

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-76881; File No. SR-CBOE-2015-119)

January 12, 2016

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Fees Schedule

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 December 30, 2015, Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) 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 Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Fees Schedule relating to Continuing Education Fees. The text of the proposed rule change is available on the Exchange’s website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange’s Office of the Secretary, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 the Fees Schedule. Specifically, the Exchange proposes to make changes to the Continuing Education Fees section of the Fees Schedule to delete references to the Series 56 registration and to provide that continuing education (“CE”) fees for all registration categories will be \$100 if conducted at a test center or \$55 if conducted via Web-based delivery. This filing is being submitted pursuant to recent changes to Interpretation and Policy .08 to Rule 3.6A (Qualification and Registration of Trading Permit Holders and Associated Persons) and to Rule 9.3A (Continuing Education for Registered Persons), which provide that effective January 4, 2016, the S501 Series 56 Proprietary Trader CE Program for Series 56 registered persons will cease to exist and that Series 57 registered persons are instead permitted [sic] to enroll in the S101 General Program for Series 7 and all other registered persons, which will be made available via Web-delivery as of that date.³

Pursuant to Rule 9.3A (Continuing Education for Registered Persons), no Trading Permit Holder (“TPH”) or TPH organization shall permit any registered person to continue to, and no registered person shall continue to perform duties as a registered person unless such person has complied with the Exchange’s CE requirements as prescribed under the Rules.⁴ The CE

³ See Securities Exchange Act Release No. 76247 (October 23, 2015), 80 FR 66605 (October 29, 2015) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Qualification and Registration of Trading Permit Holders and Associated Persons) (SR-CBOE-2015-094); Securities Exchange Act Release No. 76107 (October 8, 2015), 80 FR 62139 (October 15, 2015) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Delivery of the Regulatory Element of the Exchange’s Continuing Education Program) (SR-CBOE-2015-084).

⁴ See Rule 9.3A(a) (Regulatory Element).

requirements under Rule 9.3A consist of a Regulatory Element⁵ and a Firm Element.⁶ The Regulatory Element applies to all registered persons⁷ and consists of periodic computer-based training on regulatory, compliance, ethical, and supervisory subjects and sales practice standards, which must be completed within prescribed timeframes.⁸ Currently, the Exchange offers the following Regulatory Elements for Exchange registered persons: the S201 Supervisor Program for registered principals and supervisors; the S106 Series 6 Program for Series 6 registered persons; the S501 Series 56 Proprietary Trader CE Program for Series 56 registered persons, and the S101 General Program for Series 7 and all other registered persons.⁹

The Financial Regulatory Authority (“FINRA”) administers the Exchange’s CE Programs on behalf of the Exchange. On August 6, 2015, the Securities and Exchange

⁵ See id.

⁶ See Rule 9.3A(c) (Firm Element).

⁷ For purposes of the Regulatory Element, a “registered person” means a TPH, associated person, and/or Representative approved by and registered with the Exchange. See Interpretation and Policy .01 to Rule 9.3A.

⁸ Pursuant to Rule 9.3A(a), each registered person shall complete the Regulatory Element of the CE Program beginning with the occurrence of their second registration anniversary date and every three years thereafter, or as otherwise prescribed by the Exchange. On each occasion, the Regulatory Element must be completed within 120 days after the person’s registration anniversary date. A person’s initial registration date, also known as the “base date,” shall establish the cycle of anniversary dates for purposes of the Rule. The content of the Regulatory Element of the Program is determined by the Exchange for each registration category of persons subject to the Rule. In addition, a registered person is required to retake the Regulatory Element in the event that such person: (i) becomes subject to any statutory disqualification as defined in Section 3(a)(39) of the Securities Exchange Act of 1934 (the “Act”); (ii) becomes subject to suspension or to the imposition of a fine of \$5,000 or more for violation of any provision of any securities law or regulation, or any agreement with or rule or standard of conduct of any securities governmental agency, securities self-regulatory organization, or as imposed by any such regulatory or self-regulatory organization in connection with a disciplinary proceeding; or (iii) is ordered as a sanction in a disciplinary action to re-take the Regulatory Element by any securities governmental agency or securities self-regulatory organization. See Rule 9.3A(a)(2) (Disciplinary Actions).

⁹ See Rule 9.3A(a)(3) (Required Programs).

Commission (“Commission” or “SEC”) approved amendments to FINRA Rule 1250 (Continuing Education Requirements) to provide a Web-based delivery method for completing the Regulatory Element of the CE requirements and to establish a fee for Web-based delivery of the Regulatory Element of the CE requirements.¹⁰ Consistent with the changes to FINRA Rule 1250, the Exchange submitted a rule filing to make similar changes to its CE Program requirements on September 30, 2015.¹¹ Accordingly, effective October 1, 2015, the Regulatory Elements of Exchange’s CE Programs for the S106 for Investment Company and Variable Contracts Representatives, the S201 for Registered Principals and Supervisors, and the S901 for Operations Professionals were made available via Web-based delivery pursuant to Rule 9.3A.

In addition to the changes to Rule 9.3A with respect to Web-based delivery of the Regulatory Element of the CE Programs for the S106 for Investment Company and Variable Contracts Representatives, S201 for Registered Principals and Supervisors, and S901 for Operations Professionals, the Exchange also amended Rule 9.3A to remove the option for Series 56 registered persons to participate in the S501 Series 56 Proprietary Trader CE program in order to satisfy the Regulatory Element of the Exchange’s CE Program. Pursuant to recent changes to Interpretation and Policy .08 to Rule 3.6A, the S501 Series 56 Proprietary Trader CE program is being phased out along with the Series 56 Proprietary Trader qualification examination and being replaced with the Series 57 Securities Trader qualification examination.¹² As a result,

¹⁰ See Securities Exchange Act Release No. 75581 (July 31, 2015), 80 FR 47018 (August 6, 2015) (Order Approving a Proposed Rule Change to Provide a Web-based Delivery Method for Completing the Regulatory Element of the Continuing Education Requirements) (SR-FINRA-2015-015).

