

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 23	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2013 - * 076
		Amendment No. (req. for Amendments *)

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

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

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) <input type="checkbox"/>	Section 806(e)(2) <input type="checkbox"/>
Section 3C(b)(2) <input type="checkbox"/>	

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 *).

The Exchange is proposing to amend Exchange Rule 9.3A regarding continuing education for registered persons.

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 07/22/2013

By Megan R. Malone

Attorney

Megan R. Malone, malone@cboe.com

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.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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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

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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, 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

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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

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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

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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 amend Exchange Rule 9.3A regarding continuing education for registered persons. The text of the proposed rule change is provided below and in Exhibit 5.

(additions are underlined; deletions are [bracketed])

* * * * *

**Chicago Board Options Exchange, Incorporated
Rules**

* * * * *

Rule 9.3A. Continuing Education for Registered Persons

(a) No change.

(1) – (2) No change.

(3) Required Programs -- For purposes of this Rule, 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 Continuing Education Program for Series 56 registered persons, and the S101 General Program for Series 7 and all other registered persons.

(b) No change.

(c) *Firm Element*

(1) *Persons Subject to the Firm Element* – The requirements of Section (b) of this Rule shall apply to any registered person who has a Series 56 registration or direct contact with customers in the conduct of the Trading Permit Holder’s or TPH organization’s securities sales, trading or investment banking activities, and to the immediate supervisors of such persons (collectively, “covered registered persons”).

* * * * *

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange's Chief Regulatory Officer pursuant to delegated authority approved the proposed rule change on July 12, 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 amend Rule 9.3A to specify the different Continuing Education ("CE") requirements for registered persons based upon their registration with the Exchange. This change will authorize the Exchange to administer different CE programs to differently registered individuals while bringing clarity to Trading Permit Holders ("TPHs") about what CE requirement they must fulfill. More specifically, the Exchange is proposing to: (1) enumerate the required Regulatory Element programs, (2) add language to Rule 9.3A that would outline which program Exchange registered persons engaging in proprietary trading must take, and (3) add language to 9.3A(c) specifying that registered persons with a Series 56 registration must complete the Firm Element of the CE requirement.

Background

Currently, Exchange Rule 3.6A.04 states that that each individual registered with the Exchange shall "satisfy the continuing education requirements set forth in Rule

9.3A.”¹ Exchange Rule 9.3A specifies the CE requirements for registered persons subsequent to their initial qualification and registration with the Exchange. The requirements consist of a Regulatory Element and a Firm Element.² The Regulatory Element is a computer-based education program administered by the Financial Industry Regulatory Authority (“FINRA”) to help ensure that registered persons are kept up to date on regulatory, compliance and sales practice matters in the industry.³ Currently, there are three Regulatory Element programs: the S201 Supervisor Program for registered principals and supervisors; the S106 Series 6 Program for Series 6 registered persons; and the S101 General Program for Series 7 and all other registered persons. The Exchange is proposing to enumerate these programs in the Exchange Rulebook along with adding the S501 Series 56 Proprietary Trader Continuing Education Program for Series 56 registered persons.

Introduction of the Proprietary Trading Continuing Education Program

The Exchange is proposing to introduce a new CE Program for Proprietary Traders registered with the Exchange who have successfully completed the Proprietary

¹ See Exchange Rule 3.6A.04.

² Currently, the Firm Element of the CE Program applies to any person registered with a CBOE member firm who has direct contact with customers in the conduct of the member’s securities sales, trading and investment banking activities, and to the immediate supervisors of such persons (collectively called “covered registered persons”). The requirement stipulates that each member firm must maintain a continuing education program for its covered registered persons to enhance their securities knowledge, skill and professionalism. Each firm has the requirement to annually conduct a training needs analysis, develop a written training plan, and implement the plan.

