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Page 1 of * 38

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2025 - * 12

Amendment No. (req. for Amendments *)

Filing by MIAX Sapphire, LLC

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"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>
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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) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposal to amend Exchange Rule 402, Criteria for Underlying Securities to permit options on Commodity-Based Trust Shares.

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 * Tanya Last Name * Kitaigorovski

Title * AVP, Associate Counsel

E-mail * tkitaigorovski@miaxglobal.com

Telephone * (609) 413-5787 Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, MIAX Sapphire, LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 03/05/2025

(Title *)

By Tanya Kitaigorovski

AVP, Associate Counsel

(Name *)

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.

Date: 2025.03.05
Tanya Kitaigorovski

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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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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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SR-SAPPHIRE-2025-12 - Exhibit 1.doc

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.

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.

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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SR-SAPPHIRE-2025-12 - Exhibit 5.doc

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.

1. Text of the Proposed Rule Change

(a) MIAX Sapphire, LLC (“MIAX Sapphire” or the “Exchange”), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹ and Rule 19b-4 thereunder,² proposes to amend Exchange Rule 402, Criteria for Underlying Securities to permit options on Commodity-Based Trust Shares.

Notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and the text of the proposed rule change is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Chief Executive Officer of the Exchange or his designee pursuant to authority delegated by the Exchange Board of Directors on February 27, 2025. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the proposed rule change.

Questions and comments on the proposed rule change may be directed to Tanya Kitaigorovski, AVP, Associate Counsel, at (609) 413-5787.

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 Exchange Rule 402, Criteria for Underlying

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Securities,³ to allow the listing and trading of options on units that represent interests in a trust that in a Commodity-Based Trust. This is a competitive filing substantively identical to proposals submitted by Nasdaq ISE, LLC (“ISE”), NYSE American, LLC (“NYSE American”), NYSE Arca Inc. (“NYSE Arca”) and Cboe Exchange, Inc. (“Cboe”), which are currently pending with the Securities and Exchange Commission (the “Commission”).⁴

The Exchange proposes to allow the listing and trading of options on units that represent interests in a trust that in a Commodity-Based Trust. A Commodity-Based Trust is defined at The Nasdaq Stock Market LLC Rule 5711(d)(iv), NYSE Arca Rule 8.201(c), and Cboe BZX Exchange, Inc. 14.11(e)(4) as a security that is issued by a trust that holds (i) a specified commodity deposited with the Trust, or (ii) 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”).

The Exchange proposes to amend Exchange Rule 402(i) to provide that

- (i) Securities deemed appropriate for options trading shall include shares or other securities (“Exchange-Traded Fund Shares”) that are traded on a national securities exchange and are defined as an “NMS stock” under Rule 600 of Regulation NMS, and that... or (4) represent interests in (i) a security issued by a trust that holds (A) a specified commodity deposited with the trust, or (B) a specified

³ The Exchange notes that its affiliate options exchanges, Miami International Securities Exchange, LLC (“MIAX”) and MIAX Pearl, LLC (“MIAX Pearl”), submitted (or will submit) substantively similar proposals. The Exchange notes that the rules of Chapter IV of MIAX, including Exchange Rule 402, are incorporated by reference into the MIAX Emerald, LLC (“MIAX Emerald”) rulebook.

⁴ See Securities Exchange Act Release No. 102465 (February 20, 2025) (SR-ISE-2025-08); SRNYSEArca-2025-16 (February 24, 2025); and SR-NYSEAmerican-2025-07 (February 24, 2025).

commodity and, in addition to such specified commodity, cash; (ii) 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 (iii) 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").

The Exchange proposes to insert this rule text and remove references to the SPDR® Gold Trust, the iShares COMEX Gold Trust, the iShares Silver Trust, the Aberdeen Standard Silver ETF Trust, the Aberdeen Standard Physical Gold Trust, the Aberdeen Standard Palladium ETF Trust, the Aberdeen Standard Platinum ETF Trust, the Goldman Sachs Physical Gold ETF, the Sprott Physical Gold Trust, the iShares Bitcoin Trust, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust, the Bitwise Bitcoin ETF, the Fidelity Wise Origin Bitcoin Fund, and the ARK 21 Shares Bitcoin ETF which are all Commodity-Based Trust Shares. As a result of this proposed rule change, the Exchange's listing criteria would allow any ETF approved to list on a primary equities market as a Commodity-Based Trust Share to qualify as an underlying for options traded on the Exchange, provided other listing criteria have been met.⁵

The Exchange's initial listing standards as set forth in Exchange Rule 402(a) for Exchange Traded Fund Shares ("ETFs") on which options may be listed and traded on the

⁵ The Exchange believes this proposal is consistent with the Options Clearing Corporation ("OCC") recent amendment of "Fund Share" (which covers ETFs), as defined in OCC's By-Laws (including the Interpretation and Policy), to remove references to specific precious metal commodity-based ETFs as "no longer relevant or necessary." See Securities Exchange Act Release No. 102018 (December 20, 2024), 89 FR 106660 (December 30, 2024) (SR-OCC-2024-018). The impetus for this rule change was the staff advisory issued by the Commodity Futures Trading Commission ("CFTC") that deemed it "substantially likely" that spot commodity ETF shares would be held to be securities" which, in turn, resulted in the OCC's determination that "it no longer needs to seek product-by-product exemptive relief from the CFTC to clear spot commodity-based ETF products, including precious metals commodity-based ETFs." See id. at 106661; see also CFTC Staff Advisory Relating to the Clearing of Options on Spot Commodity Exchange Traded Funds (ETFs), Letter No. 24-16 (Nov. 15, 2024), available at <https://www.cftc.gov/csl/24-16/download>.

Exchange, will continue to apply. Pursuant to Exchange Rule 402(a), a security (which includes ETFs) on which options may be listed and traded on the Exchange must be a security registered (with the Commission) and be an NMS stock (as defined in Rule 600 of Regulation NMS under the Act), and be characterized by a substantial number of outstanding shares that are widely held and actively traded.⁶ Additionally, Exchange Rule 402(i)(5)(i) requires that the ETFs must either (1) meet the criteria and standards set forth in Exchange Rule 402(a) or 402(b),⁷ or (2) be available for creation or redemption each business day from or through the issuer in cash or in kind at a price related to net asset value, and the issuer must be obligated to issue ETFs in a specified aggregate number even if some or all of the investment assets required to be deposited have not been received by the issuer, subject to the condition that the person obligated to deposit the investments has undertaken to deliver the investment assets as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the issuer, as provided in the respective prospectus.

