

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 42		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No. * SR 2025 - * 076 Amendment No. (req. for Amendments *)	
Filing by Cboe Exchange, Inc. Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934					
Initial * <input checked="" type="checkbox"/>		Amendment * <input type="checkbox"/>		Withdrawal <input type="checkbox"/>	
Section 19(b)(2) * <input checked="" type="checkbox"/>		Section 19(b)(3)(A) * <input type="checkbox"/>		Section 19(b)(3)(B) * <input type="checkbox"/>	
Pilot <input type="checkbox"/>		Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	
		Rule			
		<input type="checkbox"/> 19b-4(f)(1)		<input type="checkbox"/> 19b-4(f)(4)	
		<input type="checkbox"/> 19b-4(f)(2)		<input type="checkbox"/> 19b-4(f)(5)	
		<input type="checkbox"/> 19b-4(f)(3)		<input type="checkbox"/> 19b-4(f)(6)	
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>		
Exhibit 2 Sent As Paper Document <input type="checkbox"/>			Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div>The Exchange proposes to amend certain rules that restrict the position and exercise limits for options on the Fidelity Wise Origin Bitcoin Fund and to permit Flexible Exchange Options on the Fidelity Fund.</div>					
Contact Information Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action. First Name * Sarah Last Name * Tadtman Title * Assistant General Counsel E-mail * stadtman@cboe.com Telephone * (913) 815-7203 Fax					
Signature Pursuant to the requirements of the Securities Exchange of 1934, Cboe Exchange, Inc. has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized. Date 09/30/2025 (Title *) By Laura G. Dickman VP, Associate General Counsel (Name *) <div>NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.</div> <div>Laura Dickman Date: 2025.09.30 11:38:07 -05'00'</div>					

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS website.

Form 19b-4 Information *

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25-076 19b-4 (Fidelity BTC Position Li

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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25-076 Exhibit 1 (Fidelity BTC Position

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

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Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

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Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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25-076 Exhibit 5 (Fidelity BTC Position

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Item 1. Text of the Proposed Rule Change

(a) Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend certain rules that restrict the position and exercise limits for options on the Fidelity Wise Origin Bitcoin Fund (the “Fidelity Fund”) and to permit Flexible Exchange (“FLEX”) Options on the Fidelity Fund. The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s President (or designee) pursuant to delegated authority approved the proposed rule change on September 30, 2025.

(b) Please refer questions and comments on the proposed rule change to Pat Sexton, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7467, or Sarah Tadtman, (913) 815-7203, Cboe Exchange, Inc., 433 West Van Buren Street, Chicago, Illinois 60607.

Item 3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

The Exchange proposes to amend certain rules that restrict the position and exercise limits for the Fidelity Fund options. Specifically, the Exchange proposes to (1) amend Rule 8.30, Interpretation and Policy .10 to eliminate the current position and exercise limit of 25,000 option contracts for the Fidelity Fund; and (2) amend Rule 4.20 to permit Fidelity Fund options to trade as FLEX Options. This proposed rule change is substantively identical to the Nasdaq ISE, LLC (“ISE”) and NYSE Arca Inc. (“Arca”) rules that provide for increased

position and exercise limits and trading of flexible options for options on certain exchange-traded products (“ETPs”) that hold bitcoin, except that it would apply to a different ETP.¹

Position Limits

The Fidelity Fund is an ETP that holds bitcoin and is listed on the Exchange.² On October 18, 2024, the Commission approved the Exchange’s filing to list and trade Fidelity Fund options.³ The position and exercise limits for the Fidelity Fund options are currently 25,000 option contracts, which is the lowest possible position limit for equity options listed on the Exchange.⁴

Now that the Fidelity Fund options have been trading for more than six months, the Fidelity Fund options exceed the minimum of 100,000,000 shares necessary to qualify for an increased position and exercise limit.⁵ As such, the Exchange proposes to remove the 25,000 aggregated position and exercise limit for the Fidelity Trust options. The Exchange analyzed several data points that support the appropriateness of the proposed elimination of the aggregated 25,000 contract position and exercise limit on the Fidelity Fund options. As of

¹ See NYSE Arca Inc. Commentary .06(f) to Rule 6.8(O) (Position Limits, Rule 5.32-O(f)(1) (Terms of FLEX) and Rule 5.36-O(b) (Position Limits); see also Securities and Exchange Commission Release No. 34-103567 (July 29, 2025) (SR-NYSEARCA-2025-07) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 3, to Amend Rules Regarding Position and Exercise Limits for Options on the Grayscale Bitcoin Trust (“GBTC”) and to Permit Flexible Exchange Options on GBTC).

² See Securities Exchange Act Release Nos. 99290 (January 8, 2024) 89 FR 2338 (January 12, 2024) (SR-CboeBZX-2023-044) (Notice of Filing of Amendment No. 3 to a Proposed Rule Change To List and Trade Shares of the Wise Origin Bitcoin Fund Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares) (“Bitcoin ETP Amendment No. 3”); 99306 (January 10, 2024) 89 FR 3008 (January 17, 2024) (SR-CboeBZX-2023-044) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, To List and Trade Bitcoin-Based Commodity-Based Trust Shares and Trust Units) (the “Bitcoin ETP Approval Order”).

³ See Securities and Exchange Commission File No. SR-2024-035 Amendment No. 3 (October 2024).

⁴ See Rule 8.30, Interpretations and Policies .02 Option Contract Limits.

⁵ Id. Like options on other ETFs, position (and exercise) limits for Fidelity Fund options would be subject to subsequent six-month reviews to determine future position (and exercise) limits. Id.

August 15, 2025, during the most recent six-month period, trading volume for the Fidelity Fund was 448,446,078 shares. In addition, as of August 15, 2025, the market capitalization for the Fidelity Fund was \$23,546,327,906 with an average daily volume (“ADV”) for the preceding three months of 3,229,145 shares. The Fidelity Fund is well above the minimum of 100,000,000 shares necessary to qualify for the Exchange’s 250,000 option contract position (and exercise) limit, which is the highest contract limit for options listed on the Exchange.⁶ Also, as of August 15, 2025, there were 19,906,766 bitcoin in circulation. At a price of \$117,419 per bitcoin, that equates to a market capitalization of greater than \$2.337 trillion. Given the Fidelity Fund’s liquidity, the current 25,000 contract position and exercise limit is extremely conservative. The Exchange notes that Arca has proposed, and the Commission has approved, a substantively similar proposal for increasing equity option position and exercise limits for another option overlying an ETF that holds bitcoin, such that the Exchange’s proposal would benefit competition.⁷ This analysis demonstrates that it would be appropriate to remove the 25,000 position and exercise limit currently in place for the Fidelity Fund options.

The Exchange recognizes that position and exercise limits are designed to limit the number of options contracts traded on an exchange in an underlying security that an investor, acting alone or in concert with others directly or indirectly, may control. These limits are

⁶ Id.