³ Rule 9.3A permits a member firm to deliver the Regulatory Element to registered persons on firm premises (“In-Firm Delivery”) as an option to having persons take the training at a designated center provided that firms comply with specific requirements relating to supervision, delivery site(s), technology, administration, and proctoring. In addition, Rule 9.3A requires that persons serving as proctors for the purposes of In-Firm Delivery must be registered.

Traders Examination (“Series 56”) and who have no other registrations. Exchange Rule 3.6A.08 outlines the registration and qualification requirements (including prerequisite examinations) for TPHs and TPH organizations conducting proprietary trading, market-making and/or effecting transactions on behalf of other broker dealers.⁴ An individual TPH and/or individual associated person who is engaged in the securities business of a TPH (as described in Interpretation and Policy .06 to Rule 3.6A) is required to register as a Proprietary Trader in CRD and pass the related qualification examination, the Series 56.⁵

The Proprietary Trader Continuing Education Program (S501) is a computer-based education program developed by many of the self-regulatory organizations (“Participating SROs”)⁶ and administered by FINRA to ensure that registered persons are kept current on regulatory, compliance and trading practice matters in the industry. Unlike the other offered CE Programs, the Proprietary Trader Continuing Education Program is not part of the Uniform Continuing Education Program, which is developed and maintained by the Securities Industry Regulatory Council on Continuing Education.

⁴ See Exchange Rule 3.6A.08 which outlines the qualification requirements for each of the required registration categories on the Exchange: (1) Proprietary Trader, Proprietary Trader Principal, and Proprietary Trader Compliance Officer.

⁵ See Exchange Rule 3.6A.06.

⁶ The Participating SROs that have assisted with the development of, and plan to administer, the Series 56 and S501 are the Exchange, C2 Options Exchange, Incorporated (“C2”), the Chicago Stock Exchange, Inc. (“CHX”), the New York Stock Exchange, LLC (“NYSE”), NYSE Arca, Inc. (“Arca”), NYSE Amex, LLC (“Amex”), the NASDAQ Stock Market LLC (“NASDAQ”), the National Stock Exchange, Inc. (“NSX”), NASDAQ OMX BX, Inc. (“BX”), NASDAQ OMX PHLX, LLC. (“PHLX”), BATS Y-Exchange, Inc. (“BATS Y”), BATS Exchange, Inc. (“BATS”), EDGA Exchange, Inc. (“EDGA”), EDGX Exchange, Inc. (“EDGX”), International Securities Exchange, LLC (“ISE”), and BOX Options Exchange, LLC (“BOX”).

The Proprietary Trader Continuing Education Program will logistically operate as the currently offered CE Programs do. Specifically, registered persons will be required, through CRD, to complete the Regulatory Element of the CE on the second anniversary of the base date and then every three years thereafter. While creating the S501, the Participating SROs believe that the current procedures of the other CE programs work well. The Securities Industry Regulatory Council on Continuing Education has tailored the process of the other CE Programs since its inception to a process that has been successful. Thus, as proposed, the S501 will work in the same manner. In addition, consistency between the different programs will avoid creating confusion amongst the registered persons and FINRA.

The Proprietary Trader Continuing Education Program (S501) is required for those registrants who registered as Proprietary Traders (“Series 56”) and do not maintain any other registration through CRD.⁷ Individuals that are registered under any other registration are required to maintain the CE obligations associated with those registrations. For example, an individual that is registered as a Proprietary Trader with the Exchange yet continues to maintain a Series 7 registration will be required to continue taking the Series 7 Continuing Education Program (S101).⁸ Though such individual may

⁷ Any registered person who receives a waiver of the Series 56 under Exchange Rule 3.6A.05, and does not maintain any other registrations in CRD, will be required to complete the Proprietary Trader Continuing Education Program (S501). Such individuals will also be required to complete the Firm Element which is currently described in Exchange Rule 9.3A(b).

