

Required fields are shown with yellow backgrounds and asterisks.

Filing by Chicago Board Options Exchange
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pilot <input type="checkbox"/> Extension of Time Period for Commission Action * <input type="checkbox"/> Date Expires * <input type="text"/>			Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) <input type="checkbox"/> Section 806(e)(2) <input type="checkbox"/>	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) <input type="checkbox"/>
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Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Contact Information
Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name *	Megan R.	Last Name *	Malone
Title *	Attorney		
E-mail *	malone@cboe.com		
Telephone *	(312) 786-7304	Fax	(312) 786-7919

Signature
Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.
(Title *)

Date	04/25/2013	Attorney
By	Megan R. Malone	<input style="width: 100%;" type="text"/>
	(Name *)	

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Megan R. Malone, malone@cboe.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information *

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Item 1. Text of the Proposed Rule Change

(a) Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) proposes to update Exchange Rule 9.21, “Options Communications.” The text of the proposed rule change is provided below and in Exhibit 1.

(additions are underlined; deletions are [bracketed])

* * * * *

**Chicago Board Options Exchange, Incorporated
Rules**

* * * * *

Rule 9.21. Options Communications

(a) *Definitions.* For purposes of this Rule and any interpretation thereof, "options communications" consist of:

(i) [Advertisements. The term "advertisements" shall include any material concerning options, other than an independently prepared reprint and institutional sales material, that is published, or used in any electronic or other public media, including any website, newspaper, magazine or other periodical, radio, television, telephone or tape recording, video tape display, motion picture, billboards, signs or telephone directories (other than routine listings).

(ii) Sales Literature. The term "sales literature" shall include any written or electronic communication concerning options other than an advertisement, independently prepared reprint, institutional sales material and correspondence, that is generally available to customers or the public, including circulars, research reports, performance reports or summaries, worksheets, form letters, telemarketing scripts, seminar texts, reprints (that are not independently prepared reprints) or excerpts of any other advertisement, sales literature or published article and press release concerning a Trading Permit Holder's products or services.

(iii) Correspondence. The term "correspondence" shall include any written [letter,] (including electronic) [mail message or market letter] communication distributed or made available [by a Trading Permit Holder] to: (A) one of more of its existing retail customers; and (B) 25 or fewer [than 25 prospective] retail customers within any 30 calendar-day period.

[(iv)] (ii) Institutional Communication [Sales Material]. The term "institutional communication [sales material]" shall include any written (including electronic) communication concerning options that is distributed or made available only to institutional investors, but does not include a Trading Permit Holder's internal communications. The

term institutional investor shall mean any qualified investor as defined in Section 3(a)(54) of the Securities Exchange Act of 1934.

(iii) Retail Communication. The term “retail communication” means any written (including electronic) communication that is distributed or made available to more than 25 retail investors within any 30 calendar-day period.

[(v) Public Appearances. The term "public appearance" shall include any participation in a seminar, forum (including an interactive electronic forum), radio, television or print media interview, or other public speaking activity, or the writing of a print media article, concerning options.

(vi) Independently Prepared Reprints. The term "independently prepared reprints" shall include any reprint or excerpt of an article issued by a publisher concerning options, provided that: the publisher is not an affiliate of the Trading Permit Holder using the reprint or any underwriter or issuer of a security mentioned in the reprint or excerpt that the Trading Permit Holder is promoting; neither the Trading Permit Holder using the reprint or excerpt nor any underwriter or issuer of a security mentioned in the reprint or excerpt has commissioned the reprint or excerpted article; and the Trading Permit Holder using the reprint or excerpt has not materially altered its contents except as necessary to make the reprint or excerpt consistent with applicable regulatory standards or to correct factual errors.]

(b) Approval by Registered Options Principal.

(i) All retail communications [advertisements, sales literature] (except completed worksheets) [and independently prepared reprints] issued by a Trading Permit Holder or TPH organization pertaining to options shall be approved in advance by a Registered Options Principal designated by the Trading Permit Holder or TPH organization's written supervisory procedures.

