

1. Text of the Proposed Rule Change

(a) MEMX LLC (“MEMX” or the “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (the “Commission”) a proposal to amend Rule 19.3 (Criteria for Underlying Securities). The Exchange has designated this proposal as non-controversial pursuant to Section 19(b)(3)(A) of the Act³ and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) thereunder.⁴

A notice of the proposed rule change for publication in the Federal Register is provided as Exhibit 1. The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by Exchange staff pursuant to authority delegated to it by the Board of Directors of the Exchange (the “Board”). Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the proposed rule change.

The persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

Anders Franzon
General Counsel
MEMX LLC
(551) 370-1003

Molly Hartley
Counsel
MEMX LLC
(551) 370-1089

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

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 Rule 19.3 regarding the criteria for underlying securities. Specifically, the Exchange proposes to amend Rule 19.3(i) to allow the Exchange to list and trade options on the Aberdeen Standard Physical Silver Trust (“SIVR”), the Aberdeen Standard Physical Gold Trust (“SGOL”), the Aberdeen Standard Physical Palladium Trust (“PALL”), the Aberdeen Standard Physical Platinum Trust (“PPLT”), the Sprott Physical Gold Trust (“PHYS”), and the Goldman Sachs Physical Gold ETF (“AAAU”) (the “Precious Metal ETFs”) as Fund Shares deemed appropriate for options trading on the Exchange. Rule 19.3(i) provides that securities deemed appropriate for options trading include shares or other securities (“Fund Shares”) that represent certain types of interests,⁵ and Rule 19.3(i)(4), in particular, includes Fund

⁵ Specifically, Rule 19.3(i) states that securities deemed appropriate for options trading shall include shares or other securities (“Fund Shares”), including but not limited to Partnership Units as defined in this Rule, that are principally traded on a national securities exchange and are defined as an “NMS stock” under Rule 600 of Regulation NMS, and that (1) represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities, and that hold portfolios of securities comprising or otherwise based on or representing investments in indexes or portfolios of securities (or that hold securities in one or more other registered investment companies that themselves hold such portfolios of securities) (“Funds”) and/or financial instruments including, but not limited to, stock index futures contracts, options on futures, options on securities and indexes, equity caps, collars and floors, swap agreements, forward contracts, repurchase agreements and reverse repurchase agreements (the “Financial Instruments”), and money market instruments, including, but not limited to, U.S. government securities and repurchase agreements (the “Money Market Instruments”) constituting or otherwise based on or representing an investment in an index or portfolio of securities and/or Financial Instruments and Money Market Instruments, or (2) represent commodity pool interests principally engaged, directly or indirectly, in holding and/or managing portfolios or baskets of securities, commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and /or non-U.S. currency (“Commodity Pool ETFs”) or (3) represent interests in a trust or similar entity that holds a specified non- U.S. currency or currencies deposited with the trust or similar entity when aggregated in some specified minimum number may be surrendered to the trust by the beneficial owner to receive the specified non-U.S. currency or currencies and pays

Shares that represent interest in the SPDR Gold Trust, the iShares COMEX Gold Trust, and the iShares Silver Trust. The proposed rule change expands the Fund Shares under Rule 19.3(i)(4) deemed appropriate for options trading on the Exchange to include the Precious Metal ETFs. This is a competitive filing based on a similar proposal submitted by Cboe EDGX Exchange, Inc. (“EDGX”).⁶

Like the SPDR Gold Trust, iShares COMEX Gold Trust, and the iShares Silver Trust, the Precious Metal ETFs are precious metal-backed commodity ETFs structured as trusts. Specifically, each trust’s investment objective is for its shares to reflect the performance of the price of the applicable precious metal (less the expenses of the trust’s operations), offering investors an opportunity to gain exposure to precious metals without the complexities of physical delivery of the metals. Each trust issues shares, which represent units of fractional undivided beneficial interest in the trust, the assets of which consist principally of the applicable precious metal.⁷ Each Precious Metal ETF is a competitively priced commodity ETF and provides investors with a cost-efficient alternative that allows a level of participation in the gold, silver, palladium, or platinum market, as applicable, through the securities market. Likewise, each Precious Metal ETF trust also issues shares that represent fractional undivided beneficial interest in the

the beneficial owner interest and other distributions on the deposited non-U.S. currency or currencies, if any, declared and paid by the trust (“Currency Trust Shares”), or (4) represent interests in the SPDR Gold Trust or are issued by the iShares COMEX Gold Trust, the iShares Silver Trust, iShares Bitcoin Trust, Fidelity Wise Origin Bitcoin Fund, the ARK 21Shares Bitcoin ETF, Grayscale Bitcoin Trust, Grayscale Bitcoin Mini Trust, or the Bitwise Bitcoin ETF.

⁶ See Securities Exchange Act Release No. 102278 (January 24, 2025), 90 FR 8550 (January 30, 2025) (SRCboeEDGX-2025-004) (Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Allow the Exchange to List Options Certain ETFs that Hold Precious Metals (Including Gold, Silver, Palladium, and Platinum)).

⁷ Each trust may include minimal cash.

respective trust, each of which holds the applicable physical precious metal and is designed to track that precious metal or the performance of the price of that precious metal and offer access to the precious metal market.

The Exchange believes that offering options on the Precious Metal ETFs will benefit investors by providing them with additional, relatively lower cost investing tools to gain exposure to the price of gold, silver, palladium, or platinum, as applicable, and hedging vehicles to meet their investment needs in connection with precious metal-related products and positions. As described above, the precious metal-backed ETFs on which the Exchange may already list and trade options are trusts structured in substantially the same manner as the Precious Metal ETFs and essentially offer the same objectives and benefits to investors. The Exchange notes it has not identified any issues with the continued listing and trading of the precious metal-backed ETF options that it currently lists and trades on the Exchange.

The Precious Metal ETF options will trade in the same manner as any other ETF option on the Exchange. The Exchange Rules that currently apply to the listing and trading of all ETF options on the Exchange, including, for example, Rules that govern listing criteria, expiration and exercise prices, minimum increments, position and exercise limits, margin requirements, customer accounts and trading halt procedures will apply to the listing and trading of options on the Precious Metal ETFs on the Exchange in the same manner as they apply to other options on all other Fund Shares that are listed and traded on the Exchange, including the precious metal-backed ETFs already deemed appropriate for options trading on the Exchange pursuant to Rule 19.3(i)(4).