⁸ See footnote 7 *supra*. If a registered person has received a Series 56 waiver under Exchange Rule 3.6A.05 but continues to maintain a Series 7 registration (that predates the introduction of the Series 56 on the Exchange) that registered individual will only be required to continue taking the Series 7 CE Program (S101). Through CRD, FINRA will recognize the Series 56 as waived while still requiring the Series 7 CE completion.

be engaging in the same capacity as one registered as a Proprietary Trader, because the Series 7 Examination is a more comprehensive exam of topics not covered on the Series 56, the Exchange believes that this individual continuing to maintain a Series 7 registration should complete a CE that covers all aspects of his or her registration.

As part of the new Proprietary Trader CE, registered persons will also be required to complete the Firm Element outlined in Exchange Rule 9.3A(c). Though proprietary traders with a Series 56 registration do not interact with the public, the Exchange believes this requirement is appropriate as it ensures these registered persons continue to enhance their securities knowledge, skill and professionalism. As stated in Exchange Rule 9.3A(c)(ii), the program should be tailored to fit the business of the Trading Permit Holder or TPH organization. Thus, the Exchange believes it is appropriate that these individuals also complete the Firm Element.

The introduction of the Proprietary Trader Continuing Education Program allows the Exchange to tailor its CE requirements more closely to those registered individuals who are registered as Series 56. More specifically, the Exchange believes allowing individuals engaging in proprietary trading and registered under the Series 56 to complete a separate CE Program than those maintaining a Series 7 registration is appropriate as all individuals have the option of taking either test. In comparison to the Series 7, the Series 56 Examination is more closely tailored to the practice of proprietary trading while the Series 7 is more comprehensive. As such, the Exchange believes a Series 56 CE Program should be tailored as well. At the same time, if an individual would like to remain registered as a Series 7, the Exchange believes it is appropriate they continue to be required to complete the broader CE program. As stated above, though an individual

maintaining a Series 7 registration may be engaging in the same capacity as one registered as a Proprietary Trader, because the Series 7 Examination is a more comprehensive exam of topics not covered on the Series 56, the Exchange believes that such individual that continues to maintain a Series 7 registration should complete a CE that covers all aspects of his or her registration.

(b) Statutory Basis

The proposed rule change is consistent with Section 6(c) of the Act,⁹ in general, and furthers the objectives of Section 6(c)(3)¹⁰ of the Act, which authorizes the Exchange to prescribe standards of training, experience and competence for persons associated with the Exchange TPHs, in that the proposed rule codifies the existing requirements for Exchange TPHs and TPH organizations. The proposed rule also introduces a new CE program which merely prescribes a standard for Series 56 registered persons. The Exchange believes the proposed changes are reasonable and set forth the appropriate CE requirements for an individual Trading Permit Holder or individual associated person who is required to register under Exchange Rule 3.6A.

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. Specifically, the Exchange does not believe the administrative changes being made nor the introduction of the Proprietary Trader Continuing Education Program (S501) will affect intermarket competition as the Exchange believes all Exchanges offering the same CE requirements will file similar rules addressing those CE Programs. In addition, the

⁹ 15 U.S.C. 78f(c).

¹⁰ 15 U.S.C. 78f(c)(3).

Exchange does not believe the proposed changes will affect intramarket competition because all similarly situated registered persons, e.g. registered persons maintaining the same registrations, are required to complete the same CE requirements. For example, all individuals maintaining a Series 7 registration will be required to complete the Series 7 CE while all individuals maintaining a Series 56 registration (and no other registrations) will be required to complete the new Series 56 CE.

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

Not applicable.

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)

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of Act¹¹ and Rule 19b-4(f)(6)¹² thereunder.

(b) The Exchange designates that the proposed rule change effects a change that (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. Additionally, the Exchange has given the Commission written notice of its

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

Specifically, the changes proposing to codify the existing CE requirements do not impose any additional obligations to Trading Permit Holders or associated persons. The introduction of the Proprietary Trader Continuing Education Program merely changes the CE requirement but does not change the obligation that all registered persons complete the required CE as outlined in current Exchange Rule 3.6A.04.

