

service. Pursuant to rule 0–5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by emailing the Commission's Secretary.

ADDRESSES: The Commission: *Secretarys-Office@sec.gov*. John J. O'Brien, Esq., Morgan, Lewis & Bockius LLP, 2222 Market Street, Philadelphia, Pennsylvania 19103, *john.obrien@morganlewis.com*, with a copy to Kristina Magolis, Venerable Investment Advisers, LLC, 1475 Dunwoody Drive, Suite 200, West Chester, Pennsylvania 19380, *kristina.magolis@venerable.com*.

FOR FURTHER INFORMATION CONTACT: Trace W. Rakestraw, Senior Special Counsel, at (202) 551–6825 (Division of Investment Management, Chief Counsel's Office).

SUPPLEMENTARY INFORMATION: For Applicants' representations, legal analysis, and conditions, please refer to Applicants' application, dated May 16, 2025, which may be obtained via the Commission's website by searching for the file number at the top of this document, or for an Applicant using the Company name search field, on the SEC's EDGAR system. The SEC's EDGAR system may be searched at <https://www.sec.gov/edgar/searchedgar/companysearch>. You may also call the SEC's Office of Investor Education and Advocacy at (202) 551–8090.

For the Commission, by the Division of Investment Management, under delegated authority.

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–103240; File Nos. SR–NYSEAMER–2025–07, NYSEARCA–2025–16]

Self-Regulatory Organizations; NYSE American LLC, NYSE Arca Inc.; Order Instituting Proceedings To Determine Whether To Approve or Disapprove Proposed Rule Changes To Amend Rules To Permit Options on Commodity-Based Trust Shares

June 12, 2025.

I. Introduction

On February 24, 2025, NYSE American LLC (“NYSE American”) and NYSE Arca Inc. (“NYSE Arca”) (each an

“Exchange”; collectively, the “Exchanges”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b–4 thereunder,² proposed rule changes to amend their respective rules to allow the Exchanges to list and trade options on Commodity-Based Trust Shares.³ The proposed rule changes were published for comment in the **Federal Register** on March 17, 2025.⁴ The Commission has not received any comments on the proposed rule changes.

On April 25, 2025, pursuant to Section 19(b)(2) of the Act,⁵ the Commission designated a longer period within which to approve the proposed rule changes, disapprove the proposed rule changes, or institute proceedings to determine whether to disapprove the proposed rule changes.⁶ This order institutes proceedings under Section 19(b)(2)(B) of the Act⁷ to determine whether to approve or disapprove the proposed rule changes.

II. Description of the Proposed Rule Changes

As described more fully in the Notices, the Exchanges propose to amend their listing rules to allow the listing and trading of options on units that represent interests in a trust that is a Commodity-Based Trust.⁸

Specifically, the Exchanges propose, in their rules relating to the criteria for underlying securities, to remove references to the SPDR® Gold Trust, the iShares COMEX Gold Trust, the iShares Silver Trust, the ETFs Silver Trust, ETFs Gold Trust, the ETFs Palladium Trust, the ETFs Platinum, 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, which are all Commodity-Based Trust Shares.⁹ In addition, the Exchanges propose to state that securities deemed appropriate for options trading shall include shares or other securities (“Exchange-Traded Fund Shares”) that represent interests in “a security (a) issued by a trust that holds (1) a specified commodity deposited with the trust, or (2) a specified commodity and, in addition to such specified commodity, cash; (b) 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 (c) 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 (“Commodity-Based Trust Share”).”¹⁰

As a result of these proposed rule changes, the Exchanges' listing criteria would allow any exchange traded fund (“ETF”) approved to list on the primary market as a Commodity-Based Trust Share to qualify as an underlying for options traded on the Exchanges, provided other listing criteria have been met, without requiring additional approvals from the Commission.¹¹ The Exchanges state that offering options on Commodity-Based Trust Shares provides investors with the ability to hedge exposure to the underlying security.¹² Additionally, the Exchanges state that options on a Commodity-Based Trust Share provide investors with the ability to transact in such options in a listed market environment, which would increase market transparency and enhance the process of price discovery conducted on the Exchanges through increased order flow to the benefit of all investors.¹³

The Exchanges state that options on a Commodity-Based Trust Share will trade in the same manner as options on other ETFs on the Exchanges.¹⁴ The Exchanges' rules that currently apply to the listing and trading of all options on ETFs on each Exchange, including, for example, rules that govern listing

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See, *infra*, note 10 and accompanying text.