⁷ See NYSE Arca Inc. Commentary .06(f) to Rule 6.8(O) (Position Limits, Rule 5.32-O(f)(1) (Terms of FLEX) and Rule 5.36-O(b) (Position Limits); see also Securities and Exchange Commission Release No. 34-103567 (July 29, 2025) (SR-NYSEARCA-2025-07) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 3, to Amend Rules Regarding Position and Exercise Limits for Options on the Grayscale Bitcoin Trust (“GBTC”) and to Permit Flexible Exchange Options on GBTC).

intended to address potential manipulative schemes and adverse market impacts surrounding the use of options, such as disrupting the market in the security underlying the options. Position and exercise limits must balance concerns regarding mitigating potential manipulation and the cost of inhibiting potential hedging activity that could be used for legitimate economic purposes. To achieve this balance, the Exchange proposes to remove the 25,000 position and exercise limits for the Fidelity Fund, which would (i) enable the Fidelity Fund options to trade in the same manner as options on other bitcoin-backed ETPs on comparable exchanges, such as Arca, and (ii) mitigate against the potential for market manipulation given the significant liquidity present in the Fidelity Fund as explained above.

In addition to determining the Fidelity Fund's eligibility for a removal of the 25,000 position and exercise limit, the Exchange performed additional analyses regarding the Fidelity Fund in support of this proposal. First, the Exchange reviewed the Fidelity Fund's data relative to the market capitalization of the entire bitcoin market in terms of exercise risk and availability of deliverables. As noted above, as of August 15, 2025, there were 19,906,766 bitcoin in circulation. At a price of \$117,419.5 per bitcoin, that equates to a market capitalization of greater than \$2.337 trillion. If, for example, the Exchange considered an aggregate position and exercise limit of 250,000, the exercisable risk would represent 0.108% of the outstanding shares of the Fidelity Fund. The Exchange notes that if the Fidelity Fund options were subject to a 250,000 contract position and exercise limit (based on Fidelity Fund trading volume) and if all options of the Fidelity Fund shares were exercised at once, this occurrence would have a virtually unnoticed impact on the entire bitcoin market. This analysis demonstrates that a removal of the Fidelity Fund contract position and exercise limit for the Fidelity Fund options would be appropriate given the Fidelity Fund's liquidity.

Next, the Exchange reviewed the proposed removal of the Fidelity Fund's position and exercise limit by comparing it to position limits for derivative products regulated by the Commodity Futures Trading Commission ("CFTC"). While the CFTC only regulates options positions based upon delta equivalents (creating a less stringent standard), the Exchange examined equivalent bitcoin futures position limits. In particular, the Exchange looked to the Chicago Mercantile Exchange ("CME") bitcoin futures contract, which has a position limit of 2,000 futures. On August 15, 2025, CME bitcoin futures settled at \$117,990. On August 15, 2025, the Fidelity Fund settled at \$96.63, which would equate to greater than 12,201,493 shares of the Fidelity Fund if the CME national position limit was utilized. Since substantial portions of any distributed options portfolio are likely to be out of money on expiration, an options position limit equivalent to the CME position limit for bitcoin futures (considering that all options deltas are ≤ 1.00) should be a bit higher than the CME implied limit of 177,004.

Of note, unlike options contracts, CME position limits are calculated on a net futures-equivalent basis by contract and include contracts that aggregate into one or more base contracts according to an aggregation ratio(s).⁸ Therefore, if a portfolio includes positions in options on futures, CME would aggregate those positions into the underlying futures contracts in accordance with a table published by CME on a delta equivalent value for the relevant spot month, subsequent spot month, single month and all month position limits.⁹ If a position exceeds position limits because of an option assignment, CME permits market participants to liquidate the excess position within one business day without being considered in violation of

⁸ See [Position Limits - Aggregation of Contracts and Table - CME Group](#).

⁹ Id.

its rules. Additionally, if at the close of trading, a position that includes options exceeds position limits for futures contracts, when evaluated using the delta factors as of that day's close of trading but does not exceed the limits when evaluated using the previous day's delta factors, then the position shall not constitute a position limit violation. Considering CME's position limits on bitcoin futures, the Exchange believes a removal of the contract limit for the Fidelity Fund options would be appropriate.

Finally, the Exchange analyzed an increased position and exercise limit for the Fidelity Fund against options on Grayscale Bitcoin trust ETF ("GBTC"), which, like the Fidelity Fund, is a commodity-backed ETF.¹⁰ The Exchange notes that GBTC has a float of 228,900,100 shares and a position limit of 250,000 contracts. As previously noted, position and exercise limits are designed to limit the number of options contracts traded on the Exchange in an underlying security that an investor, acting alone or in concert with others directly or indirectly, may control. A position limit exercise in GBTC would represent 0.109% of the float of GBTC. In comparison, as an example, a 250,000 contract position and exercise limit of the Fidelity Fund would represent 0.108% of the float of the Fidelity Fund. While less conservative than the standard applied to options on GBTC, the Exchange nonetheless believes that subjecting no limit on the contract position and exercise of the Fidelity Fund options would be appropriate.

Based on the foregoing, the Exchange believes that it has demonstrated the Fidelity Fund has more than sufficient liquidity to garner an increased position and exercise limit and that the significant liquidity present in the Fidelity Fund mitigates against the potential for manipulation.

¹⁰ See Securities and Exchange Commission File No. SR-2025-07 Amendment No. 3 (May 6, 2025).

The Exchange believes that allowing Fidelity Fund options to have increased aggregated position and exercise limits would lead to a more liquid and competitive market environment for such options. Further, the reporting requirement for such options would remain unchanged. Thus, the Exchange will still require that each TPH organization that maintains positions in impacted options on the same side of the market, for its own account or for the account of a customer, report certain information to the Exchange. This information includes, but would not be limited to, the options' positions, whether such positions are hedged and, if so, a description of the hedge(s). Market-Makers would continue to be exempt from this reporting requirement, however, the Exchange may access Market-Maker position information.¹¹ Moreover, the Exchange's requirement that TPH organizations file reports with the Exchange for any customer who held aggregate large long or short positions on the same side of the market of 200 or more option contracts of any single class for the previous day will remain at this level and will continue to serve as an important part of the Exchange's surveillance efforts.¹²

The Exchange also has no reason to believe that the growth in trading volume in the Fidelity Fund options will not continue. Rather, the Exchange expects continued options volume growth in the Fidelity Fund as opportunities for investors to participate in the options markets increase and evolve. The Exchange believes that the current position and exercise limits in the Fidelity Fund options are restrictive and will hamper the listed options markets

¹¹ OCC through the Large Option Position Reporting ("LOPR") system acts as a centralized service provider for Trading Permit Holder ("TPH") compliance with position reporting requirements by collecting data from each TPH or TPH organization, consolidating the information, and ultimately providing detailed listings of each TPHs report to the Exchange, as well as Financial Industry Regulatory Authority, Inc. ("FINRA"), acting as its agent pursuant to a regulatory services agreement ("RSA").

¹² See Rule 8.43(a).

from being able to compete fairly and effectively with the over-the-counter (“OTC”) markets. OTC transactions occur through bilateral agreements, the terms of which are not publicly disclosed to the marketplace. As such, OTC transactions do not contribute to the price discovery process on a public exchange or other markets. The Exchange believes that without the proposed changes to position and exercise limits for the Fidelity Fund options, market participants will find the 25,000 contract position limit an impediment to their business and investment objectives as well as an impediment to efficient pricing. As a result, market participants may find the less transparent OTC markets a more attractive alternative to achieve their investment and hedging objectives, leading to a retreat from the listed options markets, where trades are subject to reporting requirements and daily surveillance.

