

Chicago Board Options Exchange, Incorporated

Rules

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Rule 3.6A. Qualification and Registration of [Certain] Trading Permit Holders and Associated Persons

(a) Registration of Individual Trading Permit Holders and Individual Associated Persons Engaged in the Securities Business.

(1) Individual Trading Permit Holders and individual associated persons engaged or to be engaged in the securities business of a Trading Permit Holder or TPH organization shall be registered with the Exchange in the category of registration appropriate to the function to be performed as prescribed by the Exchange. Before the registration can become effective, the individual Trading Permit Holder or individual associated person shall submit the appropriate application for registration, pass a qualification examination appropriate to the category of registration as prescribed by the Exchange and submit any required registration and examination fees. A Trading Permit Holder or TPH organization shall not maintain a registration with the Exchange for any person (1) who is no longer active in the Trading Permit Holder's or TPH organization's securities business; (2) who is no longer functioning in the registered capacity; or (3) where the sole purpose is to avoid an examination requirement. A Trading Permit Holder or TPH organization shall not make application for the registration of any person where there is no intent to employ that person in the Trading Permit Holder's or TPH organization's securities business. A Trading Permit Holder or TPH organization may, however, maintain or make application for the registration of an individual who performs legal, compliance, internal audit, back-office operations, or similar responsibilities for the Trading Permit Holder or TPH organization, or a person who performs administrative support functions for registered personnel, or a person engaged in the securities business of a foreign securities affiliate or subsidiary of the Trading Permit Holder or TPH organization.

(2) *Persons Exempt from Registration.* The following individual Trading Permit Holders and individual associated persons of Trading Permit Holders are exempt from the registration requirements set forth in paragraph (1):

(A) individual associated persons whose functions are solely and exclusively clerical or ministerial;

(B) individual Trading Permit Holders and individual associated persons who are not actively engaged in the securities business;

(C) individual Trading Permit Holders and individual associated persons whose functions are related solely and exclusively to the Trading Permit Holder's

or TPH organization's need for nominal corporate officers or for capital participation;

(D) individual associated persons whose functions are related solely and exclusively to:

(i) transactions in commodities;

(ii) transactions in security futures; and/or

(iii) effecting transactions on the floor of another national securities exchange and who are registered as floor members with such exchange.

(b) *Financial/Operations Principal.* Each [individual] Trading Permit Holder or TPH organization subject to Exchange Act Rule 15c3-1 shall designate a Financial/Operations Principal. The duties of a Financial/Operations Principal shall include taking appropriate actions to assure that the Trading Permit Holder or TPH organization complies with applicable financial and operational requirements under the Rules and the Exchange Act, including but not limited to those requirements relating to the submission of financial reports and the maintenance of books and records. Each Financial/Operations Principal is required to have successfully completed the Financial and Operations Principal Examination (Series 27 Exam). Each Financial/Operations Principal designated by a Trading Permit Holder or TPH organization shall be registered in that capacity with the Exchange [in a form and manner] as prescribed by the Exchange. A Financial/Operations Principal of a Trading Permit Holder or TPH organization may be a full-time employee, a part-time employee or independent contractor of the Trading Permit Holder or TPH organization. Trading Permit Holders and TPH organizations for which the Exchange is the Designated Examining Authority ("DEA") must provide prompt written notice to the Exchange[']s Department of Financial and Sales Practice Compliance] for each person designated as a Financial/Operations Principal reporting whether such person is a full-time employee, part-time employee, independent contractor or has any outside business affiliations.

(c) *Chief Compliance Officer.* Each Trading Permit Holder and TPH organization that is a registered broker-dealer shall designate a Chief Compliance Officer on Schedule A of Form BD. An individual designated as a Chief Compliance Officer is required to register with the Exchange and pass the appropriate heightened qualification examination(s) as prescribed by the Exchange. A person who has been designated as a Chief Compliance Officer on Schedule A of Form BD for at least two years immediately prior to January 1, 2002, and who has not been subject within the last ten years to any statutory disqualification as defined in Section 3(a)(39) of the Act; a suspension; or the imposition of a fine of \$5,000 or more for a violation of any provision of any securities law or regulation, or any agreement with, 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 shall be required to register in the category of registration appropriate to the function to be performed as prescribed by the Exchange, but shall be exempt from the requirement to pass the heightened qualification examination as prescribed by the Exchange.