Additionally, a Commodity-Based Trust Share will also be subject to the Exchange's continued listing standards for options on ETFs set forth in Exchange Rule 403(g) for ETFs deemed appropriate for options trading pursuant to Exchange Rule 402(i). Specifically, options approved for trading pursuant to Exchange Rule 402(i) will not be deemed to meet the requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts of the class covering such ETFs if the ETFs are delisted from trading as provided in Exchange rule 403(b)(4) or the ETFs are halted or suspended from trading on their

⁶ The criteria and guidelines for a security to be considered widely held and actively traded are set forth in Exchange Rule 402(b).

⁷ Subparagraphs (a) and (b) of Exchange Rule 402 provide for guidelines to be used by the Exchange when evaluating potential underlying securities for Exchange option transactions.

primary market. Additionally, options on ETFs may be subject to the suspension of opening transactions in any of the following circumstances:

- (1) in the case of options covering ETFs approved for trading under Exchange Rule 402(i)(5)(i)(A), in accordance with the terms of paragraphs (b)(1), (2), and (3) of Exchange Rule 403;
- (2) in the case of options covering ETFs approved for trading under Exchange Rule 402(i)(5)(i)(B), following the initial twelve-month period beginning upon the commencement of trading in the ETFs on a national securities exchange and are defined as an NMS stock, there are fewer than 50 record and/or beneficial holders of such ETFs for 30 or more consecutive trading days;
- (3) the value of the index or portfolio of securities, non-U.S. currency, or portfolio of commodities including commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or financial instruments and money market instruments on which the ETFs are based is no longer calculated or available; or
- (4) such other event shall occur or condition exist that in the opinion of the Exchange makes further dealing in such options on the Exchange inadvisable.

The Exchange notes that ETFs that hold financial instruments, money market instruments, precious metal commodities, or cryptocurrencies that are deemed commodities on which the Exchange may already list and trade options pursuant to Exchange Rule 402(i) are trusts structured in substantially the same manner as options on a Commodity Based Trust Share and essentially offer the same objectives and benefits to investors, just with respect to different assets. The Exchange notes that it has not identified any issues with the continued listing and trading of any ETF options, including ETFs that hold commodities (e.g., precious metals, cryptocurrencies) that it currently lists and trades on the Exchange.

Options on a Commodity-Based Fund Share will be physically settled contracts with American-style exercise.⁸ Consistent with Exchange Rule 404, which governs the opening of

⁸ See Exchange Rule 401, which provides that the rights and obligations of holders and writers are set forth in the Rules of the Options Clearing Corporation (“OCC”); see also OCC Rules, Chapters VIII (which

options series on a specific underlying security (including ETFs), the Exchange will open at least one expiration month for options on a Commodity-Based Trust Share⁹ and may also list series of options on Commodity-Based Trust Share for trading on a weekly,¹⁰ monthly,¹¹ or quarterly¹² basis. The Exchange may also list long-term equity option series (“LEAPS”) that expire from 12 to 39 months from the time they are listed.¹³

Pursuant to Exchange Rule 404, Interpretations and Policies.06, which governs strike prices of series of options on ETFs, the interval between strike prices of series of options on ETFs approved for options trading pursuant to Exchange Rule 402(i) shall be fixed at a price per share which is reasonably close to the price per share at which the underlying security is traded in the primary market at or about the same time such series of options is first open for trading on the Exchange, or at such intervals as may have been established on another options exchange prior to the initiation of trading on the Exchange. With respect to the Short Term Options Series or Weekly Program, during the month prior to expiration of an option class that is selected for

governs exercise and assignment) and Chapter IX (which governs the discharge of delivery and payment obligations arising out of the exercise of physically settled stock option contracts).

⁹ See Exchange Rule 404(b). The monthly expirations are subject to certain listing criteria for underlying securities described within Exchange Rule 404 and its Interpretations and Policies. Monthly listings expire the third Friday of the month. The term “expiration date” (unless separately defined elsewhere in the OCC By-Laws), when used in respect of an option contract (subject to certain exceptions), means the third Friday of the expiration month of such option contract, or if such Friday is a day on which the exchange on which such option is listed is not open for business, the preceding day on which such exchange is open for business. See OCC By-Laws Article I, Section 1. Pursuant to Exchange Rule 404(c), additional series of options of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying stock moves more than five strike prices from the initial exercise price or prices. Pursuant to Exchange Rule 404(e), new series of options on an individual stock may be added until the beginning of the month in which the options contract will expire. Due to unusual market conditions, the Exchange, in its discretion, may add a new series of options on an individual stock until the close of trading on the business day prior to expiration.

¹⁰ See Exchange Rule 404, Interpretations and Policies .02.

¹¹ See Exchange Rule 404, Interpretations and Policies .13.

¹² See Exchange Rule 404, Interpretations and Policies .03.

¹³ See Exchange Rule 404(d).

the Short Term Option Series Program, the strike price intervals for the related non-Short Term Option (“Related non-Short Term Option”) shall be the same as the strike price intervals for the Short Term Option.¹⁴ Specifically, the Exchange may open for trading Short Term Option Series at strike price intervals of (i) \$0.50 or greater where the strike price is less than \$100, and \$1 or greater where the strike price is between \$100 and \$150 for all option classes that participate in the Short Term Options Series Program; (ii) \$0.50 for option classes that trade in one dollar increments and are in the Short Term Option Series Program; or (iii) \$2.50 or greater where the strike price is above \$150.¹⁵ Additionally, the Exchange may list series of options pursuant to the \$1 Strike Price Interval Program,¹⁶ the \$0.50 Strike Program,¹⁷ and the \$2.50 Strike Price Program.¹⁸ Pursuant to Exchange Rule 510, where the price of a series of options on a Commodity-Based Trust Share is less than \$3.00, the minimum increment will be \$0.05, and where the price is \$3.00 or higher, the minimum increment will be \$0.10¹⁹ consistent with the minimum increments for options on other ETFs listed on the Exchange. Any and all new series of a Commodity-Based Trust Share options that the Exchange lists will be consistent and comply with the expirations, strike prices, and minimum increments set forth in Rules 404 and 510, as applicable.

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

¹⁴ See Exchange Rule 404, Interpretations and Policies .02(e).

