

# FIA PTG

## PRINCIPAL TRADERS GROUP

2001 K Street NW, Suite 725, Washington, DC 20006 | Tel +1 202.466.5460

January 27, 2025

Vanessa Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Re: Nasdaq ISE, LLC; Notice of Filing of Proposed Rule Change to Increase the Position and Exercise Limits for iShares Bitcoin Trust ETF  
(Release No. 34-102065; File No. SR-ISE-2024-62)

Dear Ms. Countryman:

The FIA Principal Traders Group (“FIA PTG”)<sup>1</sup> appreciates the opportunity to submit this letter to the Securities and Exchange Commission (“SEC” or the “Commission”) in response to the above-referenced Nasdaq ISE, LLC (“ISE” or “Exchange”) proposed rule change (the “Proposal”).<sup>2</sup> For the reasons below, FIA PTG supports the proposed increase to the position and exercise limits for options on iShares Bitcoin Trust ETF (“IBIT”) from 25,000 to 250,000 contracts.

FIA PTG members are among the most active providers of liquidity to options markets including IBIT options. Our members believe “that increasing the position (and exercise) limits for IBIT options would lead to a more liquid and competitive market environment for IBIT options, which will benefit customers that trade these options.”<sup>3</sup> Participation in IBIT options may also be stifled if position limits are too low. Position limits must balance concerns regarding mitigating potential manipulation and the cost of inhibiting legitimate hedging activity.<sup>4</sup> Consistent with the data included in the Proposal, we believe “that the current position and exercise limits in IBIT options are restrictive and will hamper the listed options markets from being able to compete fairly and

---

<sup>1</sup> FIA PTG is an association of firms, many of whom are broker-dealers, who trade their own capital on exchanges in futures, options and equities markets worldwide. FIA PTG members engage in manual, automated and hybrid methods of trading, and they are active in a wide variety of asset classes, including equities, fixed income, foreign exchange and commodities. FIA PTG member firms serve as a critical source of liquidity, allowing those who use the markets, including individual investors, to manage their risks and invest effectively. The presence of competitive professional traders contributing to price discovery and the provision of liquidity is a hallmark of well-functioning markets. FIA PTG advocates for open access to markets, transparency and data-driven policy.

<sup>2</sup> See [Nasdaq ISE, LLC; Notice of Filing of Proposed Rule Change to Increase the Position and Exercise Limits for iShares Bitcoin Trust ETF](#).

<sup>3</sup> See Proposal at 12.

<sup>4</sup> See Proposal at 5.

effectively with the over-the-counter (“OTC”) markets.”<sup>5</sup> Finally, we concur with the Exchange that “increasing the position (and exercise) limits for IBIT options may allow Market-Makers to maintain their liquidity in these options in amounts commensurate with the continued high consumer demand in IBIT options market.”<sup>6</sup>

Accordingly, we urge the Commission to approve the rule change proposal. In addition, we urge the Exchange to continue to monitor the growth in this market, which we expect to continue, and to propose additional position limit increases as appropriate.

If you have any questions, please do not hesitate to contact Joanna Mallers at [jmallers@fia.org](mailto:jmallers@fia.org).

Respectfully,

FIA Principal Traders Group



Joanna Mallers  
Secretary

cc: Mark T. Uyeda, Acting Chair  
Hester M. Peirce, Commissioner  
Caroline A. Crenshaw, Commissioner

---

<sup>5</sup> See Proposal at 13.

<sup>6</sup> See Proposal at 15.