For the foregoing reasons, this rule filing qualifies as a “non-controversial” rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission. At any time within 60 days of the filing of this 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.

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes operative. The Exchange believes waiving the 30-day operative delay would avoid confusion for the Exchange’s registered persons. The Exchange does not see the proposed language affecting the protection of investors or the public interest or imposing any significant burden on competition. Because registered persons have always been subject to a CE requirement, the Exchange believes the proposed rule change does not present any new, unique or

substantive issues that make the 30-day operative delay specified in Rule 19b-4(f)(6) necessary.

(c) Not applicable.

(d) Not applicable.

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

The proposed rule change is not based on a rule either of another self-regulatory organization or of the Commission.

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 5. Proposed rule text.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-CBOE-2013-076]

[Insert date]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Continuing Education

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 amend Exchange Rule 9.3A regarding continuing education for registered persons. 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 amend Rule 9.3A to specify the different Continuing Education (“CE”) requirements for registered persons based upon their registration with the Exchange. This change will authorize the Exchange to administer different CE programs to differently registered individuals while bringing clarity to Trading Permit Holders (“TPHs”) about what CE requirement they must fulfill. More specifically, the Exchange is proposing to: (1) enumerate the required Regulatory Element programs, (2) add language to Rule 9.3A that would outline which program Exchange registered persons engaging in proprietary trading must take, and (3) add language to 9.3A(c) specifying that registered persons with a Series 56 registration must complete the Firm Element of the CE requirement.

Background

Currently, Exchange Rule 3.6A.04 states that that each individual registered with the Exchange shall “satisfy the continuing education requirements set forth in Rule

9.3A.”³ Exchange Rule 9.3A specifies the CE requirements for registered persons subsequent to their initial qualification and registration with the Exchange. The requirements consist of a Regulatory Element and a Firm Element.⁴ The Regulatory Element is a computer-based education program administered by the Financial Industry Regulatory Authority (“FINRA”) to help ensure that registered persons are kept up to date on regulatory, compliance and sales practice matters in the industry.⁵ Currently, there are three Regulatory Element programs: the S201 Supervisor Program for registered principals and supervisors; the S106 Series 6 Program for Series 6 registered persons; and the S101 General Program for Series 7 and all other registered persons. The Exchange is proposing to enumerate these programs in the Exchange Rulebook along with adding the S501 Series 56 Proprietary Trader Continuing Education Program for Series 56 registered persons.

Introduction of the Proprietary Trading Continuing Education Program

The Exchange is proposing to introduce a new CE Program for Proprietary Traders registered with the Exchange who have successfully completed the Proprietary Traders Examination (“Series 56”) and who have no other registrations. Exchange Rule 3.6A.08 outlines the registration and qualification requirements (including prerequisite examinations) for TPHs and TPH organizations conducting proprietary trading, market-

³ See Exchange Rule 3.6A.04.

⁴ Currently, the Firm Element of the CE Program applies to any person registered with a CBOE member firm who has direct contact with customers in the conduct of the member’s securities sales, trading and investment banking activities, and to the immediate supervisors of such persons (collectively called “covered registered persons”). The requirement stipulates that each member firm must maintain a continuing education program for its covered registered persons to enhance their securities knowledge, skill and professionalism. Each firm has the requirement to annually conduct a training needs analysis, develop a written training plan, and implement the plan.

⁵ Rule 9.3A permits a member firm to deliver the Regulatory Element to registered persons on firm premises (“In-Firm Delivery”) as an option to having persons take the training at a designated center provided that firms comply with specific requirements relating to supervision, delivery site(s), technology, administration, and proctoring. In addition, Rule 9.3A requires that persons serving as proctors for the purposes of In-Firm Delivery must be registered.

making and/or effecting transactions on behalf of other broker dealers.⁶ An individual TPH and/or individual associated person who is engaged in the securities business of a TPH (as described in Interpretation and Policy .06 to Rule 3.6A) is required to register as a Proprietary Trader in CRD and pass the related qualification examination, the Series 56.⁷

The Proprietary Trader Continuing Education Program (S501) is a computer-based education program developed by many of the self-regulatory organizations (“Participating SROs”)⁸ and administered by FINRA to ensure that registered persons are kept current on regulatory, compliance and trading practice matters in the industry. Unlike the other offered CE Programs, the Proprietary Trader Continuing Education Program is not part of the Uniform Continuing Education Program, which is developed and maintained by the Securities Industry Regulatory Council on Continuing Education.