¹⁵ Id.

¹⁶ See Exchange Rule 404, Interpretations and Policies .01.

¹⁷ See Exchange Rule 404, Interpretations and Policies .04.

¹⁸ See Exchange Rule 404(f).

¹⁹ See Exchange Rule 510.

criteria, expirations, exercise prices, minimum increments, position and exercise limits, margin requirements, customer accounts and trading halt procedures would apply to the listing and trading of options on a Commodity-Based Trust Share on the Exchange in the same manner as they apply to other options on all other ETFs that are listed and traded on the Exchange.

Position and exercise limits for options on ETFs, including options on a Commodity-Based Trust Share, are determined pursuant to the Exchange's affiliate MIAX Rules 307 and 309, respectively. Position and exercise limits for ETF options vary according to the number of outstanding shares and the trading volumes of the underlying ETF over the past six months, where the largest in capitalization and the most frequently traded ETFs have an option position and exercise limits of 250,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market; and smaller capitalization ETFs 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. The Exchange further notes that the Exchange's affiliate MIAX Rule 1502, which governs margin requirements applicable to trading on the Exchange, including options on ETFs, will also apply to the trading on a Commodity-Based Trust Share options.

The Exchange represents that the same surveillance procedures applicable to all other options on other ETFs currently listed and traded on the Exchange will apply to options on a Commodity Based Trust Share that it applies to the Exchange's other options products.²⁰ The Exchange believes that its existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might potentially arise from listing and trading options on ETFs, including any options on a Commodity-Based Trust Share. Additionally, the

²⁰ The surveillance program includes real-time patterns for price and volume movements and post-trade surveillance patterns (e.g., spoofing, marking the close, pinging, phishing).

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. In addition, the Exchange has a Regulatory Services Agreement with the Financial Industry Regulatory Authority (“FINRA”). Pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate regulatory responsibilities to FINRA to conduct certain options-related market surveillance that are common to rules of all options exchanges.²¹ Also, the Exchange may obtain information from CME Group Inc.’s designated contract markets that are members of the ISG related to a financial instrument that is based, in whole or in part, upon an interest in or performance of a commodity, as applicable. Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on Commodity-Based Fund Shares.

The Exchange has also analyzed its capacity and represents that it believes the Exchange 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. The Exchange believes any additional traffic generated from the trading of

²¹ Section 19(g)(1) of the Act, among other things, requires every 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.

options on Commodity-Based Trust Shares would be manageable. The Exchange represents that Exchange members will not have a capacity issue as a result of this proposed rule change.

Further, quotation and last sale information for Commodity-Based Trust Shares is available via the Consolidated Tape Association (“CTA”) high speed line. Quotation and last sale information for such securities is also available from the exchange on which such securities are listed. Quotation and last sale information for options on Commodity-Based Trust Shares will be available via OPRA and major market data vendors.

The Exchange notes that the Commission has previously approved generic listing standards pursuant to Rule 19b-4(e) of the Act²² for ETFs based on indexes that consist of stocks listed on U.S. exchanges.²³ In addition, the Commission has previously approved proposals for the listing and trading of options on ETFs based on international indexes as well as global indexes (e.g., based on non-U.S. and U.S. component stocks).²⁴

In approving Commodity-Based Trust Shares for equities exchange trading, the Commission thoroughly considered the structure of the Commodity-Based Trust Shares, their usefulness to investors and to the markets, and self-regulatory organization rules that govern their trading. The Exchange believes that allowing the listing of options overlying Commodity-Based Trust Shares that are listed pursuant to Commission approval on equities exchanges and

²² 17 CFR 240.19b-4(e).

²³ See Securities Exchange Act Release No. 54739 (November 9, 2006), 71 FR 66993 (November 17, 2006) (SR-AMEX-2006-78) (approval order relating to generic listing standards for ETFs based on international or global indexes).

²⁴ See, e.g., Securities Exchange Act Release Nos. 56778 (November 9, 2007), 72 FR 65113 (November 19, 2007) (SR-AMEX-2007-100) (approval order to list and trade options on iShares MSCI Mexico Index Fund); and 55648 (April 19, 2007), 72 FR 20902 (April 26, 2007) (SR-AMEX-2007-09) (approval order to list and trade options on Vanguard Emerging Markets ETF); see also Securities Exchange Act Release Nos. 50189 (August 12, 2004), 69 FR 51723 (August 20, 2004) (SR-AMEX-2001-05) (approving the listing and trading of certain Vanguard International Equity Index Funds); and 44700 (August 14, 2001), 66 FR 43927 (August 21, 2001) (SR-2001-34) (approving the listing and trading of series of the iShares Trust based on foreign stock indexes).

applying Rule 19b-4(e)²⁵ should fulfill the intended objective of that rule by allowing options on those Commodity-Based Trust Shares that have satisfied the generic listing standards to commence trading, without the need for the public comment period and Commission approval. The proposed rule change has the potential to significantly reduce the time and costs associated with bringing options on Commodity-Based Trust Shares to market, thereby reducing the burden on issuers and other market participants, while also promoting competition among options exchanges, to the benefit of the investing public. The failure of a particular Commodity-Based Trust Share to comply with the generic listing standards under Rule 19b-4(e)²⁶ would not, however, preclude the Exchange from submitting a separate filing pursuant to Section 19(b)(2)²⁷ requesting Commission approval to list and trade options on a particular Commodity-Based Trust Share.

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.²⁸ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²⁹ 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

²⁵ 17 CFR 240.19b-4(e).

²⁶ Id.

²⁷ 15 U.S.C. 78s(b)(2).

²⁸ 15 U.S.C. 78f(b).

²⁹ 15 U.S.C. 78f(b)(5).

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)³⁰ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that the proposal will remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors because it would allow the Exchange to immediately list and trade options on any Commodity-Based Trust Share, provided the initial listing criteria has been met, without any additional approvals from the Commission.³¹ Commodity-Based Trust Shares are securities approved for trading by the Commission. The Exchange believes that with this proposal it will be able to offer options on a Commodity-Based Trust Share soon after the listing of such underlying security in the primary market, provided the initial listing criteria has been met, thereby availing market participants of the opportunity to hedge their positions in the ETF in a timely manner. Given the potential to reduce the time to market for options on Commodity-Based Trust Shares, the proposed rule change will also reduce the burdens on issuers and other market participants, while also promoting competition among options exchanges to the benefit of the investing public. This proposal would permit options on Commodity-Based Trust Shares to be listed on the Exchange in the same manner as all other securities that are subject to the current listing criteria in Exchange Rule 402. The Exchange notes that the majority of ETFs are able to list and trade

³⁰ Id.