The Exchange’s initial listing standards for ETFs on which options may be listed and traded on the Exchange will apply to the Precious Metal ETFs. The Exchange notes that each Precious Metal ETF satisfies the initial listing standards as set forth in Rule 19.3(a) and (b). Pursuant to Rule 19.3(a), a security (which includes an ETF) on which options may be listed and traded on the Exchange must be duly registered and be an NMS stock, and be characterized by a substantial number of outstanding shares that are widely held and actively traded. As of December 31, 2024, the 12-month ADV, the market capitalization, and the net asset value (“NAV”) of the shares of each Precious Metal ETF were as follows:

Precious Metal ETF	12-Monday ADV (shares)	Market Capitalization (\$)	NAV (\$)
SIVR	1,024,715	1.46B	28.46
SGOL	3,472,735	3.79B	25.27
PALL	111,790	361M	85.07
PPLT	158,599	1.05B	85.98
PHYS	2,155,974	8.49B	20.85
AAAU	2,320,231	898M	26.17

Pursuant to Rule 19.3(b), an underlying security (which includes a Fund Share) on which options may be listed and traded must have a minimum of 7,000,000 shares of the underlying security owned by persons other than those required to report their stock holdings under Section 16(a) of the Securities and Exchange Act (the “Act”), a minimum of 2,000 holders of the underlying security, and trading volume of at least 2,400,000 shares in the preceding 12 months.⁸ As of December 31, 2024, the outstanding shares and

⁸ Rule 19.3(b) also requires the issuer of the underlying security to be in compliance with any applicable requirements of the Act or rules thereunder and requires the underlying security to meet certain minimum share price requirements.

total 12- month trading volume for the shares of each Precious Metal ETF were as

follows⁹ :

Precious Metal ETF	Outstanding Shares	12-Month Trading Volume (Shares)
SIVR	51.5M	258,228,060
SGOL	150.7M	875,129,339
PALL	4.3M	28,171,185
PPLT	12.2M	39,966,888
PHYS	418.1M	543,305,346
AAAU	34.5M	584,698,096

Pursuant to Rule 19.3(i)(1), Fund Shares must meet either (i) the criteria and standards set forth in Rule 19.3(a) and (b) or (ii) be available for creation or redemption each business day in cash or in kind from the investment company, commodity pool or other entity at a price related to net asset value, and the investment company, commodity pool or other entity is obligated to provide that Fund Shares may be created even if some or all of the securities and/or cash required to be deposited have not been received by the Fund, the unit investment trust or the management investment company, provided the authorized creation participant has undertaken to deliver the securities and/or cash 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 Fund, all as described in the Fund's or unit trust's prospectus. The Exchange represents that, at a minimum, each Precious Metal ETF satisfies Rule 19.3(i)(1)(B).¹⁰

⁹ The number of shareholders is not publicly available for the Precious Metal ETFs; however, given the significant number of outstanding shares and trading volume, it is reasonable to believe the number of shareholders is above 2,000.

¹⁰ See SIVR Prospectus (February 12, 2024, as supplemented August 15, 2024), available at <https://www.abrdn.com/docs?editionId=82b65f8a-4066-4200-b795-43de6f9839d1>; SGOL Prospectus (October 21, 2022, as supplemented August 14, 2024), available at <https://www.abrdn.com/docs?editionId=0430a588-a44d-412c-9b1a-3b5065d7d05d>; PALL

Each Precious Metal ETF will also be subject to the Exchange's continued listing standards set forth in Rule 19.4(g) for Fund Shares deemed appropriate for options trading pursuant to Rule 19.3(i). Specifically, Rule 19.4(g) provides that Fund Shares approved for options trading pursuant to Rule 19.3 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 Fund Shares if the security is delisted from trading as provided in Rule 19.4(b)(4) (i.e., the underlying security ceases to be an "NMS stock" as defined in Rule 600 of Regulation NMS under the Act). In addition, the Exchange shall consider suspension of opening transactions in any series of options of the class covering Fund Shares in any of the following circumstances: in the case of options covering Fund Shares approved pursuant to Rule 19.3(i)(4)(A), in accordance with Rule 19.4(b)(1), (2), and (3); (2) in the case of options covering Fund Shares approved pursuant to Rule 19.3(i)(4)(B), following the initial 12-month period beginning upon the commencement of trading in the Fund Shares on a national securities exchange and are defined as NMS stock under Rule 600 of Regulation NMS, there were fewer than 50 record and/or beneficial holders of such Fund Shares for 30 consecutive days; (3) the value of the index, non-U.S. currency, portfolio of commodities including commodity futures contracts, options on commodity futures contracts, swaps, forward

Prospectus (September 27, 2023, as supplemented August 14, 2024), available at <https://www.abrdn.com/docs?editionId=ed376abe-d762-48f6-a36e-a8c317d6f043>; PPLT Prospectus (January 19, 2024, as supplemented August 14, 2024), available at <https://www.abrdn.com/docs?editionId=1d8e36b9-a949-4d2d-985d-85bbb98ef54b>; PHYS Prospectus (September 6, 2024, as supplemented December 6, 2024), available at <https://sprott.com/media/24rllbzzr/phys-prospectus-supplement-en.pdf>; and AAAU Prospectus (March 25, 2022), available at <https://am.gs.com/enus/individual/funds/detail/PV103623/38150K103/goldman-sachs-physical-gold-etf>.

contracts and/or options on physical commodities and/or Financial Instruments or Money Market Instruments, or portfolio of securities on which the Fund Shares are based is no longer calculated or available; or (4) such other event occurs or condition exists that in the opinion of the Exchange makes further dealing in such options on the Exchange inadvisable.

Precious Metal ETF options will be physically settled contracts with American-style exercise.¹¹ Consistent with Rule 19.5, which governs the opening of options series on a specific underlying security (including ETFs), the Exchange will open at least one expiration month and one series of options on each Precious Metal ETF¹² and may also list series of options on each Precious Metal ETF for trading on weekly,¹³ monthly,¹⁴ or quarterly basis.¹⁵ The Exchange may also list long-term options series that expire from 12 to 39 months from the time they are listed.¹⁶

Pursuant to Rule 19.5, Interpretation and Policy .01, which governs strike prices of series of options on Fund Shares, the interval of strike prices may be \$1 or greater where the strike price is \$200 or less or \$5 or greater where the strike price is over \$200.¹⁷ Additionally, the Exchange may list series of options pursuant to the \$1 Strike

¹¹ See Rule 19.2 (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 IX (which governs the discharge of delivery and payment obligations arising out of the exercise of physically settled stock option contracts).

¹² See Rule 19.5(b) and (e).

