

consolidation, acquisition, spin-off or reorganization of the Fund; or

C. An offering other than an offering described in conditions VI.A and VI.B above, unless, with respect to such other offering:

1. The Fund's average annual distribution rate for the six months ending on the last day of the month ended immediately prior to the most recent distribution declaration date<sup>4</sup>, expressed as a percentage of NAV per share as of such date, is no more than 1 percentage point greater than the Fund's average annual total return for the 5-year period ending on such date<sup>5</sup>; and

2. The transmittal letter accompanying any registration statement filed with the Commission in connection with such offering discloses that the Fund has received an order under section 19(b) to permit it to make periodic distributions of long-term capital gains with respect to its common stock as frequently as twelve times each year, and as frequently as distributions are specified in accordance with the terms of any outstanding preferred stock that such Fund may issue.

VII. *Amendments to Rule 19b-1*: The requested relief will expire on the effective date of any amendment to rule 19b-1 that provides relief permitting certain closed-end investment companies to make periodic distributions of long-term capital gains with respect to their outstanding common stock as frequently as twelve times each year.

For the Commission, by the Division of Investment Management, under delegated authority.

**Florence E. Harmon,**  
*Acting Secretary.*

[FR Doc. E8-17539 Filed 7-30-08; 8:45 am]

**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold a Roundtable on International Financial Reporting Standards on Monday, August 4, 2008 beginning at 1 p.m.

<sup>4</sup> If the Fund has been in operation fewer than two years, the measured period will begin immediately following the Fund's first public offering.

<sup>5</sup> If the Fund has been in operation fewer than five years, the measured period will begin immediately following the Fund's first public offering.

The Roundtable will take place in the Auditorium of the Commission's headquarters at 100 F Street, NE., Washington DC. The Roundtable will be open to the public with seating on a first-come, first-served basis. Doors will open at 12:30 p.m. Visitors will be subject to security checks.

The roundtable will consist of an open discussion on International Financial Reporting Standards (IFRS) and an update on IFRS developments, including the experience with use of IFRS during the recent period of market turmoil. The roundtable will be organized as two panels, each consisting of investors, issuers, auditors and other parties with experience in IFRS reporting.

For further information, please contact the Office of the Secretary at (202) 551-5400.

Dated: July 28, 2008.

**Jill M. Peterson,**

*Assistant Secretary.*

[FR Doc. E8-17600 Filed 7-30-08; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-58226; File No. SR-FINRA-2008-037]

### Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendments to NASD Rule 11890 (Clearly Erroneous Transactions)

July 25, 2008.

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 July 8, 2008, Financial Industry Regulatory Authority, Inc. ("FINRA") (f/k/a 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 prepared by FINRA. FINRA designated the proposed rule change as "non-controversial" under Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder,<sup>4</sup> 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

FINRA is proposing to amend NASD Rule 11890 (Clearly Erroneous Transactions) to: (1) Extend the time limit that FINRA has to take action on a transaction under the rule; and (2) clarify the circumstances under which FINRA initiates a review of a transaction. The text of the proposed rule change is available at FINRA, the Commission's Public Reference Room, and <http://www.finra.org>.

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

In its filing with the Commission, FINRA 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. FINRA 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

NASD Rule 11890 provides that, in the event of a disruption or malfunction in the use or operation of any quotation, communication, or trade reporting system owned or operated by FINRA, or under extraordinary market conditions, officers of FINRA can review an over-the-counter ("OTC") transaction arising out of or reported through any such quotation, communication, or trade reporting system, and may declare the transaction null and void or modify the terms if any such officer determines that the transaction is clearly erroneous or such action is necessary for the maintenance of a fair and orderly market or the protection of investors and the public interest. Rule 11890 requires a FINRA officer acting pursuant to the rule to cancel or adjust an erroneous transaction to do so "within thirty (30) minutes of detection of the transaction," except in the case of extraordinary circumstances, in which case the FINRA officer has until 3 p.m., Eastern Time (ET), on the next trading day after the date of the transaction at issue.

<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)(iii).