³¹ As noted herein, the Exchange believes this proposal is consistent with the OCC's determination that, based on a staff advisory from the CFTC, the "it no longer needs to seek product-by-product exemptive relief from the CFTC to clear spot commodity-based ETF products." See supra note 5.

options once the initial listing criteria have been met without the need for additional approvals. The proposed rule change would allow options on a Commodity-Based Trust Share to likewise list and trade options once the initial listing criteria have been met without the need for additional approvals. Accordingly, the proposed rule change would align the treatment of Commodity-Based Trust Shares with other ETFs for purposes of options trading, which would add internal consistency to Exchange rules.

The Exchange believes that the proposed rule change will facilitate the listing and trading of options on additional ETFs that will enhance competition among market participants, to the benefit of investors and the marketplace. Like options on any other securities, options on Commodity-Based Trust Shares provides investors with the ability to hedge exposure to the underlying security similar to options on any other securities. Options on Commodity-Based Trust Shares benefits investors, similar to the listing of any other option on an ETF, by providing investors with a relatively lower-cost risk management tool, to manage their positions and associated risk in their portfolios more easily in connection with exposure to the price of a commodity. Additionally, options on a Commodity-Based Trust Share provide investors with the ability to transact in such options in a listed market environment as opposed to in the unregulated OTC options market, which increases market transparency and enhances the process of price discovery conducted on the Exchange through increased order flow to the benefit of all investors.

The Exchange also notes that it already lists options on other commodity based ETFs,³² which, as described above, are trusts structured as Commodity-Based Trust Shares. The Exchange has not identified any issues with the continued listing and trading of options on Commodity-Based Trust Shares it currently lists for trading.

³² See Exchange Rule 402(i)(4).

The Exchange also believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system, because it is consistent with current Exchange Rules, previously filed with the Commission. Options on a Commodity-Based Trust Share must satisfy the initial listing standards and continued listing standards currently in the Exchange Rules applicable to options on all ETFs, including ETFs that hold other commodities already deemed appropriate for options trading on the Exchange.³³ Options on a Commodity-Based Trust Share would trade in the same manner as any other ETF options — the same Exchange Rules that currently govern the listing and trading of all ETF options, including permissible expirations, strike prices and minimum increments, and applicable position and exercise limits and margin requirements, will govern the listing and trading of options on a Commodity-Based Trust Share in the same manner.

The Exchange believes the proposed rule change will result in increased competition as other exchanges will likely adopt an identical rule to the one proposed by the Exchange that would allow the listing and trading of options on Commodity-Based Trust Shares that are approved for trading on those other markets.³⁴ Multiple listing of ETFs, options and other securities and competition are some of the central features of the national market system. The Exchange believes that the proposal would encourage a more open market and national market system based on competition and multiple listing. The Exchange represents that it has the necessary systems capacity to support the listing and trading of options on Commodity-Based Trust Shares as the Exchange lists these products today, except that it requires additional approvals prior to listing.

³³ Id.

³⁴ See supra note 4.

The Exchange represents that it has the necessary systems capacity to support the listing and trading of options on Commodity-Based Trust Share as the Exchange lists these products today, expect that it requires additional approvals prior to listing. The Exchange believes that its existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might arise from listing and trading of these ETF options.

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. In this regard and as indicated above, the Exchange notes that the rule change is being proposed as a competitive response to the filings submitted by ISE, NYSE American, NYSE Arca, and Cboe.³⁵

The Exchange believes that the proposal is pro-competitive and is a competitive response to the Exchange's inability to list options on Commodity-Based Trust Shares without the need for additional approvals. The Exchange believes the proposed rule change will result in additional investment options and opportunities to achieve the investment objectives of market participants seeking efficient trading and hedging vehicles, to the benefit of investors, market participants, and the marketplace in general. Competition is one of the principal features of the national market system. The Exchange believes that this proposal will expand competitive opportunities to list and trade products on the Exchange as noted.

The Exchange does not believe the proposal will impose any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act because Commodity-Based Trust Shares, like any other ETF, would have to satisfy the Exchange's initial listing standards to be eligible for options trading. Additionally, the proposed rule change would

³⁵ See supra note 4.

apply to all market participants in the same manner as options on Commodity-Based Trust Shares will be equally available to all market participants who wish to trade such options.

The Exchange does not believe the proposal will impose any burden on inter-market competition that is not necessary or appropriate in furtherance of the purposes of the Act, as nothing prevents the other options exchanges from proposing similar rules to list and trade options on Commodity-Based Trust Shares. As noted herein, ISE, NYSE American, NYSE Arca, and Cboe have submitted a proposal to adopt an identical rule to allow ISE, NYSE American, NYSE Arca, and Cboe list and trade options on Commodity-Based Trust Shares without the need for additional approvals.³⁶

Furthermore, the Exchange notes that listing and trading options on a Commodity-Based Trust Share on the Exchange will subject such options to transparent exchange-based rules as well as price discovery and liquidity, as opposed to alternatively trading such options in the OTC market. The Exchange believes that the proposed rule change may relieve any burden on, or otherwise promote, competition as it is designed to increase competition for order flow on the Exchange in a manner that is beneficial to investors by providing them with a lower-cost option to hedge their investment portfolios in a timely manner.

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

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

The Exchange does not consent at this time to an extension of any time period for Commission action.

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

³⁶ See *supra* note 4.

Effectiveness Pursuant to Section 19(b)(2)

Not applicable.

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

The proposed rule change is substantively similar to the proposals by ISE, NYSE American, NYSE Arca, and Cboe.³⁷

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

Not applicable.

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

Not applicable.

11. Exhibits

1. Notice of proposed rule for publication in the Federal Register.
5. Text of proposed rule change.

³⁷

Id.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-SAPPHIRE-2025-12)

March ____, 2025

Self-Regulatory Organizations: Notice of Filing of a Proposed Rule Change by MIAX Sapphire, LLC to Amend Exchange Rule 402, Criteria for Underlying Securities, to List and Trade Options on Commodity-Based Trust Shares

Pursuant to the provisions of 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 March ____, 2025, MIAX Sapphire, LLC (“MIAX Sapphire” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a 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

The Exchange proposes to amend Exchange Rule 402, Criteria for Underlying Securities, to list and trade options on Commodity-Based Trust Shares.