¹³ See Rule 19.5, Interpretation and Policy .05.

¹⁴ See Rule 19.5, Interpretation and Policy .08.

¹⁵ See Rule 19.5, Interpretation and Policy .04.

¹⁶ See Rule 19.7.

¹⁷ The Exchange notes that for options listed pursuant to the Short Term Option Series Program, Rule 19.5, Interpretation and Policy .05 sets forth intervals between strike prices for Short Term Option Series.

Price Interval Program,¹⁸ the \$0.50 Strike Program,¹⁹ the \$2.50 Strike Price Program,²⁰ and the \$5 Strike Program.²¹ Pursuant to Rule 21.5, which governs the minimum quoting increment for option contracts traded on the Exchange, the minimum increment for series of Precious Metal ETF options will be \$0.05 if the options series is trading at less than \$3.00 and \$0.10 if the options series is trading at \$3.00 or higher.²² Any and all new series of any Precious Metal ETF option that the Exchange lists will be consistent and comply with the expirations, strike prices and minimum increments set forth in 19.5 and 21.5, as applicable.

Position and exercise limits for options on ETFs, including options the Precious Metal ETFs, will be determined pursuant to Rules 18.7 and 18.9, respectively.²³ The Exchange further notes that Exchange Rule 28.3, which governs margin requirements

¹⁸ See Rule 19.5, Interpretations and Policies .01 and .02.

¹⁹ See Rule 19.5, Interpretation and Policy .06.

²⁰ See Rule 19.5, Interpretation and Policy .03.

²¹ See Rule 19.5(d)(5).

²² If options on a Precious Metal ETF are eligible to participate in the Penny Interval Program, the minimum increment for those options will be \$0.01 if the series is trading below \$3.00 and \$0.05 if the series is trading at \$3.00 or higher. See Rule 21.5(a).

²³ See Regulatory Notice 23-12, available at: <https://info.memxtrading.com/wp-content/uploads/2023/09/RegNotice-23-12-Options-Position-Limits.pdf>, which informed Exchange members of the specific position limits applicable to options trading on MEMX Options, pursuant to Rule 18.7, as those position limits calculated and disseminated by the OCC, published daily and which can be found at: <https://www.theocc.com/market-data/market-data-reports/series-and-trading-data/position-limits>. Certain of the Precious Metal ETF options are already available for trading and are subject to the following position limits: SIVR – 250,000 contracts; SGOL – 250,000 contracts; PALL – 50,000 contracts; PPLT – 75,000 contracts; and AAAU – 250,000 contracts. Given the volume of the remaining Precious Metal ETF, PHYS, over the previous six months, the Exchange anticipates that PHYS will be subject to a 250,000 contract position limit.

applicable to the trading of all options on the Exchange, including options on ETFs, will also apply to the trading of the Precious Metal ETF options.²⁴

The Exchange represents it has an adequate surveillance program in place for options, including precious metal-backed ETF options. The Exchange intends to apply those same program procedures to options on the Precious Metal ETFs that it applies to the Exchange's other options products, including other precious metal-backed ETF options it currently lists for trading.²⁵ The Exchange's surveillance staff will have access to the surveillances conducted by the Exchange's affiliated market, MEMX Equities, with respect to the Precious Metal ETFs and would review activity in the underlying Precious Metal ETFs when conducting surveillances for market abuse or manipulation in the options on the Precious Metal ETFs. 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. In addition to obtaining surveillance data from MEMX Equities, the Exchange would be able to obtain information regarding trading in shares of the Precious Metal ETFs from their primary listing markets and from other markets that trades shares of the Precious Metal ETFs through ISG. In addition, MEMX has a Regulatory Services Agreement with the Financial Industry Regulatory Authority ("FINRA") for certain market surveillance,

²⁴ Pursuant to Rule 28.3, an Options Member is bound by the initial and maintenance margin requirements of either Cboe Options or the New York Stock Exchange ("NYSE") (as they may elect from time to time). As noted below, the rules of certain options exchanges, including Cboe Options and EDGX, authorize each of those exchanges to list for trading certain of the Precious Metal ETF options.

²⁵ 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).

investigation and examinations functions. Pursuant to a multiparty 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.²⁶ Also, the Exchange may obtain information from the CME Group New York Mercantile Exchange, Inc. (“NYMEX”) (a member of the Intermarket Surveillance Group) related to any financial instrument that is based, in whole or in part, upon an interest in or performance of gold, silver, palladium, or platinum (as applicable). The Exchange believes that its existing surveillance procedures are designed to deter and detect possible manipulative behavior which might potentially arise from listing and trading the proposed options on the Precious Metal ETFs. Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on the Precious Metal ETFs.

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 that may result from the introduction of options on the Precious Metal ETFs up to the number of expirations currently permissible under the Rules. Because the proposal is

²⁶ 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.

limited to six classes, the Exchange believes any additional traffic that may be generated from the introduction of Precious Metal ETF options will be manageable.

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.²⁷ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²⁸ 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)²⁹ 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 to list and trade options on the Precious Metal ETFs 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 offering options on the Precious Metal ETFs will provide investors with greater opportunity to realize the benefits of utilizing options on commodity-based ETFs,

²⁷ 15 U.S.C. 78f(b).

²⁸ 15 U.S.C. 78f(b)(5).

²⁹ Id.

including cost efficiencies and increased hedging strategies. The Exchange believes that offering options on competitively priced precious metal-backed commodity ETFs will benefit investors by providing them with an additional, relatively lower cost risk management tool allowing them to more easily manage their positions and associated risk in their portfolios in connection with exposure to the prices of certain precious metals and with precious metal-related products and positions. The Exchange also notes that it already lists options on other precious metal-based ETFs, which, as described above, are trusts structured in substantially the same manner as the Precious Metal ETFs and essentially offer the same objectives and benefits to investors, and for which the Exchange has not identified any issues with the continued listing and trading of the precious metal-backed ETF options 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 the Precious Metal ETFs must satisfy the initial listing standards and continued listing standards currently in the Exchange Rules, applicable to options on all Fund Shares, including other precious metal-backed ETFs already deemed appropriate for options trading on the Exchange. Precious Metal ETF options will trade in the same manner as any other ETF — 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 the Precious Metal ETFs in the same manner. Further, the rules of several other options exchanges authorize those

exchanges to list options on some or all of the Precious Metal ETFs (which rules would have been previously approved and found to be consistent with the Act by the Commission).³⁰

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. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act as each Precious Metal ETF satisfies initial listing standards set forth in the Exchange Rules, and options on each Precious Metal ETF will be equally available to all market participants who wish to trade such options. The Exchange Rules currently applicable to the listing and trading of options on Fund Shares on the Exchange will apply in the same manner to the listing and trading of all options traded on the Precious Metal ETFs. Also, and as stated above, the Exchange already lists options on other precious-metal-based ETFs.