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

FINRA is proposing to amend Rule 11890 to replace the language that FINRA must, except in extraordinary circumstances, take action under the subsection within thirty (30) minutes of detection of an erroneous transaction, with language that FINRA shall act as soon as possible after becoming aware of the transaction, but in all cases by 3 p.m., Eastern Time (ET) on the next trading day after the date of the transaction at issue. Although FINRA believes that determinations under the rule should always be made in a timely manner, FINRA has found that most transactions reviewed under Rule 11890 involve coordination between multiple market centers and the time required to gather and evaluate the information necessary to make an informed determination is often in excess of 30 minutes. Accordingly, FINRA does not believe that the rule's strict 30-minute time limit is in the best interests of the marketplace or investors.<sup>5</sup>

Also as a practical matter, because FINRA, as the regulator of the OTC market, does not operate a listed market, it generally does not "detect" erroneous transactions, particularly those involving listed securities executed OTC. Rather, in most cases, other market centers notify FINRA staff of the potential for such transactions, and FINRA staff coordinates its review with such market center(s). Similarly, for potentially erroneous transactions involving only OTC trades, the information typically comes from other sources, such as market participants, and FINRA does not "detect" potentially erroneous transactions. Accordingly, FINRA proposes to amend Rule 11890 to more accurately reflect the operation of the rule by deleting the "detection" language from the text of the rule.

Lastly, FINRA is proposing certain technical, non-substantive changes to the text of Rule 11890. Given that many clearly erroneous transactions are caused by trader errors and not disruptions or malfunctions of FINRA systems, the proposed rule change amends the rule text to reflect the manner in which FINRA applies it to a clearly erroneous authority. Additionally, FINRA is proposing to amend the text of Rule 11890(a) to

<sup>5</sup> The Commission recently approved amendments to the clearly erroneous rule of the NASDAQ Stock Market LLC ("Nasdaq") (Nasdaq Rule 11890). As part of those amendments, Nasdaq deleted the requirement that a Nasdaq officer must make a determination regarding whether a transaction was "clearly erroneous" under the rule within 30 minutes of detection. See Securities Exchange Act Release No. 57826 (May 15, 2008), 73 FR 29802 (May 22, 2008) ("Release 34-57826") (SR-NASDAQ-2007-001).

replace the word "approved" with the word "authorized" to reflect that, technically, not all FINRA system rules are "approved" by the Commission, but, for example, a system's rules may take effect upon filing with the Commission (e.g., for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act).

As noted above, FINRA has filed the proposed rule change for immediate effectiveness. FINRA proposes to make the rule change operative on the date of filing.

## 2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,<sup>6</sup> which requires, among other things, that FINRA rules must 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. FINRA believes that the proposed rule change better reflects the application of Rule 11890 and provides additional time to resolve clearly erroneous transactions.

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

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

### 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 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 after the date of filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>7</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>8</sup> As required under Rule 19b-4(f)(6)(iii),<sup>9</sup> FINRA provided the Commission with written notice of its

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

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>8</sup> 17 CFR 240.19b-4(f)(6).

<sup>9</sup> 17 CFR 240.19b-4(f)(6)(iii).

intent to file the proposed rule change, along with a brief description and text of the proposed rule change, prior to the filing of the proposed rule change.

A proposed rule change filed under Rule 19b-4(f)(6) normally may not become operative prior to the 30th day after the date of filing.<sup>10</sup> However, Rule 19b-4(f)(6)(iii)<sup>11</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. FINRA requested that the Commission waive the 30-day operative delay and make the proposed rule change effective and operative upon filing because the proposed rule change clarifies the current application of Rule 11890 and better reflects the time necessary to address potentially clearly erroneous transactions. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. In particular, the Commission does not believe that the rule change presents any novel issues and notes that it recently approved revisions to Nasdaq's clearly erroneous transactions rule that, among other things, revised the time frame for a Nasdaq officer to make a determination regarding whether a transaction is "clearly erroneous" under the Nasdaq rule.<sup>12</sup> Accordingly, the Commission designates the proposed rule change operative upon filing with the Commission.<sup>13</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate the 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

<sup>10</sup> See *id.*

<sup>11</sup> *Id.*

<sup>12</sup> See Release 34-57826, *supra* note 5.