The text of the proposed rule change is available on the Exchange’s website at <https://www.miaxglobal.com/markets/us-options/miax-sapphire/rule-filings>, at the Exchange’s principal office, 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, 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 Exchange Rule 402, Criteria for Underlying Securities,³ to allow the listing and trading of options on units that represent interests in a trust that in a Commodity-Based Trust. This is a competitive filing substantively identical to proposals submitted by Nasdaq ISE, LLC (“ISE”), NYSE American, LLC (“NYSE American”), NYSE Arca Inc. (“NYSE Arca”) and Cboe Exchange, Inc. (“Cboe”), which are currently pending with the Securities and Exchange Commission (the “Commission”).⁴

The Exchange proposes to allow the listing and trading of options on units that represent interests in a trust that in a Commodity-Based Trust. A Commodity-Based Trust is defined at The Nasdaq Stock Market LLC Rule 5711(d)(iv), NYSE Arca Rule 8.201(c), and Cboe BZX Exchange, Inc. 14.11(e)(4) as a security that is issued by a trust that holds (i) a specified commodity deposited with the Trust, or (ii) 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”).

³ The Exchange notes that its affiliate options exchanges, Miami International Securities Exchange, LLC (“MIAX”) and MIAX Pearl, LLC (“MIAX Pearl”), submitted (or will submit) substantively similar proposals. The Exchange notes that the rules of Chapter IV of MIAX, including Exchange Rule 402, are incorporated by reference into the MIAX Emerald, LLC (“MIAX Emerald”) rulebook.

⁴ See Securities Exchange Act Release No. 102465 (February 20, 2025) (SR-ISE-2025-08); SRNYSEArca-2025-16 (February 24, 2025); and SR-NYSEAmerican-2025-07 (February 24, 2025).

The Exchange proposes to amend Exchange Rule 402(i) to provide that

- (i) Securities deemed appropriate for options trading shall include shares or other securities (“Exchange-Traded Fund Shares”) that are traded on a national securities exchange and are defined as an “NMS stock” under Rule 600 of Regulation NMS, and that... or (4) represent interests in (i) a security issued by a trust that holds (A) a specified commodity deposited with the trust, or (B) a specified commodity and, in addition to such specified commodity, cash; (ii) 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 (iii) 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”).

The Exchange proposes to insert this rule text and remove references to the SPDR® Gold Trust, the iShares COMEX Gold Trust, the iShares Silver Trust, the Aberdeen Standard Silver ETF Trust, the Aberdeen Standard Physical Gold Trust, the Aberdeen Standard Palladium ETF Trust, the Aberdeen Standard Platinum ETF Trust, the Goldman Sachs Physical Gold ETF, the Sprott Physical Gold Trust, the iShares Bitcoin Trust, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust, the Bitwise Bitcoin ETF, the Fidelity Wise Origin Bitcoin Fund, and the ARK 21 Shares Bitcoin ETF which are all Commodity-Based Trust Shares. As a result of this proposed rule change, the Exchange’s listing criteria would allow any ETF approved to list on a primary equities market as a Commodity-Based Trust Share to qualify as an underlying for options traded on the Exchange, provided other listing criteria have been met.⁵

⁵ The Exchange believes this proposal is consistent with the Options Clearing Corporation (“OCC”) recent amendment of “Fund Share” (which covers ETFs), as defined in OCC’s By-Laws (including the Interpretation and Policy), to remove references to specific precious metal commodity-based ETFs as “no longer relevant or necessary.” See Securities Exchange Act Release No. 102018 (December 20, 2024), 89 FR 106660 (December 30, 2024) (SR-OCC-2024-018). The impetus for this rule change was the staff advisory issued by the Commodity Futures Trading Commission (“CFTC”) that deemed it “‘substantially likely’ that spot commodity ETF shares would be held to be securities” which, in turn, resulted in the OCC’s determination that “it no longer needs to seek product-by-product exemptive relief from the CFTC

The Exchange's initial listing standards as set forth in Exchange Rule 402(a) for Exchange Traded Fund Shares ("ETFs") on which options may be listed and traded on the Exchange, will continue to apply. Pursuant to Exchange Rule 402(a), a security (which includes ETFs) on which options may be listed and traded on the Exchange must be a security registered (with the Commission) and be an NMS stock (as defined in Rule 600 of Regulation NMS under the Act), and be characterized by a substantial number of outstanding shares that are widely held and actively traded.⁶ Additionally, Exchange Rule 402(i)(5)(i) requires that the ETFs must either (1) meet the criteria and standards set forth in Exchange Rule 402(a) or 402(b),⁷ or (2) be available for creation or redemption each business day from or through the issuer in cash or in kind at a price related to net asset value, and the issuer must be obligated to issue ETFs in a specified aggregate number even if some or all of the investment assets required to be deposited have not been received by the issuer, subject to the condition that the person obligated to deposit the investments has undertaken to deliver the investment assets as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the issuer, as provided in the respective prospectus.

Additionally, a Commodity-Based Trust Share will also be subject to the Exchange's continued listing standards for options on ETFs set forth in Exchange Rule 403(g) for ETFs deemed appropriate for options trading pursuant to Exchange Rule 402(i). Specifically, options approved for trading pursuant to Exchange Rule 402(i) will not be deemed to meet the

to clear spot commodity-based ETF products, including precious metals commodity-based ETFs." See id. at 106661; see also CFTC Staff Advisory Relating to the Clearing of Options on Spot Commodity Exchange Traded Funds (ETFs), Letter No. 24-16 (Nov. 15, 2024), available at <https://www.cftc.gov/csl/24-16/download>.

⁶ The criteria and guidelines for a security to be considered widely held and actively traded are set forth in Exchange Rule 402(b).