The Exchange does not believe that the proposal to list and trade options on the Precious Metal ETFs will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, because the rules of other exchanges already authorize those exchanges to list options on some or all of the Precious Metal ETFs.³¹ As a result, the Exchange believes that the proposed rule change may relieve any burden on, or otherwise promote, competition as it is designed to

³⁰ See Cboe Options Rule 4.3, Interpretation and Policy .06(a)(4); see also EDGX Rule 19.3(i)(4).

³¹ Id.

increase competition for order flow on the Exchange in a manner that is beneficial to investors by providing them with an alternative venue to trade these options. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues that offer similar products. Ultimately, the Exchange believes that offering the Precious Metal ETFs options for trading on the Exchange will promote competition by providing investors with additional, relatively low-cost means to hedge their portfolios and meet their investment needs in connection with precious metal prices and precious metal-related products and positions on a listed options exchange.

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.

6. Extension of Time Period for Commission Action

Not applicable.

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

The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of Act³² and Rule 19b-4(f)(6)³³ thereunder. The Exchange designates that the proposed rule change effects a change that (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of

³² 15 U.S.C. 78s(b)(3)(A).

³³ 17 CFR 240.19b-4(f)(6).

the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. Additionally, the Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

The Exchange believes the proposed rule change does not significantly affect the protection of investors or the public interest, because offering options on the Precious Metal ETFs will provide investors with greater opportunity to realize the benefits of utilizing options on commodity-based ETFs, including cost efficiencies and increased hedging strategies. The Exchange believes that offering options on competitively priced precious metal-backed commodity ETFs will benefit investors by providing them with an additional, relatively lower cost risk management tool allowing them to more easily manage their positions and associated risk in their portfolios in connection with exposure to the prices of certain precious metals and with precious metal-related products and positions. The Exchange also notes that it already lists options on other precious metal-based ETFs, which, as described above, are trusts structured in substantially the same manner as the Precious Metal ETFs and essentially offer the same objectives and benefits to investors, and for which the Exchange has not identified any issues with the continued listing and trading of the precious metal-backed ETF options it currently lists for trading.

The Exchange believes the proposed rule change will not impose any significant burden on competition, because each Precious Metal ETF satisfies initial listing standards set forth in the Exchange Rules, and options on each Precious Metal ETF will be equally

available to all market participants who wish to trade such options. The Exchange Rules currently applicable to the listing and trading of options on Fund Shares on the Exchange will apply in the same manner to the listing and trading of all options traded on the Precious Metal ETFs. Also, and as stated above, the Exchange already lists options on other precious-metal-based ETFs. Further, the rules of other exchanges already authorize those exchanges to list options on some or all of the Precious Metal ETFs.³⁴ As a result, 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 an alternative venue to trade these options. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues that offer similar products. Ultimately, the Exchange believes that offering the Precious Metal ETFs options for trading on the Exchange will promote competition by providing investors with additional, relatively low-cost means to hedge their portfolios and meet their investment needs in connection with precious metal prices and precious metal-related products and positions on a listed options exchange.

The proposed rule change is not novel or unique, as it is consistent with current Exchange Rules, previously filed with the Commission. Options on the Precious Metal ETFs must satisfy the initial listing standards and continued listing standards currently in the Exchange Rules, applicable to options on all Fund Shares, including other precious metal-backed ETFs already deemed appropriate for options trading on the Exchange. Precious Metal ETF options will trade in the same manner as any other ETF — the same

³⁴ See supra note 30.

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 the Precious Metal ETFs in the same manner. Further, the rules of several other options exchanges authorize those exchanges to list options on some or all of the Precious Metal ETFs (which rules would have been previously approved and found to be consistent with the Act by the Commission).³⁵

The proposed rule change is substantively identical to a proposal by EDGX.³⁶ The Exchange believes that this proposed rule change, which is essential to promote a free and open market for the benefit of investors, does not raise any new, unique or substantive issues from those raised in EDGX's proposal.³⁷

For the foregoing reasons, this rule filing qualifies as a "non-controversial" rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission. At any time within 60 days of the filing of this proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6)

³⁵ See supra note 30.

³⁶ See supra note 6.

³⁷ Id.

becomes effective. As noted above, the proposed rule change is not novel or unique, as the rules of other options exchange permit the listing and trading of options on the Precious Metal ETFs.³⁸ Therefore, waiver of the operative delay is essential for competitive purposes, as it will ensure fair competition among the exchanges by allowing the Exchange to list options on the Precious Metal ETFs at the same time as other options exchanges.

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 proposal by EDGX.³⁹

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

Exhibit 1. Form of Notice of the Proposed Rule Change for Publication in the Federal Register.

Exhibit 5. Text of Proposed Rule Change.

³⁸ See supra note 30.

³⁹ See supra note 6.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-MEMX-2025-07]

[Insert date]

Self-Regulatory Organizations; MEMX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Allow the Exchange to List Options on Certain ETFs that Hold Precious Metals (Including Gold, Silver, Palladium, and Platinum)

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], MEMX LLC (“MEMX” or the “Exchange”) 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 Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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 is filing with the Commission a proposed rule change to amend Rule 19.3, Criteria for Underlying Securities to allow the Exchange to list and trade options on the Aberdeen Standard Physical Silver Trust (“SIVR”), the Aberdeen Standard Physical Gold Trust (“SGOL”), the Aberdeen Standard Physical Palladium Trust

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4.

(“PALL”), the Aberdeen Standard Physical Platinum Trust (“PPLT”), the Sprott Physical Gold Trust (“PHYS”), and the Goldman Sachs Physical Gold ETF (“AAAU”) (the “Precious Metal ETFs”) as Fund Shares deemed appropriate for options trading on the Exchange. The text of the proposed rule change is provided in Exhibit 5 and is available on the Exchange’s website at <https://info.memxtrading.com/regulation/rules-and-filings/>.