(ii) Correspondence need not be approved by a Registered Options Principal prior to use[, unless such correspondence is distributed to 25 or more existing retail customers within any 30 calendar-day period and makes any financial or investment recommendation or otherwise promotes a product or service of the Trading Permit Holder]. All correspondence is subject to the supervision and review requirements of Rule 9.8.

(iii) Institutional communications. Each Trading Permit Holder or TPH organization shall establish written procedures that are appropriate to its business, size, structure, and customers for review by a Registered Options Principal of institutional communications used by[sales material relating to options need not be approved by a Registered Options Principal prior to use, but is subject to the supervision and review requirements as set forth in the written supervisory procedures of] the Trading Permit Holder or TPH organization.

(iv) No change.

(c) Exchange Approval Required. In addition to the approval required by paragraph (b) of this Rule, [all advertisements, sales literature and independently prepared reprints] retail

communications of a Trading Permit Holder or TPH organization pertaining to standardized options that is not accompanied or preceded by the applicable current options disclosure document ("ODD") shall be submitted to the Exchange at least ten calendar days prior to use (or such shorter period as the Exchange may allow in particular instances) for approval and, if changed or expressly disapproved by the Exchange, shall be withheld from circulation until any changes specified by the Exchange have been made or, in the event of disapproval, until the communication has been resubmitted for, and has received, Exchange approval. The requirements of this paragraph shall not be applicable to:

(i) options communications submitted to another self-regulatory organization having comparable standards pertaining to such communications and

(ii) communications in which the only reference to options is contained in a listing of the services of the TPH organization[.];

(iii) the ODD; and

(iv) the prospectus.

(d) *General Rule.* No Trading Permit Holder or member organization or associated person shall use any options communication which:

(i) – (iv) No change.

(v) Fails to reflect the risks attendant to options transactions and the complexities of certain options investment strategies. [Any statement referring to the potential opportunities presented by options shall be balanced by a statement of the corresponding risks. The risk statement shall reflect the same degree of specificity as the statement of opportunities, and broad generalities must be avoided.]

(vi-vii) No change.

(viii) would constitute a prospectus as that term is defined in the Securities Act of 1933, unless it meets the requirements of Section 10 of the Securities Act of 1933.

Paragraphs (vi) and (vii) shall not apply to institutional communications [sales material] as defined in this Rule 9.21. Any statement in any options communications referring to the potential opportunities or advantages presented by options shall be balanced by a statement of the corresponding risks. The risk statement shall reflect the same degree of specificity as the statement of opportunities, and broad generalities must be avoided.

* * * * *

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange's President pursuant to delegated authority approved the proposed rule change on March 5, 2013.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7462, or Megan R. Malone, (312) 786-7304, Chicago Board Options Exchange, Incorporated, 400 South LaSalle, Chicago, Illinois 60605.

Item 3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

The Exchange is proposing to update Rule 9.21, "Options Communications," to conform with changes recently made by the Financial Industry Regulatory Authority, Inc. ("FINRA") to their corresponding rule.¹ The proposed rule change would make changes to the Exchange Rule 9.21, "Options Communications." The Exchange believes the proposed changes will alert Trading Permit Holders ("TPHs") to their requirements with respect to Options Communications while further regulating all communications for compliance with Exchange Rules and the Securities and Exchange Act of 1934 (the "Act"). In addition, the Exchange believes that the proposed rule change will help ensure that investors are protected from potentially false or misleading communications with the public distributed by Exchange TPHs.

First, the proposed rule change would amend the language in Exchange Rule 9.21(a). Specifically, the proposed rule change would reduce the number of defined

¹ See Securities and Exchange Act Release No. 34-68650 (January 14, 2013), 78 FR 4182 (January 18, 2013)(Notice of Immediate Effectiveness of SR-FINRA-2013-001).

categories of communication from six (in the current rule) to three. The proposed language defines three categories of communications: retail communications, correspondence, and institutional communications. Current definitions of “sales literature,” “advertisement,” and “independently prepared reprint” would be combined into a single category of “retail communications.” Thus, the Exchange is proposing to define “retail communication” as “any written (including electronic) communication that is distributed or made available to more than 25 retail investors within any 30 calendar-day period.” The Exchange will also update the current definition of “correspondence” to “any written (including electronic) communication distributed or made available by a Trading Permit Holder to 25 or fewer retail customers within any 30 calendar-day period.” Finally, in the proposed rule filing, “institutional communication” would include written (including electronic) communications that are distributed or made available only to institutional investors. The Exchange believes the proposed changes to the definitions in Rule 9.21(a) to create a more concise and descriptive rule which benefits investors by clarifying the terms.