⁷ Subparagraphs (a) and (b) of Exchange Rule 402 provide for guidelines to be used by the Exchange when evaluating potential underlying securities for Exchange option transactions.

requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts of the class covering such ETFs if the ETFs are delisted from trading as provided in Exchange rule 403(b)(4) or the ETFs are halted or suspended from trading on their primary market. Additionally, options on ETFs may be subject to the suspension of opening transactions in any of the following circumstances:

- (1) in the case of options covering ETFs approved for trading under Exchange Rule 402(i)(5)(i)(A), in accordance with the terms of paragraphs (b)(1), (2), and (3) of Exchange Rule 403;
- (2) in the case of options covering ETFs approved for trading under Exchange Rule 402(i)(5)(i)(B), following the initial twelve-month period beginning upon the commencement of trading in the ETFs on a national securities exchange and are defined as an NMS stock, there are fewer than 50 record and/or beneficial holders of such ETFs for 30 or more consecutive trading days;
- (3) the value of the index or portfolio of securities, non-U.S. currency, or portfolio of commodities including commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or financial instruments and money market instruments on which the ETFs are based is no longer calculated or available; or
- (4) such other event shall occur or condition exist that in the opinion of the Exchange makes further dealing in such options on the Exchange inadvisable.

The Exchange notes that ETFs that hold financial instruments, money market instruments, precious metal commodities, or cryptocurrencies that are deemed commodities on which the Exchange may already list and trade options pursuant to Exchange Rule 402(i) are trusts structured in substantially the same manner as options on a Commodity Based Trust Share and essentially offer the same objectives and benefits to investors, just with respect to different assets. The Exchange notes that it has not identified any issues with the continued listing and trading of any ETF options, including ETFs that hold commodities (e.g., precious metals, cryptocurrencies) that it currently lists and trades on the Exchange.

Options on a Commodity-Based Fund Share will be physically settled contracts with

American-style exercise.⁸ Consistent with Exchange Rule 404, which governs the opening of options series on a specific underlying security (including ETFs), the Exchange will open at least one expiration month for options on a Commodity-Based Trust Share⁹ and may also list series of options on Commodity-Based Trust Share for trading on a weekly,¹⁰ monthly,¹¹ or quarterly¹² basis. The Exchange may also list long-term equity option series (“LEAPS”) that expire from 12 to 39 months from the time they are listed.¹³

Pursuant to Exchange Rule 404, Interpretations and Policies.06, which governs strike prices of series of options on ETFs, the interval between strike prices of series of options on ETFs approved for options trading pursuant to Exchange Rule 402(i) shall be fixed at a price per share which is reasonably close to the price per share at which the underlying security is traded in the primary market at or about the same time such series of options is first open for trading on the Exchange, or at such intervals as may have been established on another options exchange prior to the initiation of trading on the Exchange. With respect to the Short Term Options Series

⁸ See Exchange Rule 401, which provides that the rights and obligations of holders and writers are set forth in the Rules of the Options Clearing Corporation (“OCC”); see also OCC Rules, Chapters VIII (which governs exercise and assignment) and Chapter IX (which governs the discharge of delivery and payment obligations arising out of the exercise of physically settled stock option contracts).

⁹ See Exchange Rule 404(b). The monthly expirations are subject to certain listing criteria for underlying securities described within Exchange Rule 404 and its Interpretations and Policies. Monthly listings expire the third Friday of the month. The term “expiration date” (unless separately defined elsewhere in the OCC By-Laws), when used in respect of an option contract (subject to certain exceptions), means the third Friday of the expiration month of such option contract, or if such Friday is a day on which the exchange on which such option is listed is not open for business, the preceding day on which such exchange is open for business. See OCC By-Laws Article I, Section 1. Pursuant to Exchange Rule 404(c), additional series of options of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying stock moves more than five strike prices from the initial exercise price or prices. Pursuant to Exchange Rule 404(e), new series of options on an individual stock may be added until the beginning of the month in which the options contract will expire. Due to unusual market conditions, the Exchange, in its discretion, may add a new series of options on an individual stock until the close of trading on the business day prior to expiration.

¹⁰ See Exchange Rule 404, Interpretations and Policies .02.

¹¹ See Exchange Rule 404, Interpretations and Policies .13.

¹² See Exchange Rule 404, Interpretations and Policies .03.

¹³ See Exchange Rule 404(d).

or Weekly Program, during the month prior to expiration of an option class that is selected for the Short Term Option Series Program, the strike price intervals for the related non-Short Term Option (“Related non-Short Term Option”) shall be the same as the strike price intervals for the Short Term Option.¹⁴ Specifically, the Exchange may open for trading Short Term Option Series at strike price intervals of (i) \$0.50 or greater where the strike price is less than \$100, and \$1 or greater where the strike price is between \$100 and \$150 for all option classes that participate in the Short Term Options Series Program; (ii) \$0.50 for option classes that trade in one dollar increments and are in the Short Term Option Series Program; or (iii) \$2.50 or greater where the strike price is above \$150.¹⁵ Additionally, the Exchange may list series of options pursuant to the \$1 Strike Price Interval Program,¹⁶ the \$0.50 Strike Program,¹⁷ and the \$2.50 Strike Price Program.¹⁸ Pursuant to Exchange Rule 510, where the price of a series of options on a Commodity-Based Trust Share is less than \$3.00, the minimum increment will be \$0.05, and where the price is \$3.00 or higher, the minimum increment will be \$0.10¹⁹ consistent with the minimum increments for options on other ETFs listed on the Exchange. Any and all new series of a Commodity-Based Trust Share options that the Exchange lists will be consistent and comply with the expirations, strike prices, and minimum increments set forth in Rules 404 and 510, as applicable.

Options on a Commodity-Based Trust Share will trade in the same manner as options on other ETFs on the Exchange. The Exchange Rules that currently apply to the listing and trading

¹⁴ See Exchange Rule 404, Interpretations and Policies .02(e).

¹⁵ Id.

¹⁶ See Exchange Rule 404, Interpretations and Policies .01.

¹⁷ See Exchange Rule 404, Interpretations and Policies .04.

¹⁸ See Exchange Rule 404(f).

¹⁹ See Exchange Rule 510.

of all options on ETFs on the Exchange, including, for example, Rules that govern listing criteria, expirations, exercise prices, minimum increments, position and exercise limits, margin requirements, customer accounts and trading halt procedures would apply to the listing and trading of options on a Commodity-Based Trust Share on the Exchange in the same manner as they apply to other options on all other ETFs that are listed and traded on the Exchange.