FLEX Options on the Fidelity Fund

The Exchange also proposes to permit the Fidelity Fund options to trade as FLEX Options and would require the aggregation of any FLEX and non-FLEX positions in the Fidelity Fund for purposes of calculating position and exercise limits. Thus, for example, assuming a 250,000-contract position limit for Fidelity Fund options, the Exchange would restrict a market participant from holding positions that could result in the receipt of more than 250,000,000 shares (if that market participant exercised all of its Fidelity Fund options).

The share creation and redemption process available to the Fidelity Fund is designed to ensure that an ETP’s price closely tracks the value of its underlying asset. For example, if a market participant exercised a long call position for 25,000 contracts and purchased 2,500,000 shares of the Fidelity Fund and this purchase resulted in the value of the Fidelity Fund shares to trade at a premium to the value of the underlying bitcoin held by the Fidelity Fund, the Exchange believes that other market participants would attempt to arbitrage this

price difference by selling short Fidelity Fund shares while concurrently purchasing bitcoin. Those market participants (arbitrageurs) would then deliver cash to the Fidelity Fund and receive shares of the Fidelity Fund, which would be used to close out any previously established short position in the Fidelity Fund. Thus, this creation and redemption process would significantly reduce the potential risk of price dislocation between the value of the Fidelity Fund shares and the value of bitcoin holdings.

The Exchange understands that FLEX Options on ETPs are currently traded in the OTC market by a variety of market participants, including hedge funds, proprietary trading firms, and pension funds. The Exchange believes there is room for significant growth if a comparable product were introduced for trading on a regulated market. The Exchange expects that users of these OTC products would be among the primary users of FLEX Options on the Fidelity Fund. The Exchange also believes that the trading of FLEX Options on the Fidelity Fund would allow these same market participants to better manage the risk associated with the volatility of the Fidelity Fund positions given the enhanced liquidity that an ETP would bring. Additionally, the Exchange believes that FLEX Options on the Fidelity Fund traded on the Exchange would have three important advantages over the contracts that are traded in the OTC market. First, because of greater standardization of contract terms, ETP contracts should develop more liquidity. Second, counter-party credit risk would be mitigated by the fact that contracts are issued and guaranteed by the Options Clearing Corporation (“OCC”). Finally, the price discovery and dissemination provided by the Exchange and its members would lead to more transparent markets. The Exchange believes that its ability to offer FLEX Options on the Fidelity Fund would aid it in competing with the OTC market and at the same time expand the universe of products available to interested market participants. The Exchange believes

that an exchange-traded alternative may provide a useful risk management and trading vehicle for market participants and their customers.

The Exchange has analyzed its capacity and represents that it and The Options Price Reporting Authority (“OPRA”) have the necessary systems capacity to handle the additional traffic to handle FLEX Options on the Fidelity Fund. The Exchange believes any additional traffic that would be generated from trading of FLEX Options on the Fidelity Fund would be manageable. The Exchange believes that OTP Holders will not have a capacity issue as a result of this proposed rule change. The Exchange also represents that it does not believe this proposed rule change will cause fragmentation of liquidity. The Exchange will monitor the trading volume associated with the additional options series listed as a result of this proposed rule change and the effect (if any) of these additional series on market fragmentation and on the capacity of the Exchange’s automated systems.

The Exchange represents that the same surveillance procedures applicable to the Exchange’s other options products listed and traded on the Exchange, including non-FLEX Options on the Fidelity Fund, will apply to FLEX Options on the Fidelity Fund, and that it has the necessary systems capacity to support such options. FLEX Options products and their respective symbols are integrated into the Exchange’s existing surveillance system architecture and are thus subject to the relevant surveillance processes. The Exchange’s market surveillance staff (including staff of FINRA who perform surveillance and investigative work on behalf of the Exchange pursuant to a regulatory services agreement) conducts surveillance with respect to the Fidelity Fund and, as appropriate, would review activity on the Fidelity Fund options. The Exchange does not believe that allowing FLEX

Options on the Fidelity Fund would render the marketplace for non-FLEX Options on the Fidelity Fund, or equity options in general, more susceptible to manipulative practices.

The proposed rule change is designed to allow investors seeking to trade options on the Fidelity Fund to utilize FLEX Options on the Fidelity Fund. The Exchange believes that offering innovative products flows to the benefit of the investing public. A robust and competitive market requires that exchanges respond to a member's evolving needs by constantly improving their offerings. Such efforts would be stymied if exchanges were prohibited from offering innovative products such as the proposed FLEX Options on the Fidelity Fund. The Exchange believes that introducing FLEX Options on the Fidelity Fund would further broaden the base of investors that use FLEX Options to manage their trading and investment risk, including investors that currently trade in the OTC market for customized options. The proposed rule change is also designed to encourage Market Makers to shift liquidity from the OTC market on the Exchange, which, it believes, will enhance the process of price discovery conducted on the Exchange through increased order flow.

Today, the Exchange has an adequate surveillance program in place for options.¹³ Additionally, the Exchange is a member of the Intermarket Surveillance Group ("ISG") under the Intermarket Surveillance Group Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. Further, Cboe has an RSA with FINRA for certain market surveillance, investigation and examinations functions. Pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate amongst themselves and FINRA responsibilities to conduct certain options-related

¹³ The surveillance program includes surveillance patterns for price and volume movements as well as patterns for potential manipulation (e.g., spoofing and marking the close).

market surveillance that are common to rules of all options exchanges.¹⁴ The Exchange also has reviews in place to identify continued compliance with the Exchange's listing standards.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹⁵ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁶ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁷ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Position Limits

¹⁴ Section 19(g)(1) of the Act, among other things, requires every self-regulatory organization ("SRO") registered as a national securities exchange or national securities association to comply with the Act, the rules and regulations thereunder, and the SRO's own rules, and, absent reasonable justification or excuse, enforce compliance by its members and persons associated with its members. See 15 U.S.C. 78q(d)(1) and 17 CFR 240.17d-2. Section 17(d)(1) of the Act allows the Commission to relieve an SRO of certain responsibilities with respect to members of the SRO who are also members of another SRO ("common members"). Specifically, Section 17(d)(1) allows the Commission to relieve an SRO of its responsibilities to: (i) receive regulatory reports from such members; (ii) examine such members for compliance with the Act and the rules and regulations thereunder, and the rules of the SRO; or (iii) carry out other specified regulatory responsibilities with respect to such members.

¹⁵ 15 U.S.C. 78f(b).

¹⁶ 15 U.S.C. 78f(b)(5).

¹⁷ Id.