Next, the Exchange is proposing to amend the language in Rule 9.21(b), “Approval by Registered Options Principal.” More specifically, the Exchange is proposing to replace the phrase “advertisements, sales literature, and independently prepared reprints” found in Rule 9.21(b)(i) with the new proposed term, “retail communications.” This proposed change will make the Rule more coherent with the other proposed changes.

Under the proposed rule 9.21(b)(ii), correspondence would “need not be approved by a Registered Options Principal prior to use” but would be subject to the supervision and review requirements of Rule 9.8. The Exchange is proposing to delete the requirement for

principal approval of correspondence that is distributed to 25 or more existing retail customers within a 30 calendar-day period that makes any financial or investment recommendation or otherwise promotes the product or service of a TPH. Under the proposed Rule 9.21(b), such communications would be considered retail communications and therefore subject to the principal approval requirement. As such, the proposed change does not substantively change the scope of options communications that would require principal approval.

Next, the Exchange is proposing to modify the required approvals of “Institutional communications.” More specifically, the Exchange is proposing to add that TPHs shall “establish written procedures that are appropriate to its business, size, structure, and customers for review by a Registered Options Principal of institutional communications used by the Trading Permit Holder or TPH organization.” This change was not new to the FINRA rule, however, the Exchange believes this will better align Exchange Rule 9.21 with the current FINRA rule.

The Exchange is also proposing to amend the language in Rule 9.21(c). More specifically, the Exchange is proposing to, again, replace the phrase “advertisements, sales literature, and independently prepared reprints” with the new proposed term, “retail communications.” The Exchange is also proposing to add language which would further exempt options disclosure document and a prospectus from Exchange review as these documents have other further requirements under the Securities Act of 1933. This change was not new to the FINRA rule, however, the Exchange believes this will better align Exchange Rule 9.21 with the current FINRA rule.

The Exchange is proposing to add language to Rule 9.21(d) specifying that Exchange TPHs may not use any options communications that “constitute a prospectus” unless such communications would meet the requirements of the Securities Act of 1933. The Exchange believes this change will put TPHs on notice that all documents that may constitute a prospectus will be required to comply with the Securities Act of 1933 as such. Finally, the Exchange is proposing to move and slightly modify language in Rule 9.21(d) to state that any statement made referring to “potential opportunities or advantages presented by options” must also be accompanied by a statement identifying the potential risks posed as well. The Exchange believes that moving the language to the end of paragraph (d) will alert the public of potential risks associated with options, as well as the advantages, which will create more awareness of the potential harms that may arise in the participation of such securities. These are not new changes for FINRA, however, the Exchange is proposing to conform its rule with the current FINRA rule 2220.

The Exchange believes the proposed rule changes will provide greater clarity to TPHs and the public regarding the Exchange’s rules. In addition, the Exchange believes that the proposed rule change will help ensure that investors are protected from potentially false or misleading communications with the public distributed by Exchange TPHs.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to

the Exchange and, in particular, the requirements of Section 6(b) of the Act.² Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)³ 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)⁴ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers .

In particular, the Exchange believes the proposed rule changes will provide greater clarity to TPHs and the public regarding the Exchange's rules. In addition, the Exchange believes that the proposed rule change will help ensure that investors are protected from potentially false or misleading communications with the public distributed by Exchange TPHs.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

CBOE 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. CBOE 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. Specifically, the proposed rule change will merely bring clarity and consistency to

² 15 U.S.C. 78f(b).

³ 15 U.S.C. 78f(b)(5).

⁴ Id.

