by the Exchange Act matters not related to the purposes of the Exchange Act or the administration of the exchange.

The Commission asks that commenters address the sufficiency of the Exchange's statements in support of the proposal, which are set forth in the Notice,¹⁸ in addition to any other comments they may wish to submit about the proposed rule change. In particular, the Commission seeks comment on whether the proposal to list and trade options on the Nasdaq Bitcoin Index includes sufficient analysis to support a conclusion that the proposal is consistent with the requirements of Section 6(b)(5) of the Act, including the requirements that the rules of a national securities exchange be designed to protect investors and the public interest and not be designed to regulate by virtue of any authority conferred by the Exchange Act matters not related to the purposes of the Exchange Act or the administration of the exchange.

. The Commission also seeks comment on the issues raised by commenters.¹⁹

¹⁶ Id.

¹⁷ 15 U.S.C. 78f(b)(5).

¹⁸ See supra note 3.

¹⁹ See id.

IV. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their data, views, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written views of interested persons concerning whether the proposed rule change is consistent with the Act, and the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of data, views, and arguments, the Commission will consider, pursuant to Rule 19b-4 under the Act,²⁰ any request for an opportunity to make an oral presentation.²¹

Interested persons are invited to submit written data, views, and arguments regarding whether the proposed rule change should be approved or disapproved by [insert date 21 days from publication in the Federal Register]. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by [insert date 35 days from publication in the Federal Register].

Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-PHLX-2025-50 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.

²⁰ 17 CFR 240.19b-4.

²¹ Section 19(b)(2) of the Act, as amended by the Securities Acts Amendments of 1975, Pub. L. 94-29 (June 4, 1975), grants to the Commission flexibility to determine what type of proceeding – either oral or notice and opportunity for written comments – is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

All submissions should refer to file number SR-PHLX-2025-50. 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 (<http://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-PHLX-2025-50 and should be submitted by [insert date 21 days from the date of publication in the Federal Register]. Rebuttal comments should be submitted by [insert date 35 days from date of publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²²

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-24052 Filed: 12/30/2025 8:45 am; Publication Date: 12/31/2025]