In particular, The Exchange believes the proposed rule change to remove the 25,000 contract position and exercise limit on the Fidelity Fund options thus allowing such options to qualify for higher aggregated limits will remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest as it will provide market participants with the ability to more effectively execute their trading and hedging activities. In addition, this proposed change may allow Market Makers to maintain their liquidity in these options in amounts commensurate with the continued demand for the Fidelity Fund options. Further, elimination of the aggregated position and exercise limit on the Fidelity Fund options may encourage other liquidity providers to continue to trade on the Exchange rather than shift their volume to OTC markets, which will enhance the process of price discovery conducted on the Exchange through increased order flow. The Exchange notes that eliminating the aggregated position and exercise limit on GBTC options would further allow institutional investors to utilize such options for prudent risk management purposes.

As noted above, the Exchange analyzed several data points that support the appropriateness of the proposed elimination of the aggregated 25,000 contract position and exercise limit on the Fidelity Fund options. As of August 15, 2025, during the most recent six-month period, trading volume for the Fidelity Fund was 448,446,078 shares. In addition, as of August 15, 2025, the market capitalization for the Fidelity Fund was \$23,546,327,906 with an ADV for the preceding three months of 3,229,145 shares. The Fidelity Fund is well above the minimum of 100,000,000 shares necessary to qualify for the Exchange's 250,000 option contract limit, which is the highest contract limit for options

listed on the Exchange.¹⁸ Further, the Fidelity Fund is well above the Exchange's minimum of 100,000,000 shares necessary to qualify for an increased contract position and exercise limit.¹⁹ This analysis demonstrates that it would be appropriate to remove the 25,000 position and exercise limit currently in place for the Fidelity Fund options.

FLEX Options on the Fidelity Fund

The Exchange believes that the proposal to permit FLEX Options on the Fidelity Fund and to require aggregation of any FLEX and non-FLEX positions in the Fidelity Fund for purpose of calculating position and exercise limits would remove impediments to and perfect the mechanism of a free and open market for several reasons. First, the Exchange believes that offering FLEX Options on the Fidelity Fund will benefit investors by providing them with an additional, relatively lower cost investing tool to gain exposure to the price of bitcoin and provide a hedging vehicle to meet their investment needs in connection with a bitcoin-related product. Moreover, this proposal would broaden the base of investors that use FLEX Options to manage their trading and investment risk, including investors that currently trade on the OTC market for customized options. By trading a product in an exchange-traded environment (that is currently being used in the OTC market), the Exchange would be able to compete more effectively with the OTC market. The Exchange believes the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that it would lead to the migration of options currently trading in the OTC market to trading on the Exchange. Also, any migration to the Exchange from the OTC market would result in increased market transparency and enhance the

¹⁸ Id.

¹⁹ See NYSE Arca Inc. Rule 6.8-O Commentary .06(e).

process of price discovery conducted on the Exchange through increased order flow. The Exchange also believes that offering FLEX Options on the Fidelity Fund may option up the market for the Fidelity Fund options to more retail investors.

Additionally, the Exchange believes the proposed rule change is designed to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest because FLEX Options on the Fidelity Fund are designed to create greater trading and hedging opportunities and flexibility. Further, this proposed rule change would result in increased competition by permitting the Exchange to offer products that are currently used in the OTC market.

The Exchange believes that offering innovative products flows to the benefit of the investing public. A robust and competitive market requires that exchanges respond to members' evolving needs by constantly improving their offerings. Such efforts would be stymied if exchanges were prohibited from offering innovative products such as the proposed FLEX Options on the Fidelity Fund. The Exchange does not believe that allowing FLEX Options on the Fidelity Fund would render the marketplace for equity options more susceptible to manipulative practices.

Finally, the Exchange has an adequate surveillance program in place for options.²⁰ Additionally, the Exchange is a member of ISG under the Intermarket Surveillance Group Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. Further, Cboe has an RSA

²⁰ The surveillance program includes surveillance patterns for price and volume movements as well as patterns for potential manipulation (e.g., spoofing and marking the close).

with FINRA for certain market surveillance, investigation and examinations functions. Pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate amongst themselves and FINRA responsibilities to conduct certain options-related market surveillance that are common to rules of all options exchanges.²¹ The Exchange also has reviews in place to identify continued compliance with the Exchange's listing standards.

Item 4. 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 that is not necessary or appropriate in furtherance of the purposes of the Act.

Position Limits. The Exchange believes that its proposal to remove the 25,000 contract position and exercise limit on the Fidelity Fund options, thus allowing such limits to increase, will not burden intra-market competition because it applies to all market participants that trade, or want to trade, the Fidelity Fund options. The Exchange believes the proposal would provide additional opportunities for market participants to continue to efficiently achieve their investment and trading objectives for equity options on the Exchange. Market participants on other exchanges are welcome to trade at the Exchange if they determine that this proposed rule change has made the Exchange more attractive or favorable. For these reasons, the Exchange does not believe that the proposed rule change

²¹ Section 19(g)(1) of the Act, among other things, requires every self-regulatory organization ("SRO") registered as a national securities exchange or national securities association to comply with the Act, the rules and regulations thereunder, and the SRO's own rules, and, absent reasonable justification or excuse, enforce compliance by its members and persons associated with its members. See 15 U.S.C. 78q(d)(1) and 17 CFR 240.17d-2. Section 17(d)(1) of the Act allows the Commission to relieve an SRO of certain responsibilities with respect to members of the SRO who are also members of another SRO ("common members"). Specifically, Section 17(d)(1) allows the Commission to relieve an SRO of its responsibilities to: (i) receive regulatory reports from such members; (ii) examine such members for compliance with the Act and the rules and regulations thereunder, and the rules of the SRO; or (iii) carry out other specified regulatory responsibilities with respect to such members.

will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

FLEX Options on the Fidelity Fund. The Exchange believes that the proposal to permit FLEX Options on the Fidelity Fund will not impose any burden on intra-market competition as all market participants can opt-into utilize this product. This proposed rule change is designed to allow investors seeking option exposure to bitcoin to trade FLEX Options on the Fidelity Fund. Moreover, the Exchange believes that the proposal to permit FLEX Options on the Fidelity Fund would broaden the base of investors that used FLEX Options to manage their trading and investment risk, including investors that currently trade in the OTC market for customized options. The Exchange believes that the proposed FLEX Options on the Fidelity Fund will not impose any burden on intra-market competition but will instead encourage competition by increasing the variety of options products available for trading on the Exchange, which products will provide a valuable tool for investors to manage risk. Should this proposal be approved, competing options exchanges will be free to offer products like the proposed FLEX Options on the Fidelity Fund.

Item 5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

Item 6. Extension of Time Period for Commission Action

Not applicable.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

Not applicable.

Item 8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not Applicable.

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

Item 10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

Item 11. Exhibits

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 2. Not applicable.

Exhibit 3. Not applicable.

Exhibit 4. Not applicable.