Exchange Rules. The Exchange does not believe the proposed rule change will impose any burden on any intramarket competition as it applies to all TPHs. In addition, the Exchange does not believe the proposed rule filing will bring any unnecessary burden on intermarket competition as it is consistent with the FINRA “Options Communications” rule.⁵

Item 5. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

Item 6. Extension of Time Period for Commission Action

CBOE does not consent to an extension of the time period for Securities and Exchange Commission (the “Commission”) action on the proposed rule change specified in Section 19(b)(2) of the Act.⁶

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

Not applicable.

Item 8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed language is very similar to FINRA Rule 2220, “Options Communications.”⁷ There are not material differences between the proposed rule filing and the FINRA Rule. The Exchange is merely updating Rule 9.21 as to the currently effective FINRA rule.

⁵ See FINRA Rule 2220.

⁶ 15 U.S.C. 78s(b)(2).

⁷ See supra note 5.

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

Item 10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

Item 11. Exhibits

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-CBOE-2013-043]

[Insert date]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing of a Proposed Rule Change Relating to Exchange Rule 9.21

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 [insert date], 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 update Exchange Rule 9.21, “Options Communications.” The text of the proposed rule change is provided below.

(additions are underlined; deletions are [bracketed])

* * * * *

**Chicago Board Options Exchange, Incorporated
Rules**

* * * * *

Rule 9.21. Options Communications

(a) *Definitions.* For purposes of this Rule and any interpretation thereof, "options communications" consist of:

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

(i) [Advertisements. The term "advertisements" shall include any material concerning options, other than an independently prepared reprint and institutional sales material, that is published, or used in any electronic or other public media, including any website, newspaper, magazine or other periodical, radio, television, telephone or tape recording, video tape display, motion picture, billboards, signs or telephone directories (other than routine listings).

(ii) Sales Literature. The term "sales literature" shall include any written or electronic communication concerning options other than an advertisement, independently prepared reprint, institutional sales material and correspondence, that is generally available to customers or the public, including circulars, research reports, performance reports or summaries, worksheets, form letters, telemarketing scripts, seminar texts, reprints (that are not independently prepared reprints) or excerpts of any other advertisement, sales literature or published article and press release concerning a Trading Permit Holder's products or services.

(iii)] Correspondence. The term "correspondence" shall include any written [letter,] (including electronic) [mail message or market letter] communication distributed or made available [by a Trading Permit Holder] to: (A) one of more of its existing retail customers; and (B)] 25 or fewer [than 25 prospective] retail customers within any 30 calendar-day period.

[(iv)] (ii) Institutional Communication [Sales Material]. The term "institutional communication [sales material]" shall include any written (including electronic) communication concerning options that is distributed or made available only to institutional investors, but does not include a Trading Permit Holder's internal communications. The term institutional investor shall mean any qualified investor as defined in Section 3(a)(54) of the Securities Exchange Act of 1934.

(iii) Retail Communication. The term "retail communication" means any written (including electronic) communication that is distributed or made available to more than 25 retail investors within any 30 calendar-day period.

[(v) Public Appearances. The term "public appearance" shall include any participation in a seminar, forum (including an interactive electronic forum), radio, television or print media interview, or other public speaking activity, or the writing of a print media article, concerning options.

(vi) Independently Prepared Reprints. The term "independently prepared reprints" shall include any reprint or excerpt of an article issued by a publisher concerning options, provided that: the publisher is not an affiliate of the Trading Permit Holder using the reprint or any underwriter or issuer of a security mentioned in the reprint or excerpt that the Trading Permit Holder is promoting; neither the Trading Permit Holder using the reprint or excerpt nor any underwriter or issuer of a security mentioned in the reprint or excerpt has commissioned the reprint or excerpted article; and the Trading Permit Holder using the reprint or excerpt has not materially altered its contents except as necessary to make the

reprint or excerpt consistent with applicable regulatory standards or to correct factual errors.]

(b) Approval by Registered Options Principal.

(i) All retail communications [advertisements, sales literature] (except completed worksheets) [and independently prepared reprints] issued by a Trading Permit Holder or TPH organization pertaining to options shall be approved in advance by a Registered Options Principal designated by the Trading Permit Holder or TPH organization's written supervisory procedures.

(ii) Correspondence need not be approved by a Registered Options Principal prior to use[, unless such correspondence is distributed to 25 or more existing retail customers within any 30 calendar-day period and makes any financial or investment recommendation or otherwise promotes a product or service of the Trading Permit Holder]. All correspondence is subject to the supervision and review requirements of Rule 9.8.