The Proprietary Trader Continuing Education Program will logistically operate as the currently offered CE Programs do. Specifically, registered persons will be required, through CRD, to complete the Regulatory Element of the CE on the second anniversary of the base date and then every three years thereafter. While creating the S501, the Participating SROs believe that the current procedures of the other CE programs work well. The Securities Industry Regulatory Council on Continuing Education has tailored

⁶ See Exchange Rule 3.6A.08 which outlines the qualification requirements for each of the required registration categories on the Exchange: (1) Proprietary Trader, Proprietary Trader Principal, and Proprietary Trader Compliance Officer.

⁷ See Exchange Rule 3.6A.06.

⁸ The Participating SROs that have assisted with the development of, and plan to administer, the Series 56 and S501 are the Exchange, C2 Options Exchange, Incorporated (“C2”), the Chicago Stock Exchange, Inc. (“CHX”), the New York Stock Exchange, LLC (“NYSE”), NYSE Arca, Inc. (“Arca”), NYSE Amex, LLC (“Amex”), the NASDAQ Stock Market LLC (“NASDAQ”), the National Stock Exchange, Inc. (“NSX”), NASDAQ OMX BX, Inc. (“BX”), NASDAQ OMX PHLX, LLC. (“PHLX”), BATS Y-Exchange, Inc. (“BATS Y”), BATS Exchange, Inc. (“BATS”), EDGA Exchange, Inc. (“EDGA”), EDGX Exchange, Inc. (“EDGX”), International Securities Exchange, LLC (“ISE”), and BOX Options Exchange, LLC (“BOX”).

the process of the other CE Programs since its inception to a process that has been successful. Thus, as proposed, the S501 will work in the same manner. In addition, consistency between the different programs will avoid creating confusion amongst the registered persons and FINRA.

The Proprietary Trader Continuing Education Program (S501) is required for those registrants who registered as Proprietary Traders (“Series 56”) and do not maintain any other registration through CRD.⁹ Individuals that are registered under any other registration are required to maintain the CE obligations associated with those registrations. For example, an individual that is registered as a Proprietary Trader with the Exchange yet continues to maintain a Series 7 registration will be required to continue taking the Series 7 Continuing Education Program (S101).¹⁰ Though such individual may be engaging in the same capacity as one registered as a Proprietary Trader, because the Series 7 Examination is a more comprehensive exam of topics not covered on the Series 56, the Exchange believes that this individual continuing to maintain a Series 7 registration should complete a CE that covers all aspects of his or her registration.

As part of the new Proprietary Trader CE, registered persons will also be required to complete the Firm Element outlined in Exchange Rule 9.3A(c). Though proprietary traders with a Series 56 registration do not interact with the public, the Exchange believes this requirement is appropriate as it ensures these registered persons continue to enhance

⁹ Any registered person who receives a waiver of the Series 56 under Exchange Rule 3.6A.05, and does not maintain any other registrations in CRD, will be required to complete the Proprietary Trader Continuing Education Program (S501). Such individuals will also be required to complete the Firm Element which is currently described in Exchange Rule 9.3A(b).