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 Rule 19.3 regarding the criteria for underlying securities. Specifically, the Exchange proposes to amend Rule 19.3(i) to allow the Exchange to list and trade options on the Aberdeen Standard Physical Silver Trust (“SIVR”), the Aberdeen Standard Physical Gold Trust (“SGOL”), the Aberdeen Standard Physical Palladium Trust (“PALL”), the Aberdeen Standard Physical Platinum Trust (“PPLT”), the Sprott Physical Gold Trust (“PHYS”), and the Goldman Sachs Physical Gold ETF (“AAAU”) (the “Precious Metal ETFs”) as Fund Shares deemed appropriate for options trading on the Exchange. Rule 19.3(i) provides that securities deemed appropriate for options trading include shares or other securities (“Fund Shares”) that

represent certain types of interests,⁵ and Rule 19.3(i)(4), in particular, includes Fund Shares that represent interest in the SPDR Gold Trust, the iShares COMEX Gold Trust, and the iShares Silver Trust. The proposed rule change expands the Fund Shares under Rule 19.3(i)(4) deemed appropriate for options trading on the Exchange to include the Precious Metal ETFs. This is a competitive filing based on a similar proposal submitted by Cboe EDGX Exchange, Inc. (“EDGX”).⁶

Like the SPDR Gold Trust, iShares COMEX Gold Trust, and the iShares Silver Trust, the Precious Metal ETFs are precious metal-backed commodity ETFs structured as trusts. Specifically, each trust’s investment objective is for its shares to reflect the

⁵ Specifically, Rule 19.3(i) states that securities deemed appropriate for options trading shall include shares or other securities (“Fund Shares”), including but not limited to Partnership Units as defined in this Rule, that are principally traded on a national securities exchange and are defined as an “NMS stock” under Rule 600 of Regulation NMS, and that (1) represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities, and that hold portfolios of securities comprising or otherwise based on or representing investments in indexes or portfolios of securities (or that hold securities in one or more other registered investment companies that themselves hold such portfolios of securities) (“Funds”) and/or financial instruments including, but not limited to, stock index futures contracts, options on futures, options on securities and indexes, equity caps, collars and floors, swap agreements, forward contracts, repurchase agreements and reverse repurchase agreements (the “Financial Instruments”), and money market instruments, including, but not limited to, U.S. government securities and repurchase agreements (the “Money Market Instruments”) constituting or otherwise based on or representing an investment in an index or portfolio of securities and/or Financial Instruments and Money Market Instruments, or (2) represent commodity pool interests principally engaged, directly or indirectly, in holding and/or managing portfolios or baskets of securities, commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or non-U.S. currency (“Commodity Pool ETFs”) or (3) represent interests in a trust or similar entity that holds a specified non-U.S. currency or currencies deposited with the trust or similar entity when aggregated in some specified minimum number may be surrendered to the trust by the beneficial owner to receive the specified non-U.S. currency or currencies and pays the beneficial owner interest and other distributions on the deposited non-U.S. currency or currencies, if any, declared and paid by the trust (“Currency Trust Shares”), or (4) represent interests in the SPDR Gold Trust or are issued by the iShares COMEX Gold Trust, the iShares Silver Trust, iShares Bitcoin Trust, Fidelity Wise Origin Bitcoin Fund, the ARK 21Shares Bitcoin ETF, Grayscale Bitcoin Trust, Grayscale Bitcoin Mini Trust, or the Bitwise Bitcoin ETF.

⁶ See Securities Exchange Act Release No. 102278 (January 24, 2025), 90 FR 8550 (January 30, 2025) (SRCboeEDGX-2025-004) (Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Allow the Exchange to List Options Certain ETFs that Hold Precious Metals (Including Gold, Silver, Palladium, and Platinum)).

performance of the price of the applicable precious metal (less the expenses of the trust's operations), offering investors an opportunity to gain exposure to precious metals without the complexities of physical delivery of the metals. Each trust issues shares, which represent units of fractional undivided beneficial interest in the trust, the assets of which consist principally of the applicable precious metal.⁷ Each Precious Metal ETF is a competitively priced commodity ETF and provides investors with a cost-efficient alternative that allows a level of participation in the gold, silver, palladium, or platinum market, as applicable, through the securities market. Likewise, each Precious Metal ETF trust also issues shares that represent fractional undivided beneficial interest in the respective trust, each of which holds the applicable physical precious metal and is designed to track that precious metal or the performance of the price of that precious metal and offer access to the precious metal market.

The Exchange believes that offering options on the Precious Metal ETFs will benefit investors by providing them with additional, relatively lower cost investing tools to gain exposure to the price of gold, silver, palladium, or platinum, as applicable, and hedging vehicles to meet their investment needs in connection with precious metal-related products and positions. As described above, the precious metal-backed ETFs on which the Exchange may already list and trade options are trusts structured in substantially the same manner as the Precious Metal ETFs and essentially offer the same objectives and benefits to investors. The Exchange notes it has not identified any issues with the continued listing and trading of the precious metal-backed ETF options that it currently lists and trades on the Exchange.

⁷ Each trust may include minimal cash.

The Precious Metal ETF options will trade in the same manner as any other ETF option on the Exchange. The Exchange Rules that currently apply to the listing and trading of all ETF options on the Exchange, including, for example, Rules that govern listing criteria, expiration and exercise prices, minimum increments, position and exercise limits, margin requirements, customer accounts and trading halt procedures will apply to the listing and trading of options on the Precious Metal ETFs on the Exchange in the same manner as they apply to other options on all other Fund Shares that are listed and traded on the Exchange, including the precious metal-backed ETFs already deemed appropriate for options trading on the Exchange pursuant to Rule 19.3(i)(4).

The Exchange's initial listing standards for ETFs on which options may be listed and traded on the Exchange will apply to the Precious Metal ETFs. The Exchange notes that each Precious Metal ETF satisfies the initial listing standards as set forth in Rule 19.3(a) and (b). Pursuant to Rule 19.3(a), a security (which includes an ETF) on which options may be listed and traded on the Exchange must be duly registered and be an NMS stock, and be characterized by a substantial number of outstanding shares that are widely held and actively traded. As of December 31, 2024, the 12-month ADV, the market capitalization, and the net asset value ("NAV") of the shares of each Precious Metal ETF were as follows:

Precious Metal ETF	12-Monday ADV (shares)	Market Capitalization (\$)	NAV (\$)
SIVR	1,024,715	1.46B	28.46
SGOL	3,472,735	3.79B	25.27
PALL	111,790	361M	85.07
PPLT	158,599	1.05B	85.98
PHYS	2,155,974	8.49B	20.85
AAAU	2,320,231	898M	26.17