Exhibit 5. Proposed rule text.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-CboeBZX-2025-076]

[Insert date]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing of a Proposed Rule Change to Amend Certain Rules that Restrict the Position and Exercise Limits for Options on the Fidelity Wise Origin Bitcoin Fund (the “Fidelity Fund”) and to Permit Flexible Exchange (“FLEX”) Options on the Fidelity Fund

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on [insert date], Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been 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

Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to amend certain rules that restrict the position and exercise limits for options on the Fidelity Wise Origin Bitcoin Fund (the “Fidelity Fund”) and to permit Flexible Exchange (“FLEX”) Options on the Fidelity Fund. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Commission’s website (<https://www.sec.gov/rules/sro.shtml>), the Exchange’s website

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

(https://www.cboe.com/us/equities/regulation/rule_filings/bzx/), 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 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 Exchange proposes to amend certain rules that restrict the position and exercise limits for the Fidelity Fund options. Specifically, the Exchange proposes to (1) amend Rule 8.30, Interpretation and Policy .10 to eliminate the current position and exercise limit of 25,000 option contracts for the Fidelity Fund; and (2) amend Rule 4.20 to permit Fidelity Fund options to trade as FLEX Options. This proposed rule change is substantively identical to the Nasdaq ISE, LLC (“ISE”) and NYSE Arca Inc. (“Arca”) rules that provide for increased position and exercise limits and trading of flexible options for options on certain exchange-traded products (“ETPs”) that hold bitcoin, except that it would apply to a different ETP.³

Position Limits

³ See NYSE Arca Inc. Commentary .06(f) to Rule 6.8(O) (Position Limits, Rule 5.32-O(f)(1) (Terms of FLEX) and Rule 5.36-O(b) (Position Limits); see also Securities and Exchange Commission Release No. 34-103567 (July 29, 2025) (SR-NYSEARCA-2025-07) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 3, to Amend Rules Regarding Position and Exercise Limits for Options on the Grayscale Bitcoin Trust (“GBTC”) and to Permit Flexible Exchange Options on GBTC).

The Fidelity Fund is an ETP that holds bitcoin and is listed on the Exchange.⁴ On October 18, 2024, the Commission approved the Exchange’s filing to list and trade Fidelity Fund options.⁵ The position and exercise limits for the Fidelity Fund options are currently 25,000 option contracts, which is the lowest possible position limit for equity options listed on the Exchange.⁶

Now that the Fidelity Fund options have been trading for more than six months, the Fidelity Fund options exceed the minimum of 100,000,000 shares necessary to qualify for an increased position and exercise limit.⁷ As such, the Exchange proposes to remove the 25,000 aggregated position and exercise limit for the Fidelity Trust options. The Exchange analyzed several data points that support the appropriateness of the proposed elimination of the aggregated 25,000 contract position and exercise limit on the Fidelity Fund options. As of August 15, 2025, during the most recent six-month period, trading volume for the Fidelity Fund was 448,446,078 shares. In addition, as of August 15, 2025, the market capitalization for the Fidelity Fund was \$23,546,327,906 with an average daily volume (“ADV”) for the preceding three months of 3,229,145 shares. The Fidelity Fund is well above the minimum of 100,000,000 shares necessary to qualify for the Exchange’s 250,000 option contract position

⁴ See Securities Exchange Act Release Nos. 99290 (January 8, 2024) 89 FR 2338 (January 12, 2024) (SR-CboeBZX-2023-044) (Notice of Filing of Amendment No. 3 to a Proposed Rule Change To List and Trade Shares of the Wise Origin Bitcoin Fund Under BZX Rule 14.11(e)(4), Commodity-Based Trust Shares) (“Bitcoin ETP Amendment No. 3”); 99306 (January 10, 2024) 89 FR 3008 (January 17, 2024) (SR-CboeBZX-2023-044) (Order Granting Accelerated Approval of Proposed Rule Changes, as Modified by Amendments Thereto, To List and Trade Bitcoin-Based Commodity-Based Trust Shares and Trust Units) (the “Bitcoin ETP Approval Order”).

⁵ See Securities and Exchange Commission File No. SR-2024-035 Amendment No. 3 (October 2024).

⁶ See Rule 8.30, Interpretations and Policies .02 Option Contract Limits.

⁷ Id. Like options on other ETFs, position (and exercise) limits for Fidelity Fund options would be subject to subsequent six-month reviews to determine future position (and exercise) limits. Id.

(and exercise) limit, which is the highest contract limit for options listed on the Exchange.⁸ Also, as of August 15, 2025, there were 19,906,766 bitcoin in circulation. At a price of \$117,419 per bitcoin, that equates to a market capitalization of greater than \$2.337 trillion. Given the Fidelity Fund's liquidity, the current 25,000 contract position and exercise limit is extremely conservative. The Exchange notes that Arca has proposed, and the Commission has approved, a substantively similar proposal for increasing equity option position and exercise limits for another option overlying an ETF that holds bitcoin, such that the Exchange's proposal would benefit competition.⁹ This analysis demonstrates that it would be appropriate to remove the 25,000 position and exercise limit currently in place for the Fidelity Fund options.

The Exchange recognizes that position and exercise limits are designed to limit the number of options contracts traded on an exchange in an underlying security that an investor, acting alone or in concert with others directly or indirectly, may control. These limits are intended to address potential manipulative schemes and adverse market impacts surrounding the use of options, such as disrupting the market in the security underlying the options. Position and exercise limits must balance concerns regarding mitigating potential manipulation and the cost of inhibiting potential hedging activity that could be used for legitimate economic purposes. To achieve this balance, the Exchange proposes to remove the

⁸ Id.

⁹ See NYSE Arca Inc. Commentary .06(f) to Rule 6.8(O) (Position Limits, Rule 5.32-O(f)(1) (Terms of FLEX) and Rule 5.36-O(b) (Position Limits); see also Securities and Exchange Commission Release No. 34-103567 (July 29, 2025) (SR-NYSEARCA-2025-07) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 3, to Amend Rules Regarding Position and Exercise Limits for Options on the Grayscale Bitcoin Trust ("GBTC") and to Permit Flexible Exchange Options on GBTC).

25,000 position and exercise limits for the Fidelity Fund, which would (i) enable the Fidelity Fund options to trade in the same manner as options on other bitcoin-backed ETPs on comparable exchanges, such as Arca, and (ii) mitigate against the potential for market manipulation given the significant liquidity present in the Fidelity Fund as explained above.

In addition to determining the Fidelity Fund's eligibility for a removal of the 25,000 position and exercise limit, the Exchange performed additional analyses regarding the Fidelity Fund in support of this proposal. First, the Exchange reviewed the Fidelity Fund's data relative to the market capitalization of the entire bitcoin market in terms of exercise risk and availability of deliverables. As noted above, as of August 15, 2025, there were 19,906,766 bitcoin in circulation. At a price of \$117,419.5 per bitcoin, that equates to a market capitalization of greater than \$2.337 trillion. If, for example, the Exchange considered an aggregate position and exercise limit of 250,000, the exercisable risk would represent 0.108% of the outstanding shares of the Fidelity Fund. The Exchange notes that if the Fidelity Fund options were subject to a 250,000 contract position and exercise limit (based on Fidelity Fund trading volume) and if all options of the Fidelity Fund shares were exercised at once, this occurrence would have a virtually unnoticed impact on the entire bitcoin market. This analysis demonstrates that a removal of the Fidelity Fund contract position and exercise limit for the Fidelity Fund options would be appropriate given the Fidelity Fund's liquidity.