¹⁰ See footnote 9 *supra*. If a registered person has received a Series 56 waiver under Exchange Rule 3.6A.05 but continues to maintain a Series 7 registration (that predates the introduction of the Series 56 on the Exchange) that registered individual will only be required to continue taking the Series 7 CE Program (S101). Through CRD, FINRA will recognize the Series 56 as waived while still requiring the Series 7 CE completion.

their securities knowledge, skill and professionalism. As stated in Exchange Rule 9.3A(c)(ii), the program should be tailored to fit the business of the Trading Permit Holder or TPH organization. Thus, the Exchange believes it is appropriate that these individuals also complete the Firm Element.

The introduction of the Proprietary Trader Continuing Education Program allows the Exchange to tailor its CE requirements more closely to those registered individuals who are registered as Series 56. More specifically, the Exchange believes allowing individuals engaging in proprietary trading and registered under the Series 56 to complete a separate CE Program than those maintaining a Series 7 registration is appropriate as all individuals have the option of taking either test. In comparison to the Series 7, the Series 56 Examination is more closely tailored to the practice of proprietary trading while the Series 7 is more comprehensive. As such, the Exchange believes a Series 56 CE Program should be tailored as well. At the same time, if an individual would like to remain registered as a Series 7, the Exchange believes it is appropriate they continue to be required to complete the broader CE program. As stated above, though an individual maintaining a Series 7 registration may be engaging in the same capacity as one registered as a Proprietary Trader, because the Series 7 Examination is a more comprehensive exam of topics not covered on the Series 56, the Exchange believes that such individual that continues to maintain a Series 7 registration should complete a CE that covers all aspects of his or her registration.

2. Statutory Basis

The proposed rule change is consistent with Section 6(c) of the Act,¹¹ in general, and furthers the objectives of Section 6(c)(3)¹² of the Act, which authorizes the Exchange to prescribe standards of training, experience and competence for persons associated with the Exchange TPHs, in that the proposed rule codifies the existing requirements for Exchange TPHs and TPH organizations. The proposed rule also introduces a new CE program which merely prescribes a standard for Series 56 registered persons. The Exchange believes the proposed changes are reasonable and set forth the appropriate CE requirements for an individual Trading Permit Holder or individual associated person who is required to register under Exchange Rule 3.6A.

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. Specifically, the Exchange does not believe the administrative changes being made nor the introduction of the Proprietary Trader Continuing Education Program (S501) will affect intermarket competition as the Exchange believes all Exchanges offering the same CE requirements will file similar rules addressing those CE Programs. In addition, the Exchange does not believe the proposed changes will affect intramarket competition because all similarly situated registered persons, e.g. registered persons maintaining the same registrations, are required to complete the same CE requirements. For example, all individuals maintaining a Series 7 registration will be required to complete the Series 7

¹¹ 15 U.S.C. 78f(c).

¹² 15 U.S.C. 78f(c)(3).

CE while all individuals maintaining a Series 56 registration (and no other registrations) will be required to complete the new Series 56 CE.

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.

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

Because the foregoing proposed rule change does not:

- A. significantly affect the protection of investors or the public interest;
- B. impose any significant burden on competition; and
- C. become operative for 30 days from the date on which it was filed, or such

shorter time as the Commission may designate,

it has become effective pursuant to Section 19(b)(3)(A) of the Act¹³ and Rule 19b-4(f)(6)¹⁴ 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

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(6).

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-2013-076 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-2013-076. 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-2013-076 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.¹⁵

Secretary

¹⁵ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

* * * * *

**Chicago Board Options Exchange, Incorporated
Rules**

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Rule 9.3A. Continuing Education for Registered Persons

(a) No change.

(1) – (2) No change.

(3) Required Programs -- For purposes of this Rule, 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 Continuing Education Program for Series 56 registered persons, and the S101 General Program for Series 7 and all other registered persons.

(b) No change.

(c) *Firm Element*

(1) *Persons Subject to the Firm Element* – The requirements of Section (b) of this Rule shall apply to any registered person who has a Series 56 registration or direct contact with customers in the conduct of the Trading Permit Holder’s or TPH organization’s securities sales, trading or investment banking activities, and to the immediate supervisors of such persons (collectively, “covered registered persons”).

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