Position and exercise limits for options on ETFs, including options on a Commodity-Based Trust Share, are determined pursuant to the Exchange's affiliate MIAX Rules 307 and 309, respectively. Position and exercise limits for ETF options vary according to the number of outstanding shares and the trading volumes of the underlying ETF over the past six months, where the largest in capitalization and the most frequently traded ETFs have an option position and exercise limits of 250,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market; and smaller capitalization ETFs 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. The Exchange further notes that the Exchange's affiliate MIAX Rule 1502, which governs margin requirements applicable to trading on the Exchange, including options on ETFs, will also apply to the trading on a Commodity-Based Trust Share options.

The Exchange represents that the same surveillance procedures applicable to all other options on other ETFs currently listed and traded on the Exchange will apply to options on a Commodity Based Trust Share that it applies to the Exchange's other options products.²⁰ The Exchange believes that its existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might potentially arise from listing and trading options on ETFs, including any options on a Commodity-Based Trust Share. Additionally, the

²⁰ The surveillance program includes real-time patterns for price and volume movements and post-trade surveillance patterns (e.g., spoofing, marking the close, ping, phishing).

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. In addition, the Exchange has a Regulatory Services Agreement with the Financial Industry Regulatory Authority (“FINRA”). Pursuant to a multi-party 17d-2 joint plan, all options exchanges allocate regulatory responsibilities to FINRA to conduct certain options-related market surveillance that are common to rules of all options exchanges.²¹ Also, the Exchange may obtain information from CME Group Inc.’s designated contract markets that are members of the ISG related to a financial instrument that is based, in whole or in part, upon an interest in or performance of a commodity, as applicable. Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on Commodity-Based Fund Shares.

The Exchange has also analyzed its capacity and represents that it believes the Exchange 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. The Exchange believes any additional traffic generated from the trading of options on Commodity-Based Trust Shares would be manageable. The Exchange represents that Exchange members will not have a capacity issue as a result of this proposed rule change.

²¹ Section 19(g)(1) of the Act, among other things, requires every 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.

Further, quotation and last sale information for Commodity-Based Trust Shares is available via the Consolidated Tape Association (“CTA”) high speed line. Quotation and last sale information for such securities is also available from the exchange on which such securities are listed. Quotation and last sale information for options on Commodity-Based Trust Shares will be available via OPRA and major market data vendors.

The Exchange notes that the Commission has previously approved generic listing standards pursuant to Rule 19b-4(e) of the Act²² for ETFs based on indexes that consist of stocks listed on U.S. exchanges.²³ In addition, the Commission has previously approved proposals for the listing and trading of options on ETFs based on international indexes as well as global indexes (e.g., based on non-U.S. and U.S. component stocks).²⁴

In approving Commodity-Based Trust Shares for equities exchange trading, the Commission thoroughly considered the structure of the Commodity-Based Trust Shares, their usefulness to investors and to the markets, and self-regulatory organization rules that govern their trading. The Exchange believes that allowing the listing of options overlying Commodity-Based Trust Shares that are listed pursuant to Commission approval on equities exchanges and applying Rule 19b-4(e)²⁵ should fulfill the intended objective of that rule by allowing options on those Commodity-Based Trust Shares that have satisfied the generic listing standards to

²² 17 CFR 240.19b-4(e).

²³ See Securities Exchange Act Release No. 54739 (November 9, 2006), 71 FR 66993 (November 17, 2006) (SR-AMEX-2006-78) (approval order relating to generic listing standards for ETFs based on international or global indexes).

²⁴ See, e.g., Securities Exchange Act Release Nos. 56778 (November 9, 2007), 72 FR 65113 (November 19, 2007) (SR-AMEX-2007-100) (approval order to list and trade options on iShares MSCI Mexico Index Fund); and 55648 (April 19, 2007), 72 FR 20902 (April 26, 2007) (SR-AMEX-2007-09) (approval order to list and trade options on Vanguard Emerging Markets ETF); see also Securities Exchange Act Release Nos. 50189 (August 12, 2004), 69 FR 51723 (August 20, 2004)(SR-AMEX-2001-05) (approving the listing and trading of certain Vanguard International Equity Index Funds); and 44700 (August 14, 2001), 66 FR 43927 (August 21, 2001) (SR-2001-34)(approving the listing and trading of series of the iShares Trust based on foreign stock indexes).

²⁵ 17 CFR 240.19b-4(e).

commence trading, without the need for the public comment period and Commission approval. The proposed rule change has the potential to significantly reduce the time and costs associated with bringing options on Commodity-Based Trust Shares to market, thereby reducing the burden on issuers and other market participants, while also promoting competition among options exchanges, to the benefit of the investing public. The failure of a particular Commodity-Based Trust Share to comply with the generic listing standards under Rule 19b-4(e)²⁶ would not, however, preclude the Exchange from submitting a separate filing pursuant to Section 19(b)(2)²⁷ requesting Commission approval to list and trade options on a particular Commodity-Based Trust Share.

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.²⁸ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²⁹ 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)³⁰ requirement

²⁶ Id.

²⁷ 15 U.S.C. 78s(b)(2).

²⁸ 15 U.S.C. 78f(b).

²⁹ 15 U.S.C. 78f(b)(5).

³⁰ Id.

that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that the proposal will remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors because it would allow the Exchange to immediately list and trade options on any Commodity-Based Trust Share, provided the initial listing criteria has been met, without any additional approvals from the Commission.³¹ Commodity-Based Trust Shares are securities approved for trading by the Commission. The Exchange believes that with this proposal it will be able to offer options on a Commodity-Based Trust Share soon after the listing of such underlying security in the primary market, provided the initial listing criteria has been met, thereby availing market participants of the opportunity to hedge their positions in the ETF in a timely manner. Given the potential to reduce the time to market for options on Commodity-Based Trust Shares, the proposed rule change will also reduce the burdens on issuers and other market participants, while also promoting competition among options exchanges to the benefit of the investing public. This proposal would permit options on Commodity-Based Trust Shares to be listed on the Exchange in the same manner as all other securities that are subject to the current listing criteria in Exchange Rule 402. The Exchange notes that the majority of ETFs are able to list and trade options once the initial listing criteria have been met without the need for additional approvals. The proposed rule change would allow options on a Commodity-Based Trust Share to likewise list and trade options once the initial listing criteria have been met without the need for additional approvals. Accordingly, the proposed rule change would align the treatment of Commodity-Based Trust Shares with other ETFs for purposes of options trading, which would add internal

³¹ As noted herein, the Exchange believes this proposal is consistent with the OCC's determination that, based on a staff advisory from the CFTC, the "it no longer needs to seek product-by-product exemptive relief from the CFTC to clear spot commodity-based ETF products." See supra note 5.

consistency to Exchange rules.