(d) [Associated Person Statuses]Registration Required Under Chapter IX. [Associated person statuses under Chapter IX (along with the primary Exchange Rule concerning the status) include: (i) Registered Options Principal (Rule 9.2); (ii) Registered Representative (Rule 9.3); and (iii) Chief Compliance Officer (Rule 9.8).] Individual associated persons of a TPH organization that conducts a public customer business must also comply with the registration requirements set forth in Chapter IX. These additional registration categories include: (i) Registered Options Principal; and (ii) Registered Representative.

(e) Requirement for Examination on Lapse of Registration. Any person whose registration has been revoked by the Exchange as a disciplinary sanction or whose most recent registration has been terminated for two or more years immediately preceding the date of receipt by the Exchange of a new application shall be required to pass a qualification examination appropriate to the category of registration as prescribed by the Exchange.

... Interpretations and Policies:

.01 Each individual required to register under this Rule shall electronically file a Uniform Application for Securities Industry Registration (“Form U-4”) through the Central Registration Depository system operated by the Financial Industry Regulatory Authority, Incorporated (“Web CRD”).

[.01] .02 Each individual [person in an associated person status enumerated in paragraph (a) or (b) of] required to register under this Rule shall[,] electronically submit to Web CRD [the NASD's Web Central Registration Depository (“CRD”) System (i)] any required amendments to Form U-4.

[.02] .03 Any Trading Permit Holder or TPH organization that discharges or terminates the employment or retention of an individual [associated person enumerated in paragraph (a) or (b) of] required to register under this Rule shall comply with the termination filing requirements set forth in Rule 9.3(b) and Rule 9.3(c).

[.03] .04 Each individual [person in an associated person status enumerated in paragraph (a) or (b) of] required to register under this Rule is required to satisfy the continuing education requirements set forth in Rule 9.3A or any other applicable continuing education requirements as prescribed by the Exchange.

.05 The Exchange may, in exceptional cases and where good cause is shown, waive the applicable qualification examination and accept other standards as evidence of an applicant's qualifications for registration. Advanced age or physical infirmity will not individually of themselves constitute sufficient grounds to waive a qualification examination. Experience in fields ancillary to the securities business may constitute sufficient grounds to waive a qualification examination.

.06 For purposes of paragraph (a)(1) above, the Exchange shall consider an individual Trading Permit Holder or an individual associated person to be engaged in the securities business of a Trading Permit Holder or TPH organization if:

(a) the individual Trading Permit Holder or individual associated person engages in one or more of the following activities in the capacity of a Trading Permit Holder or on behalf of the associated Trading Permit Holder or TPH organization:

(1) proprietary trading;

(2) market-making;

(3) effecting transactions on behalf of a broker-dealer;

(4) supervision or monitoring of proprietary trading, market-making, or brokerage activities;

(5) supervision or training of those engaged in proprietary trading, market-making, or brokerage activities with respect to those activities; or

(b) the individual Trading Permit Holder or individual associated person engages in the management of one or more of the activities enumerated in subparagraphs (1) through (5) above as an officer, partner or a director.

.07 Each Trading Permit Holder and TPH organization must register with the Exchange each individual acting in any of the following capacities: (i) officer; (ii) partner; (iii) director; (iv) supervisor of proprietary trading, market-making or brokerage activities; and/or (v) supervisor of those engaged in proprietary trading, market-making or brokerage activities with respect to those activities. Each Trading Permit Holder or TPH organization must register with the Exchange at least two individuals acting in one or more of the capacities described in (i)-(v) above. The Exchange may waive this requirement if a Trading Permit Holder or TPH organization demonstrates conclusively that only one individual acting in one or more of the capacities described in (i) through (v) above should be required to register. A Trading Permit Holder or TPH organization that conducts proprietary trading only and has 25 or fewer registered persons shall only be required to have one officer or partner who is registered in this capacity.

