

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

Written comments were neither solicited nor received.

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

Because the foregoing proposed rule change does not:

- (i) Significantly affect the protection of investors or the public interest;
- (ii) impose any significant burden on competition; and
- (iii) 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 Act<sup>11</sup> and Rule 19b-4(f)(6) thereunder.<sup>12</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate 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](mailto:rule-comments@sec.gov). Please include File Number SR-NASD-2007-015 on the subject line.

#### *Paper Comments*

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

All submissions should refer to File Number SR-NASD-2007-015. 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](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 inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of NASD. 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-NASD-2007-015 and should be submitted on or before April 3, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>13</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55409; File No. SR-NASD-2007-004]

### Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving Proposed Rule Change as Modified by Amendment No. 1 To Amend NASD Rule 7010(k) Relating to Transaction Reporting and Compliance Engine Transaction Data

March 6, 2007.

On January 16, 2007, the National Association of Securities Dealers, Inc. ("NASD") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to offer subscribers to its Transaction Reporting and Compliance Engine system ("TRACE") the ability to receive, for a reduced fee, a "snapshot" of real-time TRACE transaction data once each day rather than continuously throughout the

day. The proposed rule change was published for comment in the **Federal Register** on February 2, 2007.<sup>3</sup> The Commission received no comments regarding the proposal. On March 2, 2007, the Exchange submitted Amendment No. 1 to the proposed rule change.<sup>4</sup>

The Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities association.<sup>5</sup> The proposal would offer a new TRACE subscription option whereby subscribers could pay \$250/month to receive TRACE transaction data daily, once a day ("Snapshot TRACE data") rather than paying \$1,500/month for continuous access to TRACE transaction data. NASD has identified certain market participants, namely institutional investors, who only need a single price, daily, for each security for purposes of position valuation. NASD believes that, given the limited need for TRACE transaction data for these market participants, the \$1,500/month charge for continuous access to TRACE transaction data may be unnecessarily expensive for them. NASD further believes that the proposed charge of \$250/month for Snapshot TRACE data is reasonable and more appropriate for the tailored transaction informational needs of certain institutional market participants, who are currently foregoing TRACE transaction data at the higher monthly charge for continuous data.

The Commission finds that the proposed rule change is consistent with the Act, and particularly with Section 15A(b)(5) thereof,<sup>6</sup> which requires that NASD's rules provide for the equitable allocation of dues, fees, and other charges among members and issuers and other persons using any facility or system which NASD operates or controls. The Commission believes that the proposed rule change, by offering the option of tailored access to TRACE transaction data at a reduced cost, is reasonable.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,<sup>7</sup> that the proposed rule change (SR-NASD-2007-

<sup>3</sup> See Securities Exchange Act Release No. 55180 (January 26, 2007), 72 FR 5095.

<sup>4</sup> Amendment No. 1 made technical changes to the proposal and is not subject to notice and comment.

<sup>5</sup> In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>6</sup> 15 U.S.C. 78o-3(b)(5).

<sup>7</sup> 15 U.S.C. 78s(b)(2).

<sup>13</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 17 CFR 240.19b-4.

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

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

004), as amended, be, and hereby is, approved and declared effective.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

[FR Doc. E7-4507 Filed 3-12-07; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55410; File No. SR-NASD-2007-020]

### Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Revise the Implementation Date of Previously Proposed Amendments to NASD Rules 4632(f) and 6130(e)

March 6, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 5, 2007, the National Association of Securities Dealers, Inc. (“NASD”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been substantially prepared by NASD. NASD has filed the proposal as a “non-controversial” rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder,<sup>4</sup> which renders it 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

NASD proposes to revise the implementation date of certain amendments to the NASD/Nasdaq Trade Reporting Facility (“NASD/Nasdaq TRF”) rules that were previously proposed by NASD pursuant to SR-NASD-2007-002.<sup>5</sup> Specifically, NASD proposes to implement the amendments to Rule 4632(f) and Rule 6130(e) regarding aggregation of trades for

purposes of reporting to the NASD/Nasdaq TRF on the Regulation NMS Trading Phase Date, March 5, 2007.<sup>6</sup> There is no new rule text.