The Exchange believes that the proposed rule change will facilitate the listing and trading of options on additional ETFs that will enhance competition among market participants, to the benefit of investors and the marketplace. Like options on any other securities, options on Commodity-Based Trust Shares provides investors with the ability to hedge exposure to the underlying security similar to options on any other securities. Options on Commodity-Based Trust Shares benefits investors, similar to the listing of any other option on an ETF, by providing investors with a relatively lower-cost risk management tool, to manage their positions and associated risk in their portfolios more easily in connection with exposure to the price of a commodity. Additionally, options on a Commodity-Based Trust Share provide investors with the ability to transact in such options in a listed market environment as opposed to in the unregulated OTC options market, which increases market transparency and enhances the process of price discovery conducted on the Exchange through increased order flow to the benefit of all investors.

The Exchange also notes that it already lists options on other commodity based ETFs,³² which, as described above, are trusts structured as Commodity-Based Trust Shares. The Exchange has not identified any issues with the continued listing and trading of options on Commodity-Based Trust Shares it currently lists for trading.

The Exchange also believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system, because it is consistent with current Exchange Rules, previously filed with the Commission. Options on a Commodity-Based Trust Share must satisfy the initial listing standards and continued listing standards currently in the Exchange Rules applicable to options on all ETFs, including ETFs that

³² See Exchange Rule 402(i)(4).

hold other commodities already deemed appropriate for options trading on the Exchange.³³ Options on a Commodity-Based Trust Share would trade in the same manner as any other ETF options — the same Exchange Rules that currently govern the listing and trading of all ETF options, including permissible expirations, strike prices and minimum increments, and applicable position and exercise limits and margin requirements, will govern the listing and trading of options on a Commodity-Based Trust Share in the same manner.

The Exchange believes the proposed rule change will result in increased competition as other exchanges will likely adopt an identical rule to the one proposed by the Exchange that would allow the listing and trading of options on Commodity-Based Trust Shares that are approved for trading on those other markets.³⁴ Multiple listing of ETFs, options and other securities and competition are some of the central features of the national market system. The Exchange believes that the proposal would encourage a more open market and national market system based on competition and multiple listing. The Exchange represents that it has the necessary systems capacity to support the listing and trading of options on Commodity-Based Trust Shares as the Exchange lists these products today, except that it requires additional approvals prior to listing.

The Exchange represents that it has the necessary systems capacity to support the listing and trading of options on Commodity-Based Trust Share as the Exchange lists these products today, expect that it requires additional approvals prior to listing. The Exchange believes that its existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might arise from listing and trading of these ETF options.

B. Self-Regulatory Organization's Statement on Burden on Competition

³³ Id.

³⁴ See supra note 4.

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. In this regard and as indicated above, the Exchange notes that the rule change is being proposed as a competitive response to the filings submitted by ISE, NYSE American, NYSE Arca, and Cboe.³⁵

The Exchange believes that the proposal is pro-competitive and is a competitive response to the Exchange's inability to list options on Commodity-Based Trust Shares without the need for additional approvals. The Exchange believes the proposed rule change will result in additional investment options and opportunities to achieve the investment objectives of market participants seeking efficient trading and hedging vehicles, to the benefit of investors, market participants, and the marketplace in general. Competition is one of the principal features of the national market system. The Exchange believes that this proposal will expand competitive opportunities to list and trade products on the Exchange as noted.

The Exchange does not believe the proposal will impose any burden on intra-market competition that is not necessary or appropriate in furtherance of the purposes of the Act because Commodity-Based Trust Shares, like any other ETF, would have to satisfy the Exchange's initial listing standards to be eligible for options trading. Additionally, the proposed rule change would apply to all market participants in the same manner as options on Commodity-Based Trust Shares will be equally available to all market participants who wish to trade such options.

The Exchange does not believe the proposal will impose any burden on inter-market competition that is not necessary or appropriate in furtherance of the purposes of the Act, as nothing prevents the other options exchanges from proposing similar rules to list and trade options on Commodity-Based Trust Shares. As noted herein, ISE, NYSE American, NYSE Arca,

³⁵ See supra note 4.

and Cboe have submitted a proposal to adopt an identical rule to allow ISE, NYSE American, NYSE Arca, and Cboe list and trade options on Commodity-Based Trust Shares without the need for additional approvals.³⁶

Furthermore, the Exchange notes that listing and trading options on a Commodity-Based Trust Share on the Exchange will subject such options to transparent exchange-based rules as well as price discovery and liquidity, as opposed to alternatively trading such options in the OTC market. The Exchange believes that the proposed rule change may relieve any burden on, or otherwise promote, competition as it is designed to increase competition for order flow on the Exchange in a manner that is beneficial to investors by providing them with a lower-cost option to hedge their investment portfolios in a timely manner.

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

Written comments were neither solicited nor received.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission 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

³⁶ See supra note 4.

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-SAPPHIRE-2025-12 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-SAPPHIRE-2025-12. 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 submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change 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 filing 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 number SR-SAPPHIRE-2025-12 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.³⁷

Sherry R. Haywood,

Assistant Secretary.

³⁷ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined;
Deleted text is in [brackets]

MIAX Sapphire Options Exchange Rules

Rule 402. Criteria for Underlying Securities

(a) — (h) No Change.

(i) Securities deemed appropriate for options trading shall include shares or other securities (“Exchange-Traded Fund Shares”) that are traded on a national securities exchange and are defined as an “NMS stock” under Rule 600 of Regulation NMS, and that:

(1) — (3) No Change.

(4) [are issued by the SPDR® Gold Trust, the iShares COMEX Gold Trust, the iShares Silver Trust, the ETFS Silver Trust, the Aberdeen Standard Physical Gold Trust, the ETFS Palladium Trust, the ETFS Platinum Trust, the Sprott Physical Gold Trust, the iShares Bitcoin Trust, the Grayscale Bitcoin Trust, the Grayscale Bitcoin Mini Trust, the Bitwise Bitcoin ETF, the Fidelity Wise Origin Bitcoin Fund, the ARK 21Shares Bitcoin ETF, or the Bitwise Ethereum ETF, the Grayscale Ethereum Trust, and the Grayscale Ethereum Mini Trust] represent interests in (a) a security 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”); or

(5) No change.

(j) — (k) No change.