For purposes of this Interpretation and Policy .07 to Rule 3.6A, a Trading Permit Holder or TPH organization shall be considered to conduct only proprietary trading if the Trading Permit Holder or TPH organization has the following characteristics:

(a) The Trading Permit Holder or TPH organization is not required by Section 15(b)(8) of the Exchange Act to become a FINRA member but is a member of another registered securities exchange not registered solely under Section 6(g) of the Exchange Act;

(b) All funds used or proposed to be used by the Trading Permit Holder or TPH organization are the Trading Permit Holder's or TPH organization's own capital, traded through the Trading Permit Holder's or TPH organization's own accounts;

(c) The Trading Permit Holder or TPH organization does not, and will not, have customers; and

(d) All persons registered on behalf of the Trading Permit Holder or TPH organization acting or to be acting in the capacity of a trader must be owners of, employees of, or contractors to the Trading Permit Holder or TPH organization.

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Rule 9.2. Registration of Options Principals

No TPH organization shall be approved to transact options business with the public until those persons associated with it who are designated as Options Principals have been approved by and registered with the Exchange. Persons engaged in the supervision of options sales practices or a person to whom the designated general partner or executive officer (pursuant to Rule 9.8) or another Registered Options Principal delegates the authority to supervise options sales practices shall be designated as Options Principals. In connection with their registration, Options Principals shall electronically file a Uniform Application for Securities Industry Registration or Transfer (Form U-4) with [the NASD's] Web CRD [System], shall successfully complete an examination as prescribed by the Exchange for the purpose of demonstrating an adequate knowledge of the options business and of the Rules of the Exchange, and shall further agree in the U-4 filing to abide by the Bylaws and Rules of the Exchange and the Rules of the Clearing Corporation. Any person required to complete Form U-4 shall promptly electronically file any required amendments to Form U-4 with [the NASD's] Web CRD [System]. Termination of employment or affiliation of any Registered Options Principal in such capacity shall be promptly electronically reported to [the NASD's] Web CRD [System] together with a brief statement of the reason for such termination on Form U-5.

. . . Interpretations and Policies:

.01 - .02 No Change.

Rule 9.3. Registration and Termination of Representatives

(a) *Registration.* No TPH organization shall be approved to transact business with the public until those persons associated with it who are designated as Representatives have been approved by and registered with the Exchange. Persons who perform duties for the TPH organization which are customarily performed by sales representatives, solicitors, or branch office managers shall be designated as Representatives. In connection with their registration, Representatives shall electronically file a Uniform Application for Securities Industry Registration or Transfer (Form U-4) with [the NASD's] Web CRD [System] by appropriately checking the CBOE as a requested registration on the electronic U-4 filing, and shall successfully complete an examination for the purpose of demonstrating an adequate knowledge of the securities business, and shall further agree in the U-4 filing to abide by the Bylaws and Rules of the Exchange and the Rules of the Clearing Corporation. Any person required to complete Form U-4 shall promptly electronically file any required amendments to Form U-4 with [the NASD's] Web CRD [System].

(b) *Termination - Filing of U-5's.* The discharge or termination of employment of any registered person, together with the reasons therefor, shall be electronically reported to [the NASD's] Web CRD [System] by a TPH organization immediately following the date of termination, but in no event later than thirty (30) days following termination, on a Uniform Termination Notice for Securities Industry Registration (Form U-5). A copy of [said termination notice] the Form U-5 shall be provided concurrently to the person whose association has been terminated.

(c) *Termination - Filing of amended U-5's.* The TPH organization shall electronically report to [the NASD's] Web CRD [System], by means of an amendment to the Form U-5 filed pursuant to paragraph (b) above, in the event that the TPH organization learns of facts or circumstances causing any information set forth in the [notice] Form U-5 to become inaccurate or incomplete. Such amendment shall be provided concurrently to the person whose association has been terminated no later than thirty (30) days after the TPH organization learns of the facts or circumstances giving rise to the need for the amendment.

. . . Interpretations and Policies:

.01 No Change.

Rule 9.3A. Continuing Education for Registered Persons

(a) – (c) No Change.

. . . Interpretations and Policies:

.01 For purposes of this Rule, the term "registered person" means any Trading Permit Holder, registered representative or other person registered or required to be registered under Exchange rules[, but does not include any such person whose activities are limited solely to the transaction of business on the Floor with Trading Permit Holders or registered broker-dealers].

.02 - .04 No Change.