



June 5, 2013

**Via Electronic Mail (rule-comments@sec.gov)**

Ms. Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090

Re: Comment Letter on Proposed Rule Change Relating to Trading Permit Holder  
Business Continuity Plans (File Number SR-CBOE-2013-045)

Dear Ms. Murphy:

The Securities Industry and Financial Markets Association (SIFMA)<sup>1</sup> appreciates the opportunity to provide the Securities and Exchange Commission (Commission or the SEC) with comments regarding the proposed amendment to Rule 4.3 of the Chicago Board Options Exchange (CBOE) relating to trading permit holder (TPH) business continuity plans.

SIFMA supports the proposed rule's policy goal of ensuring TPHs are prepared in the event of an emergency or other disruption to their business and that, in the event of a disruption, the execution of the TPHs business continuity plans will minimize the impact on the marketplace. However, SIFMA opposes the implementation of the rule in its current form as it would set a precedent of fragmenting standards in an area where there should be common rules, procedures and policies across multiple product sets, systems and markets.

SIFMA believes the proposed rule should be harmonized with existing rules that other exchanges and Self-Regulatory Organizations (SRO) have in place<sup>2</sup> and more specifically, harmonized with FINRA Rule 4370, which SIFMA members view as the de facto standard for business continuity plan requirements. Although this goal of harmonization is clearly stated in the rule proposal,<sup>3</sup> the CBOE's proposed elements and requirements differ from FINRA Rule 4370, with the

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<sup>1</sup> The Securities Industry and Financial Markets Association (SIFMA) brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

<sup>2</sup> See Financial Industry Regulatory Authority Rule (FINRA) Rule 4370 and See Securities Exchange Act Release No. 47638 (Apr. 7, 2003), 68 *Fed. Register* 17809 (Apr. 11, 2003) (Interagency Paper on Sound Practices to Strengthen the Resilience of the U.S. Financial Systems) (Interagency White Paper).

<sup>3</sup> Proposed regulation states, "In addition, other exchanges have similar rules requiring procedures in place for these situations, and, thus, the Exchange believes harmonizing these requirements would protect the marketplace as a whole." *Federal Register*, Vol 78, No. 94 at 28669.

primary difference resting in the subject of testing. Based on SIFMA's experience in coordinating multiple tests and exercises each year for its members and knowledge of the testing that the members currently undertake, SIFMA believes that adding a testing requirement is unnecessary. However, if testing requirements are added, they should be coordinated across Exchanges and SROs to ensure participants realize the maximum benefit.

For SIFMA members who are subject to and comply with FINRA Rule 4370, extending this existing rule to cover TPHs at the CBOE would be a better and more cost effective method of achieving the goals set forth by the CBOE. In addition, having all Exchanges and SROs standardize on a single rule will prevent the proliferation of multiple rules that differ only minimally from each other covering the same topic. It concerns SIFMA members that each exchange may develop and implement their own rules surrounding the topic of business continuity planning as the costs for compliance will increase and the benefits realized to exchanges, customers and the market will be minimal at best.

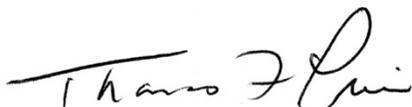
SIFMA suggests that the CBOE, FINRA and Exchanges (as required):

1. coordinate their efforts to develop a single standard covering business continuity planning;
2. have all Exchanges and SROs that are interested in applying requirements surrounding business continuity planning use that single standard;
3. use FINRA Rule 4370 as the current standard for the U.S. securities industry concerning business continuity planning and, if changes are required, to have interested exchanges and self-regulatory organizations build consensus and jointly propose a modification to the standards set forth in FINRA Rule 4370.

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SIFMA greatly appreciated the opportunity to provide the Commission with the foregoing comments and recommendations regarding the Proposal and stands ready to provide any additional information or assistance that the Commission might find useful. Should you have any questions, please do not hesitate to call Tom Price at 212-313-1260.

Sincerely,



Thomas Price  
Managing Director  
Operations, Technology & BCP  
SIFMA

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cc: Hon. Mary Jo White, Chair, Securities and Exchange Commission  
Hon. Elisse B. Walter, Commissioner, Securities and Exchange Commission  
Hon. Luis A. Aguilar, Commissioner, Securities and Exchange Commission  
Hon. Troy A. Paredes, Commissioner, Securities and Exchange Commission  
Hon. Daniel M. Gallagher, Commissioner, Securities and Exchange Commission