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

In its filing with the Commission, NASD 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. NASD 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

On January 8, 2007, NASD filed proposed rule change SR-NASD-2007-002, which proposed to make conforming changes to the transaction reporting rules relating to the NASD/Nasdaq TRF consistent with the new requirements of Regulation NMS under the Act. Among other changes, NASD proposed to amend Rule 4632(f) to expressly prohibit a member from aggregating individual executions of orders in a security at the same price into a single transaction report for tape purposes. As stated in SR-NASD-2007-002, NASD has determined that prohibiting the bunching of transactions when reporting to an NASD facility helps ensure greater transparency of individual transactions. However, for purposes of trades that are not printed to the tape, NASD proposed to amend Rule 6130(e) to continue to permit members—for clearing purposes only—to aggregate individual executions of orders in a security at the same price with the identical contra party and submit a single report to the System.<sup>7</sup>

These amendments are consistent with recent amendments to the reporting rules relating to NASD’s Alternative Display Facility (“ADF”). Pursuant to SR-NASD-2006-091, NASD proposed to amend Rule 4632A(f) to expressly prohibit aggregation of individual executions of orders in a security at the same price into a single transaction report. The effective date of

SR-NASD-2006-091 is the Regulation NMS Trading Phase Date.<sup>8</sup>

To ensure consistency across NASD facilities, NASD proposes to implement the amendments to Rules 4632(f) and 6130(e) on the Regulation NMS Trading Phase Date, which, as noted above, is the implementation date for similar amendments to the ADF rules.<sup>9</sup> All other changes that were proposed in SR-NASD-2007-002 will become effective on the Pilot Stocks Phase Date, as set forth in that filing.

NASD is clarifying that proposed Rule 4632(f) is intended to prohibit only the aggregation of multiple executions into a single transaction report using the “.B” modifier for purposes of transaction reporting to the NASD/Nasdaq TRF. It will not apply to the matching or crossing of multiple orders in a single execution (e.g., via an alternative trading system or broker-dealer order-management system). Today, such single executions are not submitted to the NASD/Nasdaq TRF as bunched or aggregated transaction reports using the “.B” modifier and, thus, are not affected by the proposed rule change.

NASD has filed the proposed rule change for immediate effectiveness. NASD proposes to implement the amendments to Rules 4632(f) and 6130(e) on the Regulation NMS Trading Phase Date, March 5, 2007.

###### 2. Statutory Basis

NASD believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,<sup>10</sup> which requires, among other things, that NASD rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. NASD believes that the proposed rule change will enhance the consistency of the trade reporting rules applicable to NASD facilities and will ensure greater transparency of individual transactions.

##### B. Self-Regulatory Organization’s Statement on Burden on Competition

NASD does not believe that the proposed rule change will result in any burden on competition that is not

<sup>8</sup> See Securities Exchange Act Release No. 54537 (September 28, 2006), 71 FR 59173 (October 6, 2006) (SR-NASD-2006-091). See also *NASD Notice to Members 06-67* (November 2006) announcing the effective date of SR-NASD-2006-091.

<sup>9</sup> The rules relating to the NASD/NSX Trade Reporting Facility, the NASD/BSE Trade Reporting Facility, and the NASD/NYSE Trade Reporting Facility prohibit the aggregation of trades for purposes of reporting.

<sup>10</sup> 15 U.S.C. 78o-3(b)(6).

<sup>8</sup> 17 CFR 200.30-3(a)(12); 17 CFR 200.30-3(a)(44).

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

<sup>2</sup> 17 CFR 240.19b-4.

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

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

<sup>5</sup> See Securities Exchange Act Release No. 55101 (January 12, 2007), 72 FR 2568 (January 19, 2007) (SR-NASD-2007-002).

<sup>6</sup> See Securities Exchange Act Release No. 55160 (January 24, 2007), 72 FR 4202 (January 30, 2007).

<sup>7</sup> “System” is defined in Rule 6110 to mean the NASD/Nasdaq TRF, the OTC Reporting Facility, and the ITS/CAES System.