

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-76947; File No. SR-BX-2016-004)

January 21, 2016

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Subsection (a)(7) of Rule 7003, Registration and Processing Fees

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup>, and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that, on January 13, 2016, NASDAQ OMX BX, Inc. (“BX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “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 subsection (a)(7) of Rule 7003, Registration and Processing Fees, as described further below

The text of the proposed rule change is available on the Exchange’s Website at <http://nasdaqomxbx.cchwallstreet.com/>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

<sup>2</sup> 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 proposes to make changes to the continuing education fees section of Rule 7003 to provide that the continuing education session fee will be \$55 if the session is conducted via Web delivery. The continuing education session fee will remain \$100 if the session is conducted at a testing center. The Exchange is deleting the \$60 session fee for the S501 Regulatory Element, which FINRA discontinued as of January 4, 2016.<sup>3</sup>

On August 8, 2015, the Commission approved SR-FINRA-2015-015 relating proposed changes to FINRA Rule 1250 to provide a Web-based delivery method for completing the Regulatory Element of the continuing education requirements.<sup>4</sup> Pursuant to the rule change,

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<sup>3</sup> Currently, Rule 7003(a) provides that certain fees will be collected and retained by FINRA via the Web CRD registration system for the registration of associated persons of Exchange members that are not also FINRA members. Under Rule 7003(a)(7), FINRA collects and retains a \$100 session fee for each individual who is required to complete the Regulatory Element of the Continuing Education Requirements pursuant to Exchange Rule 1120 (S101 and S201) and a \$60 session fee for each individual who is required to complete the Proprietary Trader Regulatory Element (S501).

<sup>4</sup> See Securities Exchange Act Release No. 75581 (July 31, 2015), 80 FR 47018 (August 6, 2015) (Order Approving a Proposed Rule Change to Provide a Web-based Delivery Method for Completing the Regulatory Element of the Continuing Education Requirements) (SR-FINRA-2015-015).

effective October 1, 2015, the Regulatory Element of the Continuing Education Programs for the S201 for Registered Principals and Supervisors is now administered through Web-based delivery or such other technological manner and format as specified by FINRA. FINRA launched Web-based delivery of the S101 Regulatory Element program on January 4, 2016.<sup>5</sup>

Pursuant to the approval order for SR-FINRA-2015-015, the fee for test-center delivery of the Regulatory Element of the S201 Continuing Education programs will continue to be \$100 per session through no later than six months after January 4, 2016 when the program will no longer be offered at testing centers. However, under the SR-FINRA-2015-015 approval order the fee for Web-based delivery of the Regulatory Elements of the S101 and the S201 Continuing Education programs is now \$55.

The Exchange currently utilizes FINRA's Continuing Education programs for its own continuing education requirements which include the S101 and S201 programs. Consistent with SR-FINRA-2015-015, the Exchange recently filed a separate proposed rule change relating to continuing education.<sup>6</sup> In that filing, the Exchange proposed to follow the changes set forth in SR-FINRA-2015-015 with respect to Web-based delivery of the Regulatory Element of the Continuing Education programs for the S101 and the S201. Consistent with SR-FINRA-2015-015 this proposed rule change would amend Rule 7003 to provide that the following fees will be collected and retained by FINRA for the registration of associated persons of Exchange members

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<sup>5</sup> The Regulatory Element of the S101 and S201 Continuing Education Programs will continue to be offered at testing centers until no later than six months after January 4, 2016. Test-center delivery of the Regulatory Element will be phased out by no later than six months after January 4, 2016. See Securities Exchange Act Release No. 75581 (July 31, 2015), 80 FR 47018 (August 6, 2015) (Order Approving a Proposed Rule Change To Provide a Web-Based Delivery Method for Completing the Regulatory Element of the Continuing Education) (SR-FINRA-2015-015).

<sup>6</sup> See SR-BX-2016-02 [sic].

that are not also FINRA members: a \$100 session fee (\$55 if the Continuing Education is Web-based) for each individual who is required to complete the Regulatory Element of the Continuing Education Requirements pursuant to Exchange Rule 1120 (S101 and S201). The proposal will eliminate the \$60 session fee for each individual who is required to complete the Proprietary Trader Regulatory Element (S501).<sup>7</sup>

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>8</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>9</sup> 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)<sup>10</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

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<sup>7</sup> As noted above, the S501 Proprietary Trader Regulatory Element was discontinued January 4, 2016. The Exchange anticipates filing a subsequent rule change to eliminate the reference to the \$100 session fee when the test center option is eliminated for the S101 and S201 Regulatory Elements.

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>10</sup> Id.

Web-based delivery will remove time parameters that exist with respect to taking continuing education at testing centers. Having additional time to take continuing education may result in better learning outcomes, which should enhance investor protection. In addition, the option to have Web-based delivery of the Regulatory Element of the Continuing Education program at a reduced cost makes it easier and less costly for registrants to participate in the market. Accordingly, the Exchange believes that Web-based delivery of the Regulatory Element of the Continuing Education Program and reducing the costs of continuing education in general are goals that are consistent with the Act.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. As FINRA has stated, the proposed rule change is specifically intended to reduce the burdens of continuing education on market participants while preserving the integrity of the Continuing Education program.

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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.<sup>11</sup>

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or

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<sup>11</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

(iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-BX-2016-004 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-BX-2016-004. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F

Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of 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-2016-004 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

Brent J. Fields  
Secretary

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