



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105072; File No. SR-ISE-2025-30]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Order Approving a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, Regarding the Adoption of Listing Criteria for Options on Commodity-Based Trusts That Hold Multiple Crypto Assets

March 24, 2026.

I. Introduction

On September 26, 2025, Nasdaq ISE, LLC (“ISE” or “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 adopt listing criteria for options on Commodity-Based Trusts that hold multiple crypto assets. The proposed rule change was published for comment in the Federal Register on October 1, 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 approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ On December 17, 2025, the Exchange filed Amendment No. 1 to the proposed rule change (“Amendment No. 1”), which supersedes the original filing in its entirety.⁶ On December 23, 2025, the Commission issued notice of filing of

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 104107 (Sept. 26, 2025), 90 FR 47456.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 104173, 90 FR 51424 (Nov. 17, 2025). The Commission designated December 30, 2025, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

⁶ Amendment No. 1 revises the proposal to: delete proposed ISE Options 4, Section 3(h)(vii) and incorporate the proposed change to provide for the listing of options on Commodity-Based Trusts that hold multiple crypto assets into existing ISE Options 4, Section 3(h)(vi); amend Options 4, Section 3(h)(3) to apply the requirements in Options 4, Section 3(h)(3) to each crypto asset that a Commodity-Based Trust holds; correct an erroneous cross-reference in Options 4, Section 4(g); add new Options 4, Section 4(g)(3) to establish a continued listing requirement for options listed pursuant to Options 4, Section 3(h)(vi); and

Amendment No. 1 to the proposed rule change and instituted proceedings pursuant to Section 19(b)(2)(B) of the Act⁷ to determine whether to approve or disapprove the proposed rule change, as modified by Amendment No. 1.⁸ The Commission received no comments regarding the proposed rule change. On December 23, 2025, the Exchange filed Amendment No. 2 to the proposed rule change (“Amendment No. 2”).⁹ This order approves the proposed rule change, as modified by Amendment Nos. 1 and 2.

II. Description of the Proposed Rule Change, as Modified by Amendment Nos. 1 and 2

Currently, ISE Options 4, Section 3(h)(vi) allows the Exchange to list options on shares that represent interests in a Commodity-Based Trust that meets the generic criteria of The Nasdaq Stock Market LLC (“Nasdaq”) Rule 5711(d), except that the Commodity-Based Trust holds a single crypto asset, as defined in ISE Options 4, Section 3(h)(3), and provided that (A) the global supply of the crypto asset held by the Commodity-Based Trust has an average daily market value of at least \$700 million over the last 12 months; and (B) the crypto asset held by the Commodity-Based Trust underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in the Intermarket Surveillance Group (“ISG”).¹⁰ As described more fully in the Order Instituting Proceedings,¹¹ the Exchange proposes to amend ISE Options 4, Section 3(h) to allow the Exchange to list and trade options on a Commodity-Based Trust that holds

renumber the remaining subparagraphs in Options 4, Section 4(g).

⁷ 15 U.S.C. 78s(b)(2)(B).

⁸ See Securities Exchange Act Release No. 104505, 90 FR 61483 (Dec. 31, 2025) (“Order Instituting Proceedings”).

⁹ Amendment No. 2 revises the proposal to correct erroneous cross-references in proposed Options 4, Section 4(g)(3). Because Amendment No. 2 is technical in nature, it is not subject to notice and comment. Amendment No. 2 is available at: <https://www.sec.gov/rules-regulations/public-comments/sr-ise-2025-30>.

¹⁰ See ISE Options 4, Section 3(h)(3). ISE Options 4, Section 3(h)(3) defines the term “crypto asset” to mean “an asset that is generated, issued and/or transferred using a blockchain or similar distributive ledger technology network, including but not limited to, assets known as ‘tokens,’ ‘digital assets,’ ‘virtual currencies,’ and ‘coins’ and that relies on cryptographic protocols.” See id.