⁴ See Securities Exchange Act Release No. 102555 (Mar. 10, 2025), 90 FR 12189 (“NYSE American Notice”); Securities Exchange Act Release No. 102577 (Mar. 11, 2025), 90 FR 12377 (“NYSE Arca Notice”) (collectively, “Notices”).

⁵ 15 U.S.C. 78s(b)(2).

⁶ See Securities Exchange Act Release No. 102931 (Apr. 25, 2025), 90 FR 18717 (May 1, 2025) and Securities Exchange Act Release No. 102930 (Apr. 25, 2025), 90 FR 18718 (May 1, 2025) (each designating June 15, 2025, as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule changes).

⁷ 15 U.S.C. 78s(b)(2)(B).

⁸ See Notices, *supra* note 4. See also proposed NYSE American Rule 915, Commentary .10 and Rule 916, Commentary .11; proposed NYSE Arca Rule 5.3–O(g), Commentary .10 and Rule 5.4–O, Commentary .02.

⁹ See Notices, *supra* note 4. See also proposed NYSE American Rule 915, Commentary .10 and Rule 916, Commentary .11; proposed NYSE Arca Rule 5.3–O(g), Commentary .10 and Rule 5.4–O, Commentary .02.

¹⁰ See NYSE American Notice, *supra* note 4, at 12190; NYSE Arca Notice, *supra* note 4, at 12378. See also proposed NYSE American Rule 915, Commentary .10; proposed NYSE Arca Rule 5.3–O(g), Commentary .10.

¹¹ See NYSE American Notice, *supra* note 4, at 12192; NYSE Arca Notice, *supra* note 4, at 12380.

¹² See *id.*

¹³ See *id.*

¹⁴ See *id.*

criteria,¹⁵ including continued listing standards,¹⁶ expirations,¹⁷ exercise/strike prices,¹⁸ minimum increments,¹⁹ position and exercise limits,²⁰ margin requirements,²¹ customer accounts,²² and trading halt procedures²³ would apply to the listing and trading of options on a Commodity-Based Trust Share on the Exchanges in the same manner as they apply to other options on all other ETFs that are listed and traded on the Exchanges.

In addition, the Exchanges state the surveillance procedures applicable to all other options on ETFs will apply to options on Commodity-Based Trust Shares.²⁴ The Exchanges also state that they have analyzed their capacity and state that the Exchanges and the Options

Price Reporting Authority (“OPRA”) have the necessary systems capacity to handle the additional traffic associated with the listing of new series of ETFs, including options on a Commodity-Based Trust Share, up to the number of expirations currently permissible under the Exchange Rules.²⁵ The Exchanges state that they may obtain trading information via the Intermarket Surveillance Group (“ISG”) from other exchanges who are members of the ISG and that the Exchanges have a Regulatory Services Agreement with the Financial Industry Regulatory Authority.²⁶ The Exchanges state that they have not identified any issues with the continued listing and trading of any ETF options, including ETFs that hold commodities (*i.e.*, precious metals) that they currently list and trade.²⁷

III. Proceedings To Determine Whether To Approve or Disapprove SR–NYSEAMER–2025–07 and NYSEARCA–2025–16 and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Act²⁸ to determine whether the proposed rule changes should be approved or disapproved. Institution of such proceedings is appropriate at this time in view of the legal and policy issues raised by the proposed rule changes. 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 changes.

Pursuant to Section 19(b)(2)(B) of the Act,²⁹ the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of the proposed rule changes’ consistency with Section 6(b)(5) of the Act,³⁰ which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and protect the mechanism of a free and open market and a national market

system, and, in general, to protect investors and the public interest.