(iii) Institutional communications. Each Trading Permit Holder or TPH organization shall establish written procedures that are appropriate to its business, size, structure, and customers for review by a Registered Options Principal of institutional communications used by[sales material relating to options need not be approved by a Registered Options Principal prior to use, but is subject to the supervision and review requirements as set forth in the written supervisory procedures of] the Trading Permit Holder or TPH organization.

(iv) No change.

(c) Exchange Approval Required. In addition to the approval required by paragraph (b) of this Rule, [all advertisements, sales literature and independently prepared reprints] retail communications of a Trading Permit Holder or TPH organization pertaining to standardized options that is not accompanied or preceded by the applicable current options disclosure document ("ODD") shall be submitted to the Exchange at least ten calendar days prior to use (or such shorter period as the Exchange may allow in particular instances) for approval and, if changed or expressly disapproved by the Exchange, shall be withheld from circulation until any changes specified by the Exchange have been made or, in the event of disapproval, until the communication has been resubmitted for, and has received, Exchange approval. The requirements of this paragraph shall not be applicable to:

(i) options communications submitted to another self-regulatory organization having comparable standards pertaining to such communications and

(ii) communications in which the only reference to options is contained in a listing of the services of the TPH organization[.];

(iii) the ODD; and

(iv) the prospectus.

(d) *General Rule.* No Trading Permit Holder or member organization or associated person shall use any options communication which:

(i) – (iv) No change.

(v) Fails to reflect the risks attendant to options transactions and the complexities of certain options investment strategies. [Any statement referring to the potential opportunities presented by options shall be balanced by a statement of the corresponding risks. The risk statement shall reflect the same degree of specificity as the statement of opportunities, and broad generalities must be avoided.]

(vi-vii) No change.

(viii) would constitute a prospectus as that term is defined in the Securities Act of 1933, unless it meets the requirements of Section 10 of the Securities Act of 1933.

Paragraphs (vi) and (vii) shall not apply to institutional communications [sales material] as defined in this Rule 9.21. Any statement in any options communications referring to the potential opportunities or advantages presented by options shall be balanced by a statement of the corresponding risks. The risk statement shall reflect the same degree of specificity as the statement of opportunities, and broad generalities must be avoided.

* * * * *

The text of the proposed rule change is also 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.

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

1. Purpose

The Exchange is proposing to update Rule 9.21, “Options Communications,” to conform with changes recently made by the Financial Industry Regulatory Authority, Inc. (“FINRA”) to their corresponding rule.³ The proposed rule change would make changes to the Exchange Rule 9.21, “Options Communications.” The Exchange believes the proposed changes will alert Trading Permit Holders (“TPHs”) to their requirements with respect to Options Communications while further regulating all communications for compliance with Exchange Rules and the Securities and Exchange Act of 1934 (the “Act”). In addition, the Exchange believes that the proposed rule change will help ensure that investors are protected from potentially false or misleading communications with the public distributed by Exchange TPHs.

First, the proposed rule change would amend the language in Exchange Rule 9.21(a). Specifically, the proposed rule change would reduce the number of defined categories of communication from six (in the current rule) to three. The proposed language defines three categories of communications: retail communications, correspondence, and institutional communications. Current definitions of “sales literature,” “advertisement,” and “independently prepared reprint” would be combined into a single category of “retail communications.” Thus, the Exchange is proposing to define “retail communication” as “any written (including electronic) communication that is distributed or made available to more than 25 retail investors within any 30 calendar-day period.” The Exchange will also update the current definition of

³ See Securities and Exchange Act Release No. 34-68650 (January 14, 2013), 78 FR 4182 (January 18, 2013)(Notice of Immediate Effectiveness of SR-FINRA-2013-001).

“correspondence” to “any written (including electronic) communication distributed or made available by a Trading Permit Holder to 25 or fewer retail customers within any 30 calendar-day period.” Finally, in the proposed rule filing, “institutional communication” would include written (including electronic) communications that are distributed or made available only to institutional investors. The Exchange believes the proposed changes to the definitions in Rule 9.21(a) to create a more concise and descriptive rule which benefits investors by clarifying the terms.

