

comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<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 Web site viewing and printing in the Commission's Public Reference Room on official business days between the hours of 10 a.m. and 3 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-BX-2011-059 and should be submitted on or before September 28, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Elizabeth M. Murphy,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Extend the Compliance Deadline for Qualification Pursuant to Rule 3.6A

August 30, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("the Act"),¹ notice is hereby given that on August 23, 2011, Chicago Board Options Exchange, Incorporated ("CBOE" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by CBOE. The Exchange has designated this proposal as one

constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule under Section 19(b)(3)(A)(i) of the Act,² and Rule 19b-4(f)(1)³ thereunder, which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),⁴ the Exchange proposes to extend the September 19, 2011 deadline to October 29, 2011 to comply with its rules regarding registration and qualification of individual Trading Permit Holders and individual associated persons.⁵ CBOE is not proposing any textual changes to the Rules of CBOE. The text of the proposed rule change is available on the Exchange's Web site (<http://www.cboe.org/legal>), 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, CBOE 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. CBOE 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, Proposed Rule Change

1. Purpose

Pursuant to Rule 15b7-1,⁶ promulgated under the Exchange Act,⁷ "No registered broker or dealer shall

² 15 U.S.C. 78s(b)(3)(A)(i).

³ 17 CFR 19b-4(f)(1).

⁴ 15 U.S.C. 78s(b)(1).

⁵ The Commission notes that the extension until October 29, 2011 is an extension of the time to pass the appropriate qualification exam. All individual Trading Permit Holders and individual associated persons not already registered in WebCRD were to be registered as of January 11, 2011. See Securities Exchange Act Release No. 63314 (November 12, 2010), 75 FR 70957 (November 19, 2010), at 70958.

⁶ 17 CFR 240.15b7-1.

⁷ 15 U.S.C. 78a et seq.

effect any transaction in * * * any security unless any natural person associated with such broker or dealer who effects or is involved in effecting such transaction is registered or approved in accordance with the standards of training, experience, competence, and other qualification standards...established by the rules of any national securities exchange..." CBOE Rule 3.6A sets forth the requirements for registration and qualification of individual Trading Permit Holders and individual associated persons. In response to a request by the Division of Trading and Markets at the Securities and Exchange Commission (the "Commission" or "SEC"), CBOE recently amended its rules to expand its registration and qualification requirements set forth in CBOE Rule 3.6A to include individual Trading Permit Holders and individual associated persons that are engaged or to be engaged in the securities business of a Trading Permit Holder or TPH organization.⁸ CBOE Rule 3.6A provides that these individuals must be registered with the Exchange in the category of registration appropriate to the function to be performed as prescribed by the Exchange. Further, Rule 3.6A requires, among other things, that an individual Trading Permit Holder or individual associated person submit an application for registration and pass the appropriate qualification examination before the registration can become effective. The revised requirements apply to both CBOE and CBOE Stock Exchange ("CBSX") Trading Permit Holders and their associated persons.

In conjunction with the registration requirements established by SR-CBOE-2010-084, three new qualification examinations became available on June 20, 2011 in the Central Registration Depository system ("WebCRD"), which is operated by the Financial Industry Regulatory Authority, Incorporated ("FINRA"). These registration categories include the following (the required qualification examinations and prerequisites, as applicable, associated with each registration category are in parentheses): PT—Proprietary Trader (Series 56), CT—Proprietary Trader Compliance Officer (Series 14, Series 56 prerequisite) and TP—Proprietary Trader Principal (Series 24, Series 56 prerequisite). In the Approval Order for SR-CBOE-2010-084, the SEC established a deadline of August 12, 2011 for CBOE and CBSX individual Trading Permit Holders and individual

⁸ See Securities Exchange Act Release No. 63314 (November 12, 2010), 75 FR 70957 (November 19, 2010) (SR-CBOE-2010-084).

¹⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

associated persons of CBOE and CBSX Trading Permit Holders to register for and pass the applicable qualification examination(s), approximately seven weeks from the date the qualification exams became available. CBOE recently submitted a rule filing extending the deadline until September 19, 2011.⁹ The International Securities Exchange, LLC ("ISE") recently submitted a rule filing setting forth the content outline for the Series 56.¹⁰ In conjunction with this filing, ISE issued a Regulatory Information Circular¹¹ establishing a deadline of October 29, 2011 for complying with its new registration and qualification requirements.