Under the Commission’s Rules of Practice, the “burden to demonstrate that a proposed rule change is consistent with the [Act] and the rules and regulations issued thereunder . . . is on the self-regulatory organization that proposed the rule change.”³¹ The description of a proposed rule change, its purpose and operation, its effect, and a legal analysis of its consistency with applicable requirements must all be sufficiently detailed and specific to support an affirmative Commission finding,³² and any failure of a self-regulatory organization to provide this information may result in the Commission not having a sufficient basis to make an affirmative finding that a proposed rule change is consistent with the Act and the applicable rules and regulations.³³ The Commission is instituting proceedings to allow for additional consideration and comment on the issues raised herein, including as to whether the proposals are consistent with the Act. In particular, the Commission asks commenters to address the potential market impacts of allowing the listing and trading of options on Commodity-Based Trust Shares.

IV. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposals. In particular, the Commission invites the written views of interested persons concerning whether the proposals are consistent with Section 6(b)(5) or any other provision of 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 views, data, and arguments, the Commission will consider, pursuant to Rule 19b–4 under the Act,³⁴ any request for an opportunity to make an oral presentation.³⁵

³¹ 17 CFR 201.700(b)(3).

³² *See id.*

³³ *See id.*

³⁴ 17 CFR 240.19b–4.

³⁵ Section 19(b)(2) of the Act, as amended by the Securities Acts Amendments of 1975, Public Law 94–29 (June 4, 1975), grants 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

¹⁵ *See* NYSE American Notice, *supra* note 4, at 12190; NYSE Arca Notice, *supra* note 4, at 12378. *See also* NYSE American Rule 915; NYSE Arca Rule 5.3–O.

¹⁶ *See* NYSE American Notice, *supra* note 4, at 12190; NYSE Arca Notice, *supra* note 4, at 12378. *See also* NYSE American Rule 916, Commentary .07; NYSE Arca Rule 5.4–O(k). The Exchanges state Commodity-Based Trust Shares will not be deemed to meet the requirements for continued approval, and the Exchanges shall not open for trading any additional series of option contracts covering Commodity-Based Trust Shares if such security ceases to be an “NMS stock” as provided for in NYSE American Rule 916 or NYSE Arca Rule 5.4–O(b)(5) or if the Commodity-Based Trust Share is halted from trading on its primary market. *See* NYSE American Notice, *supra* note 4, at 12190; NYSE Arca Notice, *supra* note 4, at 12378.

¹⁷ *See* NYSE American Notice, *supra* note 4, at 12190; NYSE Arca Notice, *supra* note 4, at 12379. The Exchanges state that the Exchanges would open at least one expiration month for options on a Commodity-Based Trust Share and may also list series of options on a Commodity-Based Trust Share for trading on a weekly, monthly, or quarterly basis. *Id.* The Exchanges state that they may also list long-term equity option series (“LEAPS”) that expire from twelve to thirty-nine months from the time they are listed. *Id.*

¹⁸ *See* NYSE American Notice, *supra* note 4, at 12190; NYSE Arca Notice, *supra* note 4, at 12379.

¹⁹ *See* NYSE American Notice, *supra* note 4, at 12190; NYSE Arca Notice, *supra* note 4, at 12379. *See also* NYSE American Rules 903 and 960NY; NYSE Arca Rules 6.4–O and 6.72–O.

²⁰ *See* NYSE American Notice, *supra* note 4, at 12191; NYSE Arca Notice, *supra* note 4, at 12379. The Exchanges state that position and exercise limits for options on ETFs vary according to the number of outstanding shares and the trading volumes of the underlying security over the past six months, where the largest in capitalization and the most frequently traded funds have an option position and exercise limit of 250,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market; and smaller capitalization funds have position and exercise limits of 200,000, 75,000, 50,000 or 25,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market. *Id.*

²¹ *See* NYSE American Notice, *supra* note 4, at 12191; NYSE Arca Notice, *supra* note 4, at 12379. *See also* NYSE American Rule 462; NYSE Arca Rule 4.16–O.

²² *See* NYSE American Notice, *supra* note 4, at 12191; NYSE Arca Notice, *supra* note 4, at 12379.