Pursuant to Rule 19.3(b), an underlying security (which includes a Fund Share) on which options may be listed and traded must have a minimum of 7,000,000 shares of the underlying security owned by persons other than those required to report their stock holdings under Section 16(a) of the Securities and Exchange Act (the “Act”), a minimum of 2,000 holders of the underlying security, and trading volume of at least 2,400,000 shares in the preceding 12 months.⁸ As of December 31, 2024, the outstanding shares and total 12- month trading volume for the shares of each Precious Metal ETF were as follows⁹ :

Precious Metal ETF	Outstanding Shares	12-Month Trading Volume (Shares)
SIVR	51.5M	258,228,060
SGOL	150.7M	875,129,339
PALL	4.3M	28,171,185
PPLT	12.2M	39,966,888
PHYS	418.1M	543,305,346
AAAU	34.5M	584,698,096

Pursuant to Rule 19.3(i)(1), Fund Shares must meet either (i) the criteria and standards set forth in Rule 19.3(a) and (b) or (ii) be available for creation or redemption each business day in cash or in kind from the investment company, commodity pool or other entity at a price related to net asset value, and the investment company, commodity pool or other entity is obligated to provide that Fund Shares may be created even if some or all of the securities and/or cash required to be deposited have not been received by the

⁸ Rule 19.3(b) also requires the issuer of the underlying security to be in compliance with any applicable requirements of the Act or rules thereunder and requires the underlying security to meet certain minimum share price requirements.

⁹ The number of shareholders is not publicly available for the Precious Metal ETFs; however, given the significant number of outstanding shares and trading volume, it is reasonable to believe the number of shareholders is above 2,000.

Fund, the unit investment trust or the management investment company, provided the authorized creation participant has undertaken to deliver the securities and/or cash 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 Fund, all as described in the Fund's or unit trust's prospectus. The Exchange represents that, at a minimum, each Precious Metal ETF satisfies Rule 19.3(i)(1)(B).¹⁰

Each Precious Metal ETF will also be subject to the Exchange's continued listing standards set forth in Rule 19.4(g) for Fund Shares deemed appropriate for options trading pursuant to Rule 19.3(i). Specifically, Rule 19.4(g) provides that Fund Shares approved for options trading pursuant to Rule 19.3 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 Fund Shares if the security is delisted from trading as provided in Rule 19.4(b)(4) (i.e., the underlying security ceases to be an "NMS stock" as defined in Rule 600 of Regulation NMS under the Act). In addition, the Exchange shall consider suspension of opening transactions in any series of options of the class covering Fund Shares in any of the following circumstances: in the case of options covering Fund Shares approved pursuant to Rule 19.3(i)(4)(A), in

¹⁰ See SIVR Prospectus (February 12, 2024, as supplemented August 15, 2024), available at <https://www.abrdn.com/docs?editionId=82b65f8a-4066-4200-b795-43de6f9839d1>; SGOL Prospectus (October 21, 2022, as supplemented August 14, 2024), available at <https://www.abrdn.com/docs?editionId=0430a588-a44d-412c-9b1a-3b5065d7d05d>; PALL Prospectus (September 27, 2023, as supplemented August 14, 2024), available at <https://www.abrdn.com/docs?editionId=ed376abe-d762-48f6-a36e-a8c317d6f043>; PPLT Prospectus (January 19, 2024, as supplemented August 14, 2024), available at <https://www.abrdn.com/docs?editionId=1dbe36b9-a949-4d2d-985d-85bbb98ef54b>; PHYS Prospectus (September 6, 2024, as supplemented December 6, 2024), available at <https://sprott.com/media/24rllbzzr/phys-prospectus-supplement-en.pdf>; and AAAU Prospectus (March 25, 2022), available at <https://am.gs.com/enus/individual/funds/detail/PV103623/38150K103/goldman-sachs-physical-gold-etf>.

accordance with Rule 19.4(b)(1), (2), and (3); (2) in the case of options covering Fund Shares approved pursuant to Rule 19.3(i)(4)(B), following the initial 12-month period beginning upon the commencement of trading in the Fund Shares on a national securities exchange and are defined as NMS stock under Rule 600 of Regulation NMS, there were fewer than 50 record and/or beneficial holders of such Fund Shares for 30 consecutive days; (3) the value of the index, non-U.S. currency, 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 or Money Market Instruments, or portfolio of securities on which the Fund Shares are based is no longer calculated or available; or (4) such other event occurs or condition exists that in the opinion of the Exchange makes further dealing in such options on the Exchange inadvisable.

Precious Metal ETF options will be physically settled contracts with American-style exercise.¹¹ Consistent with Rule 19.5, which governs the opening of options series on a specific underlying security (including ETFs), the Exchange will open at least one expiration month and one series of options on each Precious Metal ETF¹² and may also list series of options on each Precious Metal ETF for trading on weekly,¹³ monthly,¹⁴ or quarterly basis.¹⁵ The Exchange may also list long-term options series that expire from 12

¹¹ See Rule 19.2 (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 IX (which governs the discharge of delivery and payment obligations arising out of the exercise of physically settled stock option contracts).

¹² See Rule 19.5(b) and (e).

¹³ See Rule 19.5, Interpretation and Policy .05.

¹⁴ See Rule 19.5, Interpretation and Policy .08.

¹⁵ See Rule 19.5, Interpretation and Policy .04.

to 39 months from the time they are listed.¹⁶

Pursuant to Rule 19.5, Interpretation and Policy .01, which governs strike prices of series of options on Fund Shares, the interval of strike prices may be \$1 or greater where the strike price is \$200 or less or \$5 or greater where the strike price is over \$200.¹⁷ Additionally, the Exchange may list series of options pursuant to the \$1 Strike Price Interval Program,¹⁸ the \$0.50 Strike Program,¹⁹ the \$2.50 Strike Price Program,²⁰ and the \$5 Strike Program.²¹ Pursuant to Rule 21.5, which governs the minimum quoting increment for option contracts traded on the Exchange, the minimum increment for series of Precious Metal ETF options will be \$0.05 if the options series is trading at less than \$3.00 and \$0.10 if the options series is trading at \$3.00 or higher.²² Any and all new series of any Precious Metal ETF option that the Exchange lists will be consistent and comply with the expirations, strike prices and minimum increments set forth in 19.5 and 21.5, as applicable.

Position and exercise limits for options on ETFs, including options the Precious Metal ETFs, will be determined pursuant to Rules 18.7 and 18.9, respectively.²³ The

¹⁶ See Rule 19.7.

¹⁷ The Exchange notes that for options listed pursuant to the Short Term Option Series Program, Rule 19.5, Interpretation and Policy .05 sets forth intervals between strike prices for Short Term Option Series.