Next, the Exchange reviewed the proposed removal of the Fidelity Fund's position and exercise limit by comparing it to position limits for derivative products regulated by the Commodity Futures Trading Commission ("CFTC"). While the CFTC only regulates options positions based upon delta equivalents (creating a less stringent standard), the Exchange examined equivalent bitcoin futures position limits. In particular, the Exchange looked to the

Chicago Mercantile Exchange (“CME”) bitcoin futures contract, which has a position limit of 2,000 futures. On August 15, 2025, CME bitcoin futures settled at \$117,990. On August 15, 2025, the Fidelity Fund settled at \$96.63, which would equate to greater than 12,201,493 shares of the Fidelity Fund if the CME national position limit was utilized. Since substantial portions of any distributed options portfolio are likely to be out of money on expiration, an options position limit equivalent to the CME position limit for bitcoin futures (considering that all options deltas are ≤ 1.00) should be a bit higher than the CME implied limit of 177,004.

Of note, unlike options contracts, CME position limits are calculated on a net futures-equivalent basis by contract and include contracts that aggregate into one or more base contracts according to an aggregation ratio(s).¹⁰ Therefore, if a portfolio includes positions in options on futures, CME would aggregate those positions into the underlying futures contracts in accordance with a table published by CME on a delta equivalent value for the relevant spot month, subsequent spot month, single month and all month position limits.¹¹ If a position exceeds position limits because of an option assignment, CME permits market participants to liquidate the excess position within one business day without being considered in violation of its rules. Additionally, if at the close of trading, a position that includes options exceeds position limits for futures contracts, when evaluated using the delta factors as of that day’s close of trading but does not exceed the limits when evaluated using the previous day’s delta factors, then the position shall not constitute a position limit violation. Considering CME’s

¹⁰ See [Position Limits - Aggregation of Contracts and Table - CME Group](#).

¹¹ Id.

position limits on bitcoin futures, the Exchange believes a removal of the contract limit for the Fidelity Fund options would be appropriate.

Finally, the Exchange analyzed an increased position and exercise limit for the Fidelity Fund against options on Grayscale Bitcoin trust ETF (“GBTC”), which, like the Fidelity Fund, is a commodity-backed ETF.¹² The Exchange notes that GBTC has a float of 228,900,100 shares and a position limit of 250,000 contracts. As previously noted, position and exercise limits are designed to limit the number of options contracts traded on the Exchange in an underlying security that an investor, acting alone or in concert with others directly or indirectly, may control. A position limit exercise in GBTC would represent 0.109% of the float of GBTC. In comparison, as an example, a 250,000 contract position and exercise limit of the Fidelity Fund would represent 0.108% of the float of the Fidelity Fund. While less conservative than the standard applied to options on GBTC, the Exchange nonetheless believes that subjecting no limit on the contract position and exercise of the Fidelity Fund options would be appropriate.

Based on the foregoing, the Exchange believes that it has demonstrated the Fidelity Fund has more than sufficient liquidity to garner an increased position and exercise limit and that the significant liquidity present in the Fidelity Fund mitigates against the potential for manipulation.

The Exchange believes that allowing Fidelity Fund options to have increased aggregated position and exercise limits would lead to a more liquid and competitive market environment for such options. Further, the reporting requirement for such options would remain unchanged. Thus, the Exchange will still require that each TPH organization that

¹² See Securities and Exchange Commission File No. SR-2025-07 Amendment No. 3 (May 6, 2025).

maintains positions in impacted options on the same side of the market, for its own account or for the account of a customer, report certain information to the Exchange. This information includes, but would not be limited to, the options' positions, whether such positions are hedged and, if so, a description of the hedge(s). Market-Makers would continue to be exempt from this reporting requirement, however, the Exchange may access Market-Maker position information.¹³ Moreover, the Exchange's requirement that TPH organizations file reports with the Exchange for any customer who held aggregate large long or short positions on the same side of the market of 200 or more option contracts of any single class for the previous day will remain at this level and will continue to serve as an important part of the Exchange's surveillance efforts.¹⁴

The Exchange also has no reason to believe that the growth in trading volume in the Fidelity Fund options will not continue. Rather, the Exchange expects continued options volume growth in the Fidelity Fund as opportunities for investors to participate in the options markets increase and evolve. The Exchange believes that the current position and exercise limits in the Fidelity Fund options are restrictive and will hamper the listed options markets from being able to compete fairly and effectively with the over-the-counter ("OTC") markets. OTC transactions occur through bilateral agreements, the terms of which are not publicly disclosed to the marketplace. As such, OTC transactions do not contribute to the price discovery process on a public exchange or other markets. The Exchange believes that without

¹³ OCC through the Large Option Position Reporting ("LOPR") system acts as a centralized service provider for Trading Permit Holder ("TPH") compliance with position reporting requirements by collecting data from each TPH or TPH organization, consolidating the information, and ultimately providing detailed listings of each TPHs report to the Exchange, as well as Financial Industry Regulatory Authority, Inc. ("FINRA"), acting as its agent pursuant to a regulatory services agreement ("RSA").

¹⁴ See Rule 8.43(a).

the proposed changes to position and exercise limits for the Fidelity Fund options, market participants will find the 25,000 contract position limit an impediment to their business and investment objectives as well as an impediment to efficient pricing. As a result, market participants may find the less transparent OTC markets a more attractive alternative to achieve their investment and hedging objectives, leading to a retreat from the listed options markets, where trades are subject to reporting requirements and daily surveillance.

FLEX Options on the Fidelity Fund

The Exchange also proposes to permit the Fidelity Fund options to trade as FLEX Options and would require the aggregation of any FLEX and non-FLEX positions in the Fidelity Fund for purposes of calculating position and exercise limits. Thus, for example, assuming a 250,000-contract position limit for Fidelity Fund options, the Exchange would restrict a market participant from holding positions that could result in the receipt of more than 250,000,000 shares (if that market participant exercised all of its Fidelity Fund options).

The share creation and redemption process available to the Fidelity Fund is designed to ensure that an ETP's price closely tracks the value of its underlying asset. For example, if a market participant exercised a long call position for 25,000 contracts and purchased 2,500,000 shares of the Fidelity Fund and this purchase resulted in the value of the Fidelity Fund shares to trade at a premium to the value of the underlying bitcoin held by the Fidelity Fund, the Exchange believes that other market participants would attempt to arbitrage this price difference by selling short Fidelity Fund shares while concurrently purchasing bitcoin. Those market participants (arbitrageurs) would then deliver cash to the Fidelity Fund and receive shares of the Fidelity Fund, which would be used to close out any previously established short position in the Fidelity Fund. Thus, this creation and redemption process

would significantly reduce the potential risk of price dislocation between the value of the Fidelity Fund shares and the value of bitcoin holdings.