Next, the Exchange is proposing to amend the language in Rule 9.21(b), “Approval by Registered Options Principal.” More specifically, the Exchange is proposing to replace the phrase “advertisements, sales literature, and independently prepared reprints” found in Rule 9.21(b)(i) with the new proposed term, “retail communications.” This proposed change will make the Rule more coherent with the other proposed changes.

Under the proposed rule 9.21(b)(ii), correspondence would “need not be approved by a Registered Options Principal prior to use” but would be subject to the supervision and review requirements of Rule 9.8. The Exchange is proposing to delete the requirement for principal approval of correspondence that is distributed to 25 or more existing retail customers within a 30 calendar-day period that makes any financial or investment recommendation or otherwise promotes the product or service of a TPH. Under the proposed Rule 9.21(b), such communications would be considered retail communications and therefore subject to the principal approval requirement. As such, the proposed change does not substantively change the scope of options communications that would require principal approval.

Next, the Exchange is proposing to modify the required approvals of “Institutional communications.” More specifically, the Exchange is proposing to add that TPHs shall “establish written procedures that are appropriate to its business, size, structure, and customers for review by a Registered Options Principal of institutional communications used by the Trading Permit Holder or TPH organization.” This change was not new to the FINRA rule, however, the Exchange believes this will better align Exchange Rule 9.21 with the current FINRA rule.

The Exchange is also proposing to amend the language in Rule 9.21(c). More specifically, the Exchange is proposing to, again, replace the phrase “advertisements, sales literature, and independently prepared reprints” with the new proposed term, “retail communications.” The Exchange is also proposing to add language which would further exempt options disclosure document and a prospectus from Exchange review as these documents have other further requirements under the Securities Act of 1933. This change was not new to the FINRA rule, however, the Exchange believes this will better align Exchange Rule 9.21 with the current FINRA rule.

The Exchange is proposing to add language to Rule 9.21(d) specifying that Exchange TPHs may not use any options communications that “constitute a prospectus” unless such communications would meet the requirements of the Securities Act of 1933. The Exchange believes this change will put TPHs on notice that all documents that may constitute a prospectus will be required to comply with the Securities Act of 1933 as such. Finally, the Exchange is proposing to move and slightly modify language in Rule 9.21(d) to state that any statement made referring to “potential opportunities or advantages presented by options” must also be accompanied by a statement identifying

the potential risks posed as well. The Exchange believes that moving the language to the end of paragraph (d) will alert the public of potential risks associated with options, as well as the advantages, which will create more awareness of the potential harms that may arise in the participation of such securities. These are not new changes for FINRA, however, the Exchange is proposing to conform its rule with the current FINRA rule 2220.

The Exchange believes the proposed rule changes will provide greater clarity to TPHs and the public regarding the Exchange's rules. In addition, the Exchange believes that the proposed rule change will help ensure that investors are protected from potentially false or misleading communications with the public distributed by Exchange TPHs.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁴ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁵ 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

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

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

In particular, the Exchange believes the proposed rule changes will provide greater clarity to TPHs and the public regarding the Exchange's rules. In addition, the Exchange believes that the proposed rule change will help ensure that investors are protected from potentially false or misleading communications with the public distributed by Exchange TPHs.

B. Self-Regulatory Organization's Statement on Burden on Competition

CBOE 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. CBOE 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. Specifically, the proposed rule change will merely bring clarity and consistency to Exchange Rules. The Exchange does not believe the proposed rule change will impose any burden on any intramarket competition as it applies to all TPHs. In addition, the Exchange does not believe the proposed rule filing will bring any unnecessary burden on intermarket competition as it is consistent with the FINRA "Options Communications" rule.⁷

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 comments on the proposed rule change.

⁶ Id.
⁷ See FINRA Rule 2220.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

- A. by order approve or disapprove such proposed rule change, or
- B. institute proceedings to determine whether the proposed rule change should be 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-2013-043 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-CBOE-2013-043. 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-2013-043 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.⁸

Secretary

⁸ 17 CFR 200.30-3(a)(12).