

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-77193; File No. SR-BOX-2016-09)

February 19, 2016

Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Fee Schedule to Eliminate Certain Fees Which Relate to the Series 56 Examination and to Include Certain Fees Which Relate to Series 57 Examination and Continuing Education

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 9, 2016, BOX Options Exchange LLC (the “Exchange”) filed with the Securities and Exchange Commission (“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 proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> which renders the proposal effective upon filing with the Commission. 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 the Substance of the Proposed Rule Change

The Exchange is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the Fee Schedule to delete the Continuing Education Fees and the Qualification Examination Fee which relate to the Series 56 registration category under the Regulatory Fees section of the BOX Fee Schedule on the BOX Market LLC (“BOX”) options facility. The text of the proposed rule change is available from the principal office of the

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

Exchange, at the Commission's Public Reference Room and also on the Exchange's Internet website at <http://boxexchange.com>.

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 the Fee Schedule for trading on BOX to delete the Continuing Education Fees and the Qualification Examination Fee which relate to the Series 56 registration category under the Regulatory Fees section of the BOX Fee Schedule. The Financial Industry Regulatory Authority ("FINRA") is retiring the Proprietary Traders Qualification Examination (Series 56) and the S501 Proprietary Traders Continuing Education Program and replacing them with the Securities Trader Qualification Examination (Series 57) and the S101 Continuing Education Program.<sup>5</sup>

Specifically, the Exchange proposes to delete the (i) \$60.00 S501 Continuing Education Fee for Series 56 and (ii) the \$195.00 Series 56 Examination Fee. The Exchange further proposes

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<sup>5</sup> See Securities Exchange Act Release Nos. 75783 (August 28, 2015), 80 FR 53369 (September 3, 2015) (approving SR-FINRA-2015-017) and 75581 (July 31, 2015), 80 FR 47018 (August 6, 2015) (approving SR-FINRA-2015-015) collectively referred to herein as the "FINRA Amendments". According to the approval orders, FINRA's expected effective date for the FINRA Amendments is [sic] January 4, 2016.

to add a (i) \$55.00 S101 Continuing Education Fee and (ii) a \$120.00 Series 57 Examination Fee.

BOX is proposing such Fee Schedule amendments in consultation with FINRA and the other exchanges, and anticipates that the other exchanges will make corresponding changes to their respective fee schedules.<sup>6</sup>

### Background

BOX has amended its rules to establish the Securities Trader and Securities Trader Principal registration categories to establish the Series 57 examination as the appropriate qualification examination for Securities Traders and retire the Series 56 examination for Proprietary Traders, and to establish S101 as the appropriate continuing education program for Securities Traders and retire the S501 continuing education program for Proprietary Traders starting January 4, 2016.<sup>7</sup>

In accordance with BOX's amended rules relating to the new Securities Trader registration category, individual Participants and associated persons of Participants engaged in proprietary trading or the direct supervision of proprietary trading will be required to register with the Exchange as Securities Traders and be qualified by passing the new Securities Trader qualification examination (Series 57) being implemented by FINRA, unless grandfathered as provided for in the Rules. In addition, the Series 57 examination replaces the Series 56 examination for those exchange registration categories, such as the Proprietary Trader Principal

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<sup>6</sup> See Securities Exchange Act Release Nos. 76391 (November 9, 2015), 80 FR 70862 (November 16, 2015)(SR-FINRA-2015-044) and 75581 (July 31, 2015), 80 FR 47018 (August 6, 2015) (SR-FINRA-2015-015).

<sup>7</sup> See Securities Exchange Act Release No. 76732 (December 22, 2015), 80 FR 81390 (December 29, 2015) (SR-BOX-2015-38).

registration category, where the Series 56 examination was the acceptable prerequisite.<sup>8</sup>

The Exchange has further amended its Rules, in consultation with FINRA and the other exchanges, to provide for the Continuing Education Regulatory Element for registered persons. The personalized S101 Continuing Education Program will be the required Continuing Education Program for all registered persons including Securities Traders.

### Proposal

The Exchange proposes to amend its Fee Schedule to delete the (i) \$60.00 Continuing Education Fee for Series 56 [sic] and the (ii) \$195.00 Series 56 Examination Fee. The Exchange further proposes to add a \$120.00 Series 57 Examination Fee which will be applicable with respect to the new Securities Trader Qualification Examination (Series 57).

The \$100.00 fee charged for administration of the S101 Continuing Education program applicable to registrants required to take examinations other than the Series 56 will remain in effect, and become applicable to all registrants, if a continuing education session is conducted at a testing center from January 4, 2016 through no later than six months thereafter when the Continuing Education program will no longer be offered at testing centers. A new \$55.00 fee will be applicable to all registrants from and after January 4, 2016 for the S101 Continuing Education program. The \$195.00 fee currently charged for the Series 56 examination will be replaced with a \$120.00 fee for the Series 57 examination starting January 4, 2016. Therefore, the Exchange is proposing to add the \$55.00 S101 Continuing Education fee and the \$120.00 Series 57 examination fee to the current BOX Fee Schedule. Additionally, the \$60.00 fee currently charged for the administration of the S501 Continuing Education Program applicable to Series 56 is being retired starting January 4, 2016. Therefore, the Exchange is proposing to delete

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<sup>8</sup> See supra note 7. These amended rule [sic] are effective as of January 4, 2016.

both the Series 56 examination fee and the \$60.00 S501 Continuing Education fee from the current BOX Fee Schedule.

Since the Series 57 and the S101 Continuing Education Program will fall within FINRA's jurisdiction, the related fees will be billed directly through FINRA commencing as of January 4, 2016.<sup>9</sup>

## 2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act, in general, and Section 6(b)(4) and 6(b)(5) of the Act,<sup>10</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among BOX Participants and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes that the proposal is fair, equitable and not unreasonably discriminatory because the fee change applies equally to all Participants and persons associated with Participants. The proposed deletion of the S501 Continuing Education Fees and Series 56 Qualification Examination Fee is further reasonable because such Continuing Education program and exam will be replaced by the S101 Continuing Education Program and Series 57 Qualification Examination Program. In addition, the Exchange believes that the fees added to the BOX Fee Schedule are equitably allocated and not unfairly discriminatory as they will apply uniformly to all Participants and persons associated with Participants who choose to take the Series 57 examination and participate in the continuing education program through FINRA.

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<sup>9</sup> See supra note 6.

<sup>10</sup> 15 U.S.C. 78f(b)(4) and (5).

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 not necessary or appropriate in furtherance of the purposes of the Act. The Exchange further believes that the proposal does not impose any burden on competition because it believes that the other exchanges will also be making the same changes to their fee schedules.<sup>11</sup>

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

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)(ii) of the Exchange Act<sup>12</sup> and Rule 19b-4(f)(2) thereunder,<sup>13</sup> because it establishes or changes a due, or fee.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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<sup>11</sup> See supra notes 5 and 6.

<sup>12</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>13</sup> 17 CFR 240.19b-4(f)(2).

#### 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](mailto:rule-comments@sec.gov). Please include File Number SR-BOX-2016-09 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-BOX-2016-09. 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, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such 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-BOX-2016-09, 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.<sup>14</sup>

Brent J. Fields  
Secretary

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<sup>14</sup> 17 CFR 200.30-3(a)(12).