¹¹ See supra note 8.

multiple crypto assets.¹² The proposal would allow the Exchange to list and trade these options without additional approval from the Commission.¹³ Under the proposal, each crypto asset that the Commodity-Based Trust holds must meet the criteria in ISE Options 4, Section 3(h)(3).¹⁴ Accordingly, each of the Commodity-Based Trust’s crypto assets must: (A) have an average daily market value of at least \$700 million over the last 12 months; and (B) underlie a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in ISG.¹⁵ The proposed Commodity-Based Trust share options also must satisfy the Exchange’s initial and continued listing standards applicable to all options on exchange-traded funds (“ETFs”).¹⁶ ISE Options 4, Section 3(h) requires the shares of an ETF underlying listed options to trade on a national securities exchange and to be an “NMS stock,” as defined in Rule 600 of Regulation NMS under the Exchange Act. In addition, ISE Options 4, Section 3(h)(1) requires the shares of an ETF to

¹² The proposal also corrects a grammatical error in ISE Options 4, Section 3(h)(3).

¹³ See Order Instituting Proceedings, 90 FR at 61486.

¹⁴ See proposed ISE Options 4, Section 3(h)(3).

¹⁵ See proposed ISE Options 4, Section 3(h)(3). The Exchange states that the market value for each crypto asset that a Commodity-Based Trust holds will be calculated by taking the total global supply of the crypto asset multiplied by the token price of that asset. The Exchange states that the total supply of a crypto asset includes all crypto assets currently issued and does not include unissued crypto assets. See Order Instituting Proceedings, 90 FR at 61484.

¹⁶ See Order Instituting Proceedings, 90 FR at 61486-7. In its proposal, the Exchange refers to Commodity-Based Trust Shares as ETFs. See id. at 61485, 61487. The Exchange’s rules use the term “exchange-traded fund” to refer to several types of investment products, including Commodity-Based Trusts. See ISE Options 4, Section 3(h).

meet the listing criteria in ISE Options 4, Sections 3(a) and (b)¹⁷ or ISE Options 4, Section 3(h)(1)(ii).¹⁸

The continued listing criteria in proposed ISE Options 4, Section 4(g)(3) will allow the Exchange to suspend opening transactions in options on Commodity-Based Trust shares if any crypto asset held by the Commodity-Based Trust (A) no longer has an average daily market value of at least \$700 million over the last 12 months, as determined by the Exchange on a monthly basis; or (B) no longer underlies a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in ISG. The Exchange states that requiring the average daily market value criterion to be met on a monthly basis is reasonable given that the Exchange believes that it is unlikely that a crypto asset with an average daily market value of at least \$700

¹⁷ See Order Instituting Proceedings, 90 FR at 61484. ISE Options 4, Section 3(a) states that underlying securities with respect to which put or call options contracts are approved for listing and trading on the Exchange must meet the following criteria: (1) the security must be registered and be an “NMS stock” as defined in Rule 600 of Regulation NMS under the Exchange Act; and (2) the security shall be characterized by a substantial number of outstanding shares that are widely held and actively traded. ISE Options 4, Section 3(b) states, among other things, that, absent exceptional circumstances, an underlying security will not be selected for Exchange options transactions unless: (1) there are a minimum of seven (7) million shares of the underlying security which are owned by persons other than those required to report their stock holdings under Section 16(a) of the Exchange Act; (2) there are a minimum of 2,000 holders of the underlying security; (3) the issuer is in compliance with any applicable requirements of the Exchange Act; (4) trading volume (in all markets in which the underlying security is traded) has been at least 2,400,000 shares in the preceding twelve (12) months; and (5) either: (i) if the underlying security is a “covered security” as defined under Section 18(b)(1)(A) of the Securities Act of 1933: (A) the market price per share of the underlying security has been at least \$3.00 for the previous three consecutive business days preceding the date on which the Exchange submits a certificate to the Clearing Corporation for listing and trading, as measured by the closing price reported in the primary market in which the underlying security is traded; however, (B) the requirements set forth in (5)(i)(A) will be waived during the three days following its initial public offering day for an underlying security having a market capitalization of at least \$3 billion based upon the offering price of its initial public offering, and may be listed and traded starting on or after the second business day following the initial public offering day; or (ii) if the underlying security is not a “covered security,” the market price per share of the underlying security has been at least \$7.50 for the majority of business days during the three calendar months preceding the date of selection, as measured by the lowest closing price reported in any market in which the underlying security traded on each of the subject days.