¹¹ See Securities Exchange Act Release No. 76107 (October 8, 2015), 80 FR 62139 (October 15, 2015) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Delivery of the Regulatory Element of the Exchange’s Continuing Education Program) (SR-CBOE-2015-084).

¹² See Securities Exchange Act Release No. 76247 (October 23, 2015), 80 FR 66605

effective January 4, 2016, the S501 Series 56 Proprietary Trader CE Program for Series 56 registered persons will cease to exist. In place of the S501 Series 56 Proprietary Trader CE Program for Series 56 registered persons, Series 57 registered persons will be permitted [sic] to enroll in the S101 General Program for Series 7 and all other registered persons, including, but not limited to Series 57 registered persons beginning January 4, 2016.

Consistent with SR-FINRA-2015-015, the purpose of this filing is to amend the Fees Schedule to reflect the \$55 fee [sic] for Web-based delivery of the Regulatory Element of the S101 General Program for Series 7 and all other registered persons, including, but not limited to Series 57 registered Securities Traders.¹³ Pursuant to SR-FINRA-2015-015, delivery of the Regulatory Element of the S101, S106, S201, and S901 CE Programs will continue to be offered at testing centers for a period up to no later than six months after January 4, 2016 and the fees for test center delivery of the Regulatory Element of the S101, S106, S201, and S901 CE Programs will continue to be \$100 for so long as such programs are available at testing centers.¹⁴

(October 29, 2015) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Qualification and Registration of Trading Permit Holders and Associated Persons) (SR-CBOE-2015-094); see also Securities Exchange Act Release No. 75783 (August 28, 2015) (Order Approving a Proposed Rule Change to Establish the Securities Trader and Securities Trader Principal Registration Categories) (SR-FINRA-2015-017).

¹³ See Securities Exchange Act Release No. 75581 (July 31, 2015), 80 FR 47018 (August 6, 2015) (Order Approving a Proposed Rule Change to Provide a Web-based Delivery Method for Completing the Regulatory Element of the Continuing Education Requirements) (SR-FINRA-2015-015).

¹⁴ Test-center delivery of the Regulatory Element will be phased out by no later than six months after January 4, 2016. See Securities Exchange Act Release No. 75581 (July 31, 2015), 80 FR 47018 (August 6, 2015) (Order Approving a Proposed Rule Change To Provide a Web-Based Delivery Method for Completing the Regulatory Element of the Continuing Education) (SR-FINRA-2015-015). At that time, the Exchange will file another fee filing to remove the test center option for delivery of the Regulatory Element from the Fees Schedule. See Securities Exchange Act Release No. 76352 (November 4, 2015), 80 FR 69760 (November 10, 2015) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Fees Schedule) (SR-CBOE-2015-093). The

Consistent with SR-FINRA-2015-015, under the Exchange's proposed rule change, test center delivery of the Regulatory Element of the S101 CE Program would continue to be \$100 for so long as such programs are available at testing centers. In addition, also consistent with SR-FINRA-2015-015, under the Exchange's proposed rule change, Web-based delivery of the Regulatory Element of the S101 CE Program would be \$55, beginning January 4, 2016.¹⁵

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.¹⁶ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁷ 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)¹⁸ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Exchange has already amended the Fees schedule to reflect the \$55 fee for Web-based delivery of the Regulatory Elements of the S106, S201, and S901 CE Programs. See id.

¹⁵ See id.

¹⁶ 15 U.S.C. 78f(b).

¹⁷ 15 U.S.C. 78f(b)(5).

¹⁸ Id.

In particular, the Exchange believes that Web-based administration of the Regulatory Element of the Exchange's CE Program and the lower costs associated with Web-based administration of the Regulatory Element of the Exchange's CE Program are ends that may serve to increase access to the markets, which is in the interests of investors and consistent with the Act. In general, Web-based delivery of the Regulatory Element of the Exchange's CE Programs at a reduced cost lowers barriers to entry [sic] and removes impediments to a free and open market and national market system by making it easier and less costly for TPHs to participate in the markets. Accordingly, the Exchange believes that offering Web-based delivery of the Regulatory Element of Exchange's CE Program at a reduced cost and that lowering the cost of CE in general are goals that are consistent with the Act.

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. As FINRA has stated, the proposed rule change is specifically intended to reduce the burdens of continuing education on market participants while preserving the integrity its CE Programs. In general, reduction in cost and removal of barriers to entry encourages competition among market participants, particularly in situations where such rules are consistently employed across the markets. By bringing the Exchange's fees structure in line with that of FINRA, the Exchange believes it is removing impediments to free and open markets and encouraging competition between the Exchange and other markets that utilize FINRA's CE Programs. For the foregoing reasons, the Exchange believes that the proposed rule change will relieve burdens on, and otherwise promote, competition.

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 written comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁹ and paragraph (f) of Rule 19b-4²⁰ thereunder. At any time within 60 days of the filing of the 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.

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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CBOE-2015-119 on the subject line.

¹⁹ 15 U.S.C. 78s(b)(3)(A).

²⁰ 17 CFR 240.19b-4(f).

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-CBOE-2015-119. This file number should be included on the subject line if e-mail 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 (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, D.C. 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should

submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2015-119 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²¹

Robert W. Errett
Deputy Secretary

²¹ 17 CFR 200.30-3(a)(12).