The Exchange understands that FLEX Options on ETPs are currently traded in the OTC market by a variety of market participants, including hedge funds, proprietary trading firms, and pension funds. The Exchange believes there is room for significant growth if a comparable product were introduced for trading on a regulated market. The Exchange expects that users of these OTC products would be among the primary users of FLEX Options on the Fidelity Fund. The Exchange also believes that the trading of FLEX Options on the Fidelity Fund would allow these same market participants to better manage the risk associated with the volatility of the Fidelity Fund positions given the enhanced liquidity that an ETP would bring. Additionally, the Exchange believes that FLEX Options on the Fidelity Fund traded on the Exchange would have three important advantages over the contracts that are traded in the OTC market. First, because of greater standardization of contract terms, ETP contracts should develop more liquidity. Second, counter-party credit risk would be mitigated by the fact that contracts are issued and guaranteed by the Options Clearing Corporation (“OCC”). Finally, the price discovery and dissemination provided by the Exchange and its members would lead to more transparent markets. The Exchange believes that its ability to offer FLEX Options on the Fidelity Fund would aid it in competing with the OTC market and at the same time expand the universe of products available to interested market participants. The Exchange believes that an exchange-traded alternative may provide a useful risk management and trading vehicle for market participants and their customers.

The Exchange has analyzed its capacity and represents that it and The Options Price Reporting Authority (“OPRA”) have the necessary systems capacity to handle the additional

traffic to handle FLEX Options on the Fidelity Fund. The Exchange believes any additional traffic that would be generated from trading of FLEX Options on the Fidelity Fund would be manageable. The Exchange believes that OTP Holders will not have a capacity issue as a result of this proposed rule change. The Exchange also represents that it does not believe this proposed rule change will cause fragmentation of liquidity. The Exchange will monitor the trading volume associated with the additional options series listed as a result of this proposed rule change and the effect (if any) of these additional series on market fragmentation and on the capacity of the Exchange's automated systems.

The Exchange represents that the same surveillance procedures applicable to the Exchange's other options products listed and traded on the Exchange, including non-FLEX Options on the Fidelity Fund, will apply to FLEX Options on the Fidelity Fund, and that it has the necessary systems capacity to support such options. FLEX Options products and their respective symbols are integrated into the Exchange's existing surveillance system architecture and are thus subject to the relevant surveillance processes. The Exchange's market surveillance staff (including staff of FINRA who perform surveillance and investigative work on behalf of the Exchange pursuant to a regulatory services agreement) conducts surveillance with respect to the Fidelity Fund and, as appropriate, would review activity on the Fidelity Fund options. The Exchange does not believe that allowing FLEX Options on the Fidelity Fund would render the marketplace for non-FLEX Options on the Fidelity Fund, or equity options in general, more susceptible to manipulative practices.

The proposed rule change is designed to allow investors seeking to trade options on the Fidelity Fund to utilize FLEX Options on the Fidelity Fund. The Exchange believes that offering innovative products flows to the benefit of the investing public. A robust and

competitive market requires that exchanges respond to a member's evolving needs by constantly improving their offerings. Such efforts would be stymied if exchanges were prohibited from offering innovative products such as the proposed FLEX Options on the Fidelity Fund. The Exchange believes that introducing FLEX Options on the Fidelity Fund would further broaden the base of investors that use FLEX Options to manage their trading and investment risk, including investors that currently trade in the OTC market for customized options. The proposed rule change is also designed to encourage Market Makers to shift liquidity from the OTC market on the Exchange, which, it believes, will enhance the process of price discovery conducted on the Exchange through increased order flow.

Today, the Exchange has an adequate surveillance program in place for options.¹⁵ Additionally, the Exchange is a member of the Intermarket Surveillance Group ("ISG") under the Intermarket Surveillance Group Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. Further, Cboe has an RSA with FINRA for certain market surveillance, investigation and examinations functions. Pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate amongst themselves and FINRA responsibilities to conduct certain options-related market surveillance that are common to rules of all options exchanges.¹⁶ The Exchange also has reviews in place to identify continued compliance with the Exchange's listing standards.

¹⁵ The surveillance program includes surveillance patterns for price and volume movements as well as patterns for potential manipulation (e.g., spoofing and marking the close).

¹⁶ Section 19(g)(1) of the Act, among other things, requires every self-regulatory organization ("SRO") registered as a national securities exchange or national securities association to comply with the Act, the rules and regulations thereunder, and the SRO's own rules, and, absent reasonable justification or excuse, enforce compliance by its members and persons associated with its members. See 15 U.S.C. 78q(d)(1) and 17 CFR 240.17d-2. Section 17(d)(1) of the Act allows the Commission to relieve an SRO of certain responsibilities with respect to members of the SRO who are also members of another SRO ("common members"). Specifically, Section 17(d)(1) allows the

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹⁷ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁸ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Position Limits

In particular, The Exchange believes the proposed rule change to remove the 25,000 contract position and exercise limit on the Fidelity Fund options thus allowing such options to qualify for higher aggregated limits will remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest as it will provide market participants with the ability to

Commission to relieve an SRO of its responsibilities to: (i) receive regulatory reports from such members; (ii) examine such members for compliance with the Act and the rules and regulations thereunder, and the rules of the SRO; or (iii) carry out other specified regulatory responsibilities with respect to such members.

¹⁷ 15 U.S.C. 78f(b).

¹⁸ 15 U.S.C. 78f(b)(5).

¹⁹ Id.

more effectively execute their trading and hedging activities. In addition, this proposed change may allow Market Makers to maintain their liquidity in these options in amounts commensurate with the continued demand for the Fidelity Fund options. Further, elimination of the aggregated position and exercise limit on the Fidelity Fund options may encourage other liquidity providers to continue to trade on the Exchange rather than shift their volume to OTC markets, which will enhance the process of price discovery conducted on the Exchange through increased order flow. The Exchange notes that eliminating the aggregated position and exercise limit on GBTC options would further allow institutional investors to utilize such options for prudent risk management purposes.

As noted above, the Exchange analyzed several data points that support the appropriateness of the proposed elimination of the aggregated 25,000 contract position and exercise limit on the Fidelity Fund options. As of August 15, 2025, during the most recent six-month period, trading volume for the Fidelity Fund was 448,446,078 shares. In addition, as of August 15, 2025, the market capitalization for the Fidelity Fund was \$23,546,327,906 with an ADV for the preceding three months of 3,229,145 shares. The Fidelity Fund is well above the minimum of 100,000,000 shares necessary to qualify for the Exchange's 250,000 option contract limit, which is the highest contract limit for options listed on the Exchange.²⁰ Further, the Fidelity Fund is well above the Exchange's minimum of 100,000,000 shares necessary to qualify for an increased contract position and exercise limit.²¹ This analysis demonstrates that it would be appropriate to remove the 25,000 position and exercise limit currently in place for the Fidelity Fund options.

²⁰ Id.

²¹ See NYSE Arca Inc. Rule 6.8-O Commentary .06(e).

FLEX Options on the Fidelity Fund

The Exchange believes that the proposal to permit FLEX Options on the Fidelity Fund and to require aggregation of any FLEX and non-FLEX positions in the Fidelity Fund for purpose of calculating position and exercise limits would remove impediments to and perfect the mechanism of a free and open market for several reasons. First, the Exchange believes that offering FLEX Options on the Fidelity Fund will benefit investors by providing them with an additional, relatively lower cost investing tool to gain exposure to the price of bitcoin and provide a hedging vehicle to meet their investment needs in connection with a bitcoin-related product. Moreover, this proposal would broaden the base of investors that use FLEX Options to manage their trading and investment risk, including investors that currently trade on the OTC market for customized options. By trading a product in an exchange-traded environment (that is currently being used in the OTC market), the Exchange would be able to compete more effectively with the OTC market. The Exchange believes the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that it would lead to the migration of options currently trading in the OTC market to trading on the Exchange. Also, any migration to the Exchange from the OTC market would result in increased market transparency and enhance the process of price discovery conducted on the Exchange through increased order flow. The Exchange also believes that offering FLEX Options on the Fidelity Fund may option up the market for the Fidelity Fund options to more retail investors.