¹⁸ See Rule 19.5, Interpretations and Policies .01 and .02.

¹⁹ See Rule 19.5, Interpretation and Policy .06.

²⁰ See Rule 19.5, Interpretation and Policy .03.

²¹ See Rule 19.5(d)(5).

²² If options on a Precious Metal ETF are eligible to participate in the Penny Interval Program, the minimum increment for those options will be \$0.01 if the series is trading below \$3.00 and \$0.05 if the series is trading at \$3.00 or higher. See Rule 21.5(a).

²³ See Regulatory Notice 23-12, available at: <https://info.memxtrading.com/wp-content/uploads/2023/09/RegNotice-23-12-Options-Position-Limits.pdf>, which informed Exchange members of the specific position limits applicable to options trading on MEMX

Exchange further notes that Exchange Rule 28.3, which governs margin requirements applicable to the trading of all options on the Exchange, including options on ETFs, will also apply to the trading of the Precious Metal ETF options.²⁴

The Exchange represents it has an adequate surveillance program in place for options, including precious metal-backed ETF options. The Exchange intends to apply those same program procedures to options on the Precious Metal ETFs that it applies to the Exchange's other options products, including other precious metal-backed ETF options it currently lists for trading.²⁵ The Exchange's surveillance staff will have access to the surveillances conducted by the Exchange's affiliated market, MEMX Equities, with respect to the Precious Metal ETFs and would review activity in the underlying Precious Metal ETFs when conducting surveillances for market abuse or manipulation in the options on the Precious Metal ETFs. 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. In addition to obtaining surveillance data from MEMX Equities, the Exchange would be able to obtain

Options, pursuant to Rule 18.7, as those position limits calculated and disseminated by the OCC, published daily and which can be found at: <https://www.theocc.com/market-data/market-data-reports/series-and-trading-data/position-limits>. Certain of the Precious Metal ETF options are already available for trading and are subject to the following position limits: SIVR – 250,000 contracts; SGOL – 250,000 contracts; PALL – 50,000 contracts; PPLT – 75,000 contracts; and AAAU – 250,000 contracts. Given the volume of the remaining Precious Metal ETF, PHYS, over the previous six months, the Exchange anticipates that PHYS will be subject to a 250,000 contract position limit.

²⁴ Pursuant to Rule 28.3, an Options Member is bound by the initial and maintenance margin requirements of either Cboe Options or the New York Stock Exchange ("NYSE") (as they may elect from time to time). As noted below, the rules of certain options exchanges, including Cboe Options and EDGX, authorize each of those exchanges to list for trading certain of the Precious Metal ETF options.

²⁵ 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).

information regarding trading in shares of the Precious Metal ETFs from their primary listing markets and from other markets that trades shares of the Precious Metal ETFs through ISG. In addition, MEMX has a Regulatory Services Agreement with the Financial Industry Regulatory Authority (“FINRA”) for certain market surveillance, investigation and examinations functions. Pursuant to a multiparty 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.²⁶ Also, the Exchange may obtain information from the CME Group New York Mercantile Exchange, Inc. (“NYMEX”) (a member of the Intermarket Surveillance Group) related to any financial instrument that is based, in whole or in part, upon an interest in or performance of gold, silver, palladium, or platinum (as applicable). The Exchange believes that its existing surveillance procedures are designed to deter and detect possible manipulative behavior which might potentially arise from listing and trading the proposed options on the Precious Metal ETFs. Further, the Exchange will implement any new surveillance procedures it deems necessary to effectively monitor the trading of options on the Precious Metal ETFs.

The Exchange has also analyzed its capacity and represents that it believes the Exchange and the Options Price Reporting Authority (“OPRA”) have the necessary

²⁶ 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.

systems capacity to handle the additional traffic associated with the listing of new series that may result from the introduction of options on the Precious Metal ETFs up to the number of expirations currently permissible under the Rules. Because the proposal is limited to six classes, the Exchange believes any additional traffic that may be generated from the introduction of Precious Metal ETF options will be manageable.

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.²⁷ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)²⁸ 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)²⁹ 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 to list and trade options on the Precious Metal ETFs will remove impediments to and perfect the mechanism of a free

²⁷ 15 U.S.C. 78f(b).

²⁸ 15 U.S.C. 78f(b)(5).

²⁹ Id.

and open market and a national market system and, in general, protect investors because offering options on the Precious Metal ETFs will provide investors with greater opportunity to realize the benefits of utilizing options on commodity-based ETFs, including cost efficiencies and increased hedging strategies. The Exchange believes that offering options on competitively priced precious metal-backed commodity ETFs will benefit investors by providing them with an additional, relatively lower cost risk management tool allowing them to more easily manage their positions and associated risk in their portfolios in connection with exposure to the prices of certain precious metals and with precious metal-related products and positions. The Exchange also notes that it already lists options on other precious metal-based ETFs, which, as described above, are trusts structured in substantially the same manner as the Precious Metal ETFs and essentially offer the same objectives and benefits to investors, and for which the Exchange has not identified any issues with the continued listing and trading of the precious metal-backed ETF options 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 the Precious Metal ETFs must satisfy the initial listing standards and continued listing standards currently in the Exchange Rules, applicable to options on all Fund Shares, including other precious metal-backed ETFs already deemed appropriate for options trading on the Exchange. Precious Metal ETF options will trade in the same manner as any other ETF — 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 the Precious Metal ETFs in the same manner. Further, the rules of several other options exchanges authorize those exchanges to list options on some or all of the Precious Metal ETFs (which rules would have been previously approved and found to be consistent with the Act by the Commission).³⁰

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. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act as each Precious Metal ETF satisfies initial listing standards set forth in the Exchange Rules, and options on each Precious Metal ETF will be equally available to all market participants who wish to trade such options. The Exchange Rules currently applicable to the listing and trading of options on Fund Shares on the Exchange will apply in the same manner to the listing and trading of all options traded on the Precious Metal ETFs. Also, and as stated above, the Exchange already lists options on other precious-metal-based ETFs.

The Exchange does not believe that the proposal to list and trade options on the Precious Metal ETFs will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, because the rules of other exchanges already authorize those exchanges to list options on some or all of the

³⁰ See Cboe Options Rule 4.3, Interpretation and Policy .06(a)(4); see also EDGX Rule 19.3(i)(4).

Precious Metal ETFs.³¹ As a result, 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 an alternative venue to trade these options. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues that offer similar products. Ultimately, the Exchange believes that offering the Precious Metal ETFs options for trading on the Exchange will promote competition by providing investors with additional, relatively low-cost means to hedge their portfolios and meet their investment needs in connection with precious metal prices and precious metal-related products and positions on a listed options exchange.