CBOE respectfully requests to extend the September 19, 2011 deadline to October 29, 2011 (or such other later compliance date as the Commission deems appropriate for the participating self-regulatory organizations) to be consistent with the deadline provided to ISE members to comply with the registration and qualification requirements.¹² CBOE believes its proposal to extend this deadline is reasonable and necessary in an effort to implement consistent standards for registration and qualification across self-regulatory organizations.

CBOE continues to evaluate the reasonability of the proposed deadline in light of various factors including, but not limited to, the following: (i) Potential disruption to the marketplace if a Market-Maker or Designated Primary Market-Maker does not satisfy the qualification requirements; (ii) system enforced delays in registering for an examination in WebCRD upon an individual's failure of a qualification examination; (iii) examination scheduling limitations due to the volume of individuals required to take the examination(s); and (iv) the ability for those individuals subject to heightened qualification examinations to prepare for, schedule and pass more than one examination in an extremely limited window of time. CBOE will

continue to update Commission staff and evaluate whether additional rule filings are necessary to address reasonability concerns in conjunction with requiring compliance within the proposed time frame.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,¹³ in general, and furthers the objectives of Section 6(b)(1)¹⁴ of the Act in particular, in that it is designed to enforce compliance by Exchange members and persons associated with its members with the rules of the Exchange. The Exchange also believes the proposed rule change furthers the objectives of Section 6(c)(3)¹⁵ of the Act, which authorizes CBOE to prescribe standards of training, experience and competence for persons associated with CBOE members, in that this filing is proposing to extend the deadline for compliance with the standards of training, experience and competence established by the Exchange. CBOE believes that its proposal is reasonable in that it establishes a deadline for compliance with the registration and qualification requirements that is consistent with the deadline in place for ISE members and their associated persons.

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 Act.

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

No written comments were solicited or received with respect to the proposed rule change.

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

The foregoing proposed rule change will take effect upon filing with the Commission pursuant to Section 19(b)(3)(A)(i) of the Act¹⁶ and Rule 19b-4(f)(1) thereunder,¹⁷ because it constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule.

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.

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-2011-081 on the subject line.

Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2011-081. 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 Web site (<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 Web site viewing and printing in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of CBOE. 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 publicly available. All

⁹ See Securities Exchange Act Release No. 64946 (July 21, 2011), 76 FR 44972 (July 27, 2011) (SR-CBOE-2011-064).

¹⁰ See Securities Exchange Act Release No. 65086 (August 10, 2011), 76 FR 50796 (August 16, 2011) [sic] (SR-ISE-2011-036).

¹¹ See ISE Regulatory Information Circular 2011-15 (issued August 15, 2011).

¹² The International Securities Exchange ("ISE") received approval for a rule filing establishing substantially similar registration and qualification requirements on February 4, 2011. The Approval Order for SR-ISE-2010-115 provides that "Associated persons of ISE members will have 90 days from the date the examination becomes available to take and pass the examination." See Securities Exchange Act Release No. 63843 (February 4, 2011), 76 FR 7884 (February 11, 2011) (SR-ISE-2010-115).

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(1).

¹⁵ 15 U.S.C. 78f(c)(3).

¹⁶ 15 U.S.C. 78s(b)(3)(A)(i).

¹⁷ 17 CFR 240.19b-4(f)(1).

submissions should refer to File Number SR-CBOE-2011-081 and should be submitted on or before September 28, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Elizabeth M. Murphy,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-65234; File No. SR-MSRB-2011-10]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of Proposed Rule Change by the Municipal Securities Rulemaking Board Consisting of Amendments to MSRB Rule G-20 (Gifts and Gratuities) and Related Amendments to MSRB Rule G-8 (Books and Records) and MSRB Rule G-9 (Preservation of Records), and To Clarify That Certain Interpretations by the Financial Industry Regulatory Authority and the National Association of Securities Dealers Would Be Applicable to Municipal Advisors

August 31, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Exchange Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on August 16, 2011, the Municipal Securities Rulemaking Board (the "MSRB") filed with the Securities and Exchange Commission (the "Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. 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 MSRB has filed with the Commission a proposed rule change consisting of proposed amendments to MSRB Rule G-20 (on gifts and gratuities), which would apply the rule to municipal advisors, along with related proposed amendments to Rule G-8 (on books and records) and Rule G-9 (on preservation of records), and to clarify that certain interpretations by the

Financial Industry Regulatory Authority ("FINRA") of its gifts rule (FINRA Rule 3220) and its predecessor, the National Association of Securities Dealers ("NASD") of its gift rule (NASD Rule 3060), would be applicable to municipal advisors. The MSRB requested that the proposed rule change be made effective on the date that rules defining the term "municipal advisor" under the Exchange Act are first made effective by the Commission.