Additionally, the Exchange believes the proposed rule change is designed to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest because

FLEX Options on the Fidelity Fund are designed to create greater trading and hedging opportunities and flexibility. Further, this proposed rule change would result in increased competition by permitting the Exchange to offer products that are currently used in the OTC market.

The Exchange believes that offering innovative products flows to the benefit of the investing public. A robust and competitive market requires that exchanges respond to members' evolving needs by constantly improving their offerings. Such efforts would be stymied if exchanges were prohibited from offering innovative products such as the proposed FLEX Options on the Fidelity Fund. The Exchange does not believe that allowing FLEX Options on the Fidelity Fund would render the marketplace for equity options more susceptible to manipulative practices.

Finally, the Exchange has an adequate surveillance program in place for options.²² Additionally, the Exchange is a member of ISG under the Intermarket Surveillance Group Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets. Further, Cboe has an RSA with FINRA for certain market surveillance, investigation and examinations functions. Pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate amongst themselves and FINRA responsibilities to conduct certain options-related market surveillance that are common to rules of all options exchanges.²³ The Exchange also has reviews in place to identify continued compliance with the Exchange's listing standards.

²² The surveillance program includes surveillance patterns for price and volume movements as well as patterns for potential manipulation (e.g., spoofing and marking the close).

²³ Section 19(g)(1) of the Act, among other things, requires every self-regulatory organization ("SRO") registered as a national securities exchange or national securities association to comply with the Act, the rules and regulations thereunder, and the SRO's own rules, and, absent reasonable justification or excuse, enforce compliance by its members and persons associated with its members.

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 that is not necessary or appropriate in furtherance of the purposes of the Act.

Position Limits. The Exchange believes that its proposal to remove the 25,000 contract position and exercise limit on the Fidelity Fund options, thus allowing such limits to increase, will not burden intra-market competition because it applies to all market participants that trade, or want to trade, the Fidelity Fund options. The Exchange believes the proposal would provide additional opportunities for market participants to continue to efficiently achieve their investment and trading objectives for equity options on the Exchange. Market participants on other exchanges are welcome to trade at the Exchange if they determine that this proposed rule change has made the Exchange more attractive or favorable. For these reasons, 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.

FLEX Options on the Fidelity Fund. The Exchange believes that the proposal to permit FLEX Options on the Fidelity Fund will not impose any burden on intra-market competition as all market participants can opt-into utilize this product. This proposed rule change is designed to allow investors seeking option exposure to bitcoin to trade FLEX

See 15 U.S.C. 78q(d)(1) and 17 CFR 240.17d-2. Section 17(d)(1) of the Act allows the Commission to relieve an SRO of certain responsibilities with respect to members of the SRO who are also members of another SRO ("common members"). Specifically, Section 17(d)(1) allows the Commission to relieve an SRO of its responsibilities to: (i) receive regulatory reports from such members; (ii) examine such members for compliance with the Act and the rules and regulations thereunder, and the rules of the SRO; or (iii) carry out other specified regulatory responsibilities with respect to such members.

Options on the Fidelity Fund. Moreover, the Exchange believes that the proposal to permit FLEX Options on the Fidelity Fund would broaden the base of investors that used FLEX Options to manage their trading and investment risk, including investors that currently trade in the OTC market for customized options. The Exchange believes that the proposed FLEX Options on the Fidelity Fund will not impose any burden on intra-market competition but will instead encourage competition by increasing the variety of options products available for trading on the Exchange, which products will provide a valuable tool for investors to manage risk. Should this proposal be approved, competing options exchanges will be free to offer products like the proposed FLEX Options on the Fidelity Fund.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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 will:

- 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-CboeBZX-2025-076 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-CboeBZX-2025-076. 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-CboeBZX-2025-076 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.²⁴

Sherry R. Haywood,

Assistant Secretary.

²⁴

17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

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Rules of Cboe Exchange, Inc.

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Rule 4.20. FLEX Option Classes

The Exchange may authorize for trading a FLEX Option class on any equity security (except [the Fidelity Wise Origin Bitcoin Fund,]the Fidelity Ethereum Fund, the ARK 21Shares Bitcoin ETF, the Bitwise Ethereum ETF, the Grayscale Ethereum Trust, the Grayscale Ethereum Mini Trust, or the iShares Ethereum Trust) or index if it may authorize for trading a non-FLEX Option class on that equity security or index pursuant to Rules 4.3 and 4.10, respectively, even if the Exchange does not list that non-FLEX Option class for trading.

* * * * *

Rule 8.30. Position Limits

Except with the prior permission of the President or his designee, to be confirmed in writing, no Trading Permit Holder shall make, for any account in which it has an interest or for the account of any customer, an opening transaction on any exchange if the Trading Permit Holder has reason to believe that as a result of such transaction the Trading Permit Holder or its customer would, acting alone or in concert with others, directly or indirectly, (a) control an aggregate position in an option contract dealt in on the Exchange in excess of 25,000 or 50,000 or 75,000 or 200,000 or 250,000 option contracts (whether long or short) of the put type and the call type on the same side of the market respecting the same underlying security, combining for purposes of this position limit long positions in put options with short positions in call options, and short positions in put options with long positions in call options, or such other number of option contracts as may be fixed from time to time by the Exchange as the position limit for one or more classes or series of options, or (b) 489 exceed the applicable position limit fixed from time to time by another exchange for an option contract not dealt in on the Exchange, when the Trading Permit Holder is not a member of the other exchange on which the transaction was effected. In addition, should a Trading Permit Holder have reason to believe that a position in any account in which it has an interest or for the account of any customer is in excess of the applicable limit, such Trading Permit Holder shall promptly take the action necessary to bring the position into compliance. Reasonable notice shall be given of each new position limit fixed by the Exchange, by publicly posting notice thereof. Limits shall be determined in the manner described in Interpretations and Policies below.

Interpretations and Policies

.01 – .09 No change.

.10 *Interests in Commodities-Based Trusts*. The position limits under this Rule 8.30 applicable to options on shares or other securities that represent interests in commodities-based trusts that satisfy the criteria set forth in Rule 4.3.06(a)(4) shall be the same as the position limits applicable to equity options under this Rule 8.30 and Interpretations and Policies thereunder, except that the position limits under this Rule 8.30 applicable to option contracts on the securities listed in the below chart are as follows:

Commodities-Based Trust Underlying Option	Position Limit
[Fidelity Wise Origin Bitcoin Fund]	[25,000]
ARK 21Shares Bitcoin ETF	25,000
Bitwise Ethereum ETF	25,000
Fidelity Ethereum Fund	25,000
Grayscale Ethereum Trust	25,000
Grayscale Ethereum Mini Trust	25,000
iShares Ethereum Trust	25,000

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