²³ *See id.*

²⁴ *See* NYSE American Notice, *supra* note 4, at 12190; NYSE Arca Notice, *supra* note 4, at 12379.

²⁵ *See* NYSE American Notice, *supra* note 4, at 12191; NYSE Arca Notice, *supra* note 4, at 12379.

²⁶ *See* NYSE American Notice, *supra* note 4, at 12191; NYSE Arca Notice, *supra* note 4, at 12379.

²⁷ *See* NYSE American Notice, *supra* note 4, at 12192; NYSE Arca Notice, *supra* note 4, at 12380.

²⁸ 15 U.S.C. 78s(b)(2)(B).

²⁹ *See id.*

³⁰ 15 U.S.C. 78f(b)(5).

Interested persons are invited to submit written data, views, and arguments regarding whether the proposed rule changes should be approved or disapproved by July 8, 2025. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by July 22, 2025.

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 numbers SR-NYSEAMER-2025-07 and NYSEARCA-2025-16 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 numbers SR-NYSEAMER-2025-07 and NYSEARCA-2025-16. These file numbers 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 changes that are filed with the Commission, and all written communications relating to the proposed rule changes 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 filings 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 numbers SR-NYSEAMER-2025-07 and

NYSEARCA-2025-16 and should be submitted on or before July 8, 2025. Rebuttal comments should be submitted by July 22, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁶

Vanessa A. Countryman,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103228; File No. SR-FINRA-2025-004]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Stay the Effectiveness of Specified Expulsions and FINRA Actions

June 11, 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 June 2, 2025, the Financial Industry Regulatory Authority, Inc. ("FINRA") 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 prepared by FINRA. FINRA has designated the proposed rule change as constituting a "non-controversial" rule change under paragraph (f)(6) of Rule 19b-4 under the Act,³ which renders the proposal effective upon receipt of this filing by the Commission. 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

FINRA is proposing to stay the effectiveness of specified expulsions of member firms, cancellations of membership, and denials of applications for continued membership of disqualified member firms to allow for SEC review. The proposed rule change would amend FINRA Rule 8320 (Payment of Fines, Other Monetary Sanctions, or Costs; Summary Action for Failure to Pay), the FINRA Rule 9000 Series (Code of Procedure), and Funding

Portal Rule 900(b) (Eligibility Proceedings).

The text of the proposed rule change is available on FINRA's website at <http://www.finra.org>, at the principal office of FINRA 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, FINRA 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 these statements may be examined at the places specified in Item IV below. FINRA 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

Overview of Proposed Amendments

FINRA is proposing to amend FINRA rules to provide that specified expulsions of member firms, cancellations of membership, and denials of applications for continued membership of disqualified member firms shall not become effective until the time for filing an application for review with the SEC has expired⁴ and no such application is filed or, if such an application is timely filed, until the SEC completes its review under Exchange Act Section 19.⁵ The proposed rule change would apply to decisions issued in expedited proceedings under the FINRA Rule 9550 Series, disciplinary proceedings under the FINRA Rule 9300 Series, and eligibility proceedings under the FINRA Rule 9520 Series and Funding Portal Rule 900(b), as well as expulsions of member firms under FINRA Rule 8320.⁶

The proposed rule change would align FINRA rules relating to the

⁴ Pursuant to the Exchange Act, an application for review of a determination by FINRA, such as the imposition of a final disciplinary sanction or denial of membership, must be filed with the SEC within 30 days after notice is filed with the SEC and received by the aggrieved person applying for review. See 15 U.S.C. 78s(d). See also SEC Rule of Practice 420(b), 17 CFR 201.420(b) (providing that the SEC will not extend this 30-day period absent a showing of extraordinary circumstances).

⁵ See, e.g., Exchange Act Sections 19(e) and (f), 15 U.S.C. 78s(e) and (f).

⁶ FINRA notes that the proposed rule change would not apply to any other sanction or FINRA action against a member firm, associated person, or other person subject to FINRA's jurisdiction.

³⁶ 17 CFR 200.30-3(a)(57).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).