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

The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of Act³² and Rule 19b-4(f)(6)³³ thereunder. The Exchange designates that the proposed rule change effects a change that (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the

³¹ Id.

³² 15 U.S.C. 78s(b)(3)(A).

³³ 17 CFR 240.19b-4(f)(6).

protection of investors and the public interest. Additionally, the Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

The Exchange believes the proposed rule change does not significantly affect the protection of investors or the public interest, because offering options on the Precious Metal ETFs will provide investors with greater opportunity to realize the benefits of utilizing options on commodity-based ETFs, including cost efficiencies and increased hedging strategies. The Exchange believes that offering options on competitively priced precious metal-backed commodity ETFs will benefit investors by providing them with an additional, relatively lower cost risk management tool allowing them to more easily manage their positions and associated risk in their portfolios in connection with exposure to the prices of certain precious metals and with precious metal-related products and positions. The Exchange also notes that it already lists options on other precious metal-based ETFs, which, as described above, are trusts structured in substantially the same manner as the Precious Metal ETFs and essentially offer the same objectives and benefits to investors, and for which the Exchange has not identified any issues with the continued listing and trading of the precious metal-backed ETF options it currently lists for trading.

The Exchange believes the proposed rule change will not impose any significant burden on competition, because each Precious Metal ETF satisfies initial listing standards set forth in the Exchange Rules, and options on each Precious Metal ETF will be equally available to all market participants who wish to trade such options. The Exchange Rules

currently applicable to the listing and trading of options on Fund Shares on the Exchange will apply in the same manner to the listing and trading of all options traded on the Precious Metal ETFs. Also, and as stated above, the Exchange already lists options on other precious-metal-based ETFs. Further, the rules of other exchanges already authorize those exchanges to list options on some or all of the Precious Metal ETFs.³⁴ As a result, 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 an alternative venue to trade these options. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues that offer similar products. Ultimately, the Exchange believes that offering the Precious Metal ETFs options for trading on the Exchange will promote competition by providing investors with additional, relatively low-cost means to hedge their portfolios and meet their investment needs in connection with precious metal prices and precious metal-related products and positions on a listed options exchange.

The proposed rule change is not novel or unique, as it is consistent with current Exchange Rules, previously filed with the Commission. Options on the Precious Metal ETFs must satisfy the initial listing standards and continued listing standards currently in the Exchange Rules, applicable to options on all Fund Shares, including other precious metal-backed ETFs already deemed appropriate for options trading on the Exchange. Precious Metal ETF options will trade in the same manner as any other ETF — the same Exchange Rules that currently govern the listing and trading of all ETF options, including

³⁴ See supra note 30.

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 the Precious Metal ETFs in the same manner. Further, the rules of several other options exchanges authorize those exchanges to list options on some or all of the Precious Metal ETFs (which rules would have been previously approved and found to be consistent with the Act by the Commission).³⁵

The proposed rule change is substantively identical to a proposal by EDGX.³⁶ The Exchange believes that this proposed rule change, which is essential to promote a free and open market for the benefit of investors, does not raise any new, unique or substantive issues from those raised in EDGX's proposal.³⁷

For the foregoing reasons, this rule filing qualifies as a "non-controversial" rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission. At any time within 60 days of the filing of this proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. As noted above, the proposed rule change is not novel or unique, as

³⁵ See supra note 30.

³⁶ See supra note 6.

³⁷ Id.

the rules of other options exchange permit the listing and trading of options on the Precious Metal ETFs.³⁸ Therefore, waiver of the operative delay is essential for competitive purposes, as it will ensure fair competition among the exchanges by allowing the Exchange to list options on the Precious Metal ETFs at the same time as other options exchanges.

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-MEMX-2025-07 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-MEMX-2025-07. 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

³⁸ See supra note 30.

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-MEMX-2025-07 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.³⁹

Sherry R. Haywood,

Assistant Secretary.

³⁹ 17 CFR 200.30-3(a)(12).

Exhibit 5

Proposed new language is underlined; Proposed deletions are in [brackets].

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CHAPTER 19. SECURITIES TRADED ON MEMX OPTIONS

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Rule 19.3. Criteria for Underlying Securities

(a) – (h) No change.

(i) Securities deemed appropriate for options trading shall include shares or other securities (“Fund Shares”), including but not limited to Partnership Units as defined in this Rule, that are principally traded on a national securities exchange and are defined as an “NMS stock” under Rule 600 of Regulation NMS, and that (1) represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities, and that hold portfolios of securities comprising or otherwise based on or representing investments in indexes or portfolios of securities (or that hold securities in one or more other registered investment companies that themselves hold such portfolios of securities) (“Funds”) and/or financial instruments including, but not limited to, stock index futures contracts, options on futures, options on securities and indexes, equity caps, collars and floors, swap agreements, forward contracts, repurchase agreements and reverse repurchase agreements (the “Financial Instruments”), and money market instruments, including, but not limited to, U.S. government securities and repurchase agreements (the “Money Market Instruments”) constituting or otherwise based on or representing an investment in an index or portfolio of securities and/or Financial Instruments and Money Market Instruments, or (2) represent commodity pool interests principally engaged, directly or indirectly, in holding and/or managing portfolios or baskets of securities, commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and /or non-U.S. currency (“Commodity Pool ETFs”) or (3) represent interests in a trust or similar entity that holds a specified non-U.S. currency or currencies deposited with the trust or similar entity when aggregated in some specified minimum number may be surrendered to the trust by the beneficial owner to receive the specified non-U.S. currency or currencies and pays the beneficial owner interest and other distributions on the deposited non-U.S. currency or currencies, if any, declared and paid by the trust (“Currency Trust Shares”), or (4) represent interests in the SPDR Gold Trust or are issued by the iShares COMEX Gold Trust, iShares Silver Trust, Aberdeen Standard Physical Silver Trust, Aberdeen Standard Physical Gold Trust, Aberdeen Standard Physical Palladium Trust, Aberdeen Standard Physical Platinum Trust, Sprott Physical Gold Trust, Goldman Sachs Physical Gold ETF, iShares Bitcoin Trust, Fidelity Wise Origin Bitcoin Fund, ARK 21Shares Bitcoin ETF, Grayscale Bitcoin Trust, Grayscale Bitcoin Mini Trust, or Bitwise Bitcoin ETF; provided that all of the following conditions are met:

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