The text of the proposed rule change is available on the MSRB's Web site at <http://www.msrb.org/Rules-and-Interpretations/SEC-Filings/2011-Filings.aspx>, at the MSRB's principal office, 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 Changes

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB 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 Changes

1. Purpose

Existing MSRB Rule G-20. Rule G-20 was adopted by the MSRB to prevent brokers, dealers, and municipal securities dealers ("dealers") from attempting to induce other organizations active in the municipal securities market to engage in business with such dealers by means of personal gifts or gratuities given to employees of the organizations, including, but not limited to, acts of commercial bribery,³ and to help to ensure that dealers' municipal securities activities are undertaken in arm's-length, merit-based transactions in which conflicts of interest are minimized. The MSRB has interpreted Rule G-20 to preclude the payment by dealers of "excessive or lavish" entertainment or travel expenses of issuer personnel, as follows:⁴

³ See *MSRB Notice 2004-17* (June 15, 2004).

⁴ See *Rule G-20 Interpretation—Dealer Payments in Connection with the Municipal Securities Issuance Process* (January 29, 2007); see also *In the Matter of RBC Capital Markets Corporation*, SEC Rel. No. 34-59439 (Feb. 24, 2009) (settlement in connection with broker-dealer alleged to have violated MSRB Rules G-20 and G-17 for payment of lavish travel and entertainment expenses of city

officials and their families associated with rating agency trips, which expenditures were subsequently reimbursed from bond proceeds as costs of issuance); *In the Matter of Merchant Capital, L.L.C.*, SEC Rel. No. 34-60043 (June 4, 2009) (settlement in connection with broker-dealer alleged to have violated MSRB rules for payment of travel and entertainment expenses of family and friends of senior officials of issuer and reimbursement of the expenses from issuers and from proceeds of bond offerings).

Dodd-Frank Act. The Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act")⁵ authorized the MSRB to establish a comprehensive body of regulation for all municipal advisors.⁶ The Dodd-Frank Act requires the MSRB to adopt rules for municipal advisors that are designed to prevent fraudulent and manipulative acts and practices and to promote just and equitable principles of trade.⁷ It also expands the mission of the MSRB to include the protection of municipal entities⁸ and obligated persons, in addition to the protection of investors and the public interest.

Proposed amendments to MSRB Rule G-20. Pursuant to the authority granted to it by the Dodd-Frank Act, the MSRB is proposing the amendments to Rule G-20. Just as the existing rule helps to ensure that dealers' municipal securities activities are undertaken in arm's-length, merit-based transactions in which conflicts of interest are minimized, the MSRB seeks to reduce the potential for conflicts of interest in municipal advisory activities.⁹ The

officials and their families associated with rating agency trips, which expenditures were subsequently reimbursed from bond proceeds as costs of issuance); *In the Matter of Merchant Capital, L.L.C.*, SEC Rel. No. 34-60043 (June 4, 2009) (settlement in connection with broker-dealer alleged to have violated MSRB rules for payment of travel and entertainment expenses of family and friends of senior officials of issuer and reimbursement of the expenses from issuers and from proceeds of bond offerings).

⁵ Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, 124 Stat. 1376 (2010).

⁶ "Municipal advisor" is defined in Section 15B(e)(4) of the Exchange Act.

⁷ See Section 15B(b)(2)(C) of the Exchange Act.

⁸ "Municipal entity" is defined in Section 15B(e)(8) of the Exchange Act as "any State, political subdivision of a State, or municipal corporate instrumentality of a State, including—(A) any agency, authority, or instrumentality of the State, political subdivision, or municipal corporate instrumentality; (B) any plan, program, or pool of assets sponsored or established by the State, political subdivision, or municipal corporate instrumentality or any agency, authority, or instrumentality thereof; and (C) any other issuer of municipal securities."

⁹ MSRB Rule D-13 defines the term "municipal advisory activities" by reference to Section 15B(e)(4)(A) of the Exchange Act (*i.e.*, (i) providing advice to municipal entities or obligated persons on municipal financial products or the issuance of

Continued

¹⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.