<sup>13</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

• Send an e-mail to *rule-comments@sec.gov*. Please include File Number SR-FINRA-2008-037 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-FINRA-2008-037. 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 inspection and copying 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 FINRA. 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-FINRA-2008-037 and should be submitted on or before August 21, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

**Florence E. Harmon,**

*Acting Secretary.*

[FR Doc. E8-17501 Filed 7-30-08; 8:45 am]

**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-58227; File No. SR-FINRA-2008-033]

### Self-Regulatory Organizations: Financial Industry Regulatory Authority, Inc.; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto, To Adopt FINRA Rule 4560 (Short-Interest Reporting) in the Consolidated FINRA Rulebook

July 25, 2008.

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 June 23, 2008, Financial Industry Regulatory Authority, Inc. ("FINRA") (f/k/a National Association of Securities Dealers, Inc. ("NASD")) 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 substantially prepared by FINRA. On July 16, 2008, FINRA submitted Amendment No. 1 to the proposed rule change. 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

FINRA is proposing to adopt the short interest reporting requirements (NASD Rule 3360 and Incorporated NYSE Rules 421(1) and 421.10) as FINRA Rule 4560 in the consolidated FINRA rulebook.

The text of the proposed rule change is attached as Exhibit 5 to this rule filing.

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

In its filing with the Commission, FINRA 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 is available at FINRA, the Commission's Public Reference Room, and <http://www.finra.org/RulesRegulation/RuleFilings/2008RuleFilings/P038813>. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

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

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

##### 1. Purpose

As part of the process of developing the new consolidated rulebook ("Consolidated FINRA Rulebook"),<sup>3</sup> FINRA is proposing to adopt the short interest reporting requirements in NASD Rule 3360 and Incorporated NYSE Rules 421(1) and 421.10 as FINRA Rule 4560 in the Consolidated FINRA Rulebook.

NASD Rule 3360 and Incorporated NYSE Rules 421(1) and 421.10 set forth FINRA's short interest reporting requirements.<sup>4</sup> NASD Rule 3360 requires members to report short positions<sup>5</sup> in OTC Equity Securities<sup>6</sup> and exchange-listed securities not otherwise reported to another self-regulatory organization ("SRO"),<sup>7</sup> and Incorporated NYSE Rules 421(1) and 421.10 require members to report short positions in NYSE-listed securities. Members must report total short positions in all customer and proprietary accounts as of the designated settlement dates and in the manner so prescribed.<sup>8</sup> Currently, the rules require such information to be reported twice a month, which in turn, is then made publicly available on an aggregate basis twice a month.<sup>9</sup>

<sup>3</sup> The current FINRA rulebook consists of two sets of rules: (1) NASD Rules and (2) rules incorporated from NYSE ("Incorporated NYSE Rules") (together referred to as the "Transitional Rulebook"). The Incorporated NYSE Rules apply only to those members of FINRA that are also members of the NYSE ("Dual Members"). Dual Members also must comply with NASD Rules. For more information about the rulebook consolidation process, see FINRA Information Notice, March 12, 2008 (Rulebook Consolidation Process).

<sup>4</sup> Incorporated NYSE Rules 421(2) and 421.40 require members carrying margin accounts for customers to report certain aggregate debit and free credit balances. Those provisions will be addressed in a separate filing and therefore are not being addressed here.

<sup>5</sup> Short positions required to be reported under the rules are those resulting from "short sales" as the term is defined in Rule 200(a) of Regulation SHO, subject to certain limited exceptions. See NASD Rule 3360(b)(1).

<sup>6</sup> The term "OTC Equity Securities" refers to any equity security that is not listed on a national securities exchange. See NASD Rule 3360(b)(3).

<sup>7</sup> It is the responsibility of each member firm to ensure that it is reporting accurate short interest data, including confirming that issue symbols are active and valid as of the designated settlement date. See *Notice to Members* 06-20 (April 2006).

<sup>8</sup> Non-self-clearing broker-dealers generally are considered to have satisfied their reporting requirement by making appropriