

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-91031; File No. SR-NYSEArca-2020-98)

February 1, 2021

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Approving a Proposed Rule Change, as Modified by Amendment No. 1, Regarding the Availability of Information for the iShares Gold Trust, the iShares Silver Trust, and the iShares S&P GSCI Commodity-Indexed Trust

I. Introduction

On November 12, 2020, NYSE Arca, Inc. (“NYSE Arca” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change regarding the availability of information for the iShares Gold Trust, the iShares Silver Trust, and the iShares S&P GSCI Commodity-Indexed Trust (each, “Trust” and collectively, “Trusts”). The proposed rule change was published for comment in the Federal Register on November 23, 2020.³ On January 8, 2021, NYSE Arca filed Amendment No. 1 to the proposed rule change, which replaced the proposed rule change in its entirety.⁴ On December 29, 2020, pursuant to Section 19(b)(2) of the Exchange Act,⁵ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 90443 (November 17, 2020), 85 FR 74778.

⁴ In Amendment No. 1, the Exchange clarified certain of the website disclosure requirements and their origins, provided additional support for certain arguments supporting its proposal, and made technical changes. Because Amendment No. 1 clarified and neither materially altered the substance of the proposed rule change nor raised any unique or novel regulatory issue, Amendment No. 1 is not subject to notice and comment. Amendment No. 1 to the proposed rule change is available at: <https://www.sec.gov/comments/sr-nysearca-2020-98/srnysearca202098-8218328-227679.pdf>.

⁵ 15 U.S.C. 78s(b)(2).

proceedings to determine whether to disapprove the proposed rule change.⁶ The Commission has received no comments on the proposal. This order approves the proposed rule change, as modified by Amendment No. 1.

II. The Exchange's Description of the Proposal, as Modified by Amendment No. 1

The Exchange lists shares (collectively, "Shares") of the iShares Gold Trust (formerly the iShares COMEX Gold Trust), the iShares Silver Trust, and the iShares S&P GSCI Commodity-Indexed Trust. The listing and trading of shares of the iShares Gold Trust and the iShares Silver Trust are subject to NYSE Arca Rule 8.201-E, which governs the listing and trading of Commodity-Based Trust Shares on the Exchange; the listing and trading of shares of the iShares S&P GSCI Commodity-Indexed Trust are subject to NYSE Arca Rule 8.203-E, which governs the listing and trading of Commodity Index Trust Shares on the Exchange. The listing and trading of the Shares by the Exchange also are subject to Exchange representations referenced in various Commission releases.⁷ As discussed further below, the Exchange proposes to amend the

⁶ See Securities Exchange Act Release No. 90816, 86 FR 0353 (January 5, 2021) (designating February 21, 2021 as the date by which the Commission shall approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change).

⁷ See, e.g., Securities Exchange Act Release No. 56041 (July 11, 2007), 72 FR 39114 (July 17, 2007) (SR-NYSEArca-2007-43) (approving the listing and trading of shares of the iShares COMEX Gold Trust) ("NYSE Arca Gold Order"); Securities Exchange Act Release No. 90547 (December 2, 2020), 85 FR 79060 (December 8, 2020) (SR-NYSEArca-2020-99) (notice of certain changes regarding the availability of certain information on the websites of the Trusts) ("NYSE Arca Notice"); Securities Exchange Act Release No. 58956 (November 14, 2008), 73 FR 71074 (November 24, 2008) (SR-NYSEArca-2008-124) (Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change to List Shares of iShares Silver Trust) ("NYSE Arca Silver Order"); and Securities Exchange Act Release No. 56932 (December 7, 2007), 72 FR 71178 (December 14, 2007) (SR-NYSEArca-2007-112) (approving the listing and trading of shares of the iShares S&P GSCI Commodity-Indexed Trust) ("GSCI Order"). The NYSE Arca Gold Order, the Amex Silver Order, the GSCI Order, and the NYSE Arca Notice are referred to collectively as the "Prior Releases."

requirements to disclose certain information on the Trusts' websites as required by the Prior Releases.

Under the Prior Releases, each of the Trusts is required to disseminate on its respective website a calculation of the premium or discount of the midpoint of the respective bid-ask price against NAV and data in chart form displaying the frequency distribution of discounts and premiums of such price against the NAV, within appropriate ranges for each of the four previous calendar quarters. The Exchange proposes to instead require each Trust to disseminate via its website the premium or discount of the Official Closing Price (rather than the midpoint of the respective bid-ask price) against the NAV as of the prior business day, expressed as a percentage of such NAV.⁸ Additionally, each Trust would be required to disseminate a table showing the number of days its shares traded at a premium or discount during the most recently completed calendar year and the most recently completed calendar quarters since that year, as well as a line graph showing the shares' premiums or discounts for the most recently completed calendar year and the most recently completed calendar quarters since that year. Other than these changes to the information disclosed on the Trusts' websites, each of the Trusts would continue to comply with all other representations referenced in the Prior Releases (including the website dissemination of other information) and in NYSE Arca Rules 8.201-E or 8.203-E (as applicable).

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with the Act and the rules and regulations thereunder applicable

⁸ The term "Official Closing Price" is defined in NYSE Arca Rule 1.1(II) as the reference price to determine the closing price in a security for purposes of Rule 7-E Equities Trading, and the procedures for determining the Official Closing Price are set forth in that rule.

to a national securities exchange.⁹ In particular, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(5) of the Act,¹⁰ which requires, among other things, that the Exchange's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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.

The Exchange states that the proposed alternative disclosures would be both more specific and more comprehensive than the manner by which premium or discount information is currently disseminated by the Trusts. By providing the premium and discount information in a table and line graph as opposed to only in chart form, and for the previous calendar year and the most recently completed quarters following such calendar year as opposed to only for the four previous quarters, the Trusts would provide market participants with additional information to assess market pricing of the Shares against their respective NAVs. Additionally, the Exchange states that, by disseminating the premium or discount of the Official Closing Price (rather than the midpoint of the respective bid-ask price) against the NAV as of the prior business day, the Trusts would utilize more up-to-date and reliable pricing information available for the Shares compared to midpoints of the bid-ask prices.

The Commission believes that the proposed alternative disclosures will be at least as useful to market participants as the currently disclosed data with respect to the Shares. Correspondingly, the Commission believes that the proposed alternative disclosures will not negatively impact arbitrage opportunities in the Shares that align the market prices of the Shares

⁹ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁰ 15 U.S.C. 78f(b)(5).

with their NAVs. For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(5) of the Act¹¹ and the rules and regulations thereunder applicable to a national securities exchange.¹²

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,¹³ that the proposed rule change (SR-NYSEArca-2020-98), as modified by Amendment No. 1, be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

J. Matthew DeLesDernier
Assistant Secretary

¹¹ 15 U.S.C. 78f(b)(5).

¹² This approval order is based on all of the Exchange's statements and representations set forth above and in Amendment No. 1 to the proposed rule change.

¹³ 15 U.S.C. 78s(b)(2).

¹⁴ 17 CFR 200.30-3(a)(12).