¹⁸ ISE Options 4, Section 3(h)(ii) states that the shares of an ETF are available for creation or redemption each business day from or through the issuing trust, investment company, commodity pool or other entity in cash or in kind at a price related to net asset value, and the issuer is obligated to issue ETF shares in a specified aggregate number even if some or all of the investment assets and/or cash required to be deposited have not been received by the issuer, subject to the condition that the person obligated to deposit the investment assets has undertaken to deliver them as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the issuer of the ETF shares, all as described in the ETF shares’ prospectus.

million over the previous twelve months would fail to meet that standard as a result of trading over a relatively short period of time.¹⁹

Options on Commodity-Based Trust shares also will be subject to the continued listing standards in ISE Options 4, Sections 4(g).²⁰ Under ISE Options 4, Section 4(g), shares of an ETF approved for options trading pursuant to ISE Options 4, Section 3(h) would not meet the requirements for continued approval if the shares were delisted from trading as provided in ISE Options 4, Section 4(b)(4) because the underlying security was no longer an NMS stock, as defined in Rule 600 of Regulation NMS under the Exchange Act, or if the shares were halted or suspended from trading on their primary market.²¹ Further, ISE Options 4, Section 4(g)(4) (renumbered as ISE Options 4, Section 4(g)(5)) would allow the Exchange to consider suspending opening transactions in options on Commodity-Based Trust shares if the Exchange believes that further dealing in the options on the Exchange is inadvisable.²²

The Exchange states that the proposed options on Commodity-Based Trust shares would trade in the same manner as other ETF options on the Exchange and will be subject to Exchange rules that currently apply to the listing and trading of ETF options, including Exchange rules governing, for example, expirations, exercise prices, minimum increments, position and exercise limits, margin requirements, customer accounts, and trading halt procedures.²³ The Exchange

¹⁹ See Order Instituting Proceedings, 90 FR at 61484. For example, the Exchange states that a crypto asset with market capitalization of \$500 million for 15 days in a 20-day trading month could lose up to 88% of its value and continue to meet the criteria. See id.

²⁰ See id.

²¹ See ISE Options 4, Section 4(g). See also Order Instituting Proceedings, 90 FR at 61484. The Exchange also proposes to correct an erroneous cross-reference in Options 4, Section 4(g).

²² See Order Instituting Proceedings, 90 FR at 61485.

²³ See id.

states that position and exercise limits for options on Commodity-Based Trust shares will be determined pursuant to Options 9, Sections 13 and 15.²⁴

The Exchange represents that the same surveillance procedures applicable to all ETF options currently listed and traded on the Exchange will apply to the trading of options on Commodity-Based Trust shares that are approved subject to ISE Options 4, Section 3(h)(vi).²⁵ The Exchange states that its existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might potentially arise from listing and trading options on Commodity-Based Trust shares that are approved subject to Options 4, Section 3(h)(vi).²⁶ The Exchange states that it may obtain information from designated contract markets that are members of the ISG related to a financial instrument that is based, in whole or in part, upon an interest in or performance of a crypto asset, as applicable.²⁷ In addition, the Exchange states that it currently lists options that would qualify for listing under proposed ISE Options 4, Section 3(h)(vi), and that it has not identified any issues with the listing and trading of these options.²⁸

The Exchange states that both the Exchange and the Options Price Reporting Authority (“OPRA”) have the necessary systems capacity to handle the additional traffic associated with the listing of the proposed options on the Commodity-Based Trust shares.²⁹

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change, as modified by Amendment Nos. 1 and 2, is consistent with the requirements of the Act and the rules and

²⁴ See id.

²⁵ See id.

²⁶ See id.

²⁷ See id.

²⁸ See id. The Exchange states that it currently lists options on shares of the following funds: the iShares Bitcoin Trust, the Fidelity Wise Origin Bitcoin Fund, the ARK21Shares Bitcoin ETF, the Grayscale Bitcoin Trust (“BTC”), the Grayscale Bitcoin Mini Trust BTC, and the Bitwise Bitcoin ETF. See id. at footnote 28.

²⁹ See id. at 61486.

regulations thereunder applicable to a national securities exchange.³⁰ Specifically, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,³¹ which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, 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 proposes to amend ISE Options 4, Section 3(h)(vi) to permit the Exchange to list options on shares of a Commodity-Based Trust that holds multiple crypto assets, provided that the Commodity-Based Trust meets certain requirements, as described above. The proposal will allow ISE to list options on shares of these Commodity-Based Trusts without further approval from the Commission, thereby permitting the Exchange to list these options soon after Nasdaq lists the underlying Commodity-Based Trust shares. Permitting the listing and trading of these options on the Exchange will provide investors with an additional vehicle for gaining and hedging exposure to the underlying Commodity-Based Trust shares.

Options on shares of Commodity-Based Trusts that hold multiple crypto assets will be subject to the same initial and continued listing requirements for options on Commodity-Based Trusts that hold a single crypto asset except that each crypto asset that a Commodity-Based Trust holds must (A) have an average daily market value of at least \$700 million over the last 12 months; and (B) underlie a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in ISG. The requirements in proposed Options 4, Section 3(h)(3)(A) are designed to help ensure that each of the crypto assets that a Commodity-Based Trust holds is sufficiently liquid that the creation and redemption process for shares of the Commodity-Based Trust will

³⁰ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

³¹ 15 U.S.C. 78f(b)(5).

operate without disruption and that Commodity-Based Trust shares will be available to options market makers and other market participants that may use Commodity-Based Trust shares to hedge their positions. The Exchange will consider suspending opening transactions in Commodity-Based Trust share options if the requirements in proposed ISE Options 4, Section 3(h)(3) are no longer satisfied.³²

The Exchange represents that the same surveillance procedures applicable to ETF options currently listed and traded on the Exchange will apply to the trading of options on Commodity-Based Trust shares.³³ The Exchange states that its existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior that might arise from listing and trading options on ETFs, including the listing of options on Commodity-Based Trust shares.³⁴ As discussed above, each crypto asset held by a Commodity-Based Trust must underlie a derivatives contract that trades on a market with which the Exchange has a comprehensive surveillance sharing agreement, whether directly or through common membership in ISG.³⁵ This requirement, in addition to the Exchange's existing surveillance procedures, should assist the Exchange in investigating suspected manipulations or other trading abuses in Commodity-Based Trust share options.

Finally, the proposed changes to correct a grammatical error in ISE Options 3, Section 3(h)(vi) and to revise the erroneous cross-reference in ISE Options 4, Section 4(g) will help to ensure the accuracy of the Exchange's rules.

³² See proposed ISE Options 4, Section 4(g)(3).

³³ See Order Instituting Proceedings, 90 FR at 61485.

³⁴ See *id.*

³⁵ See proposed ISE Options 4, Section 3(h)(3)(B).

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,³⁶ that the proposed rule change (SR-ISE-2025-30), as modified by Amendment Nos. 1 and 2, is approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁷

Sherry R. Haywood,

Assistant Secretary.

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³⁶ 15 U.S.C. 78s(b)(2).

³⁷ 17 CFR 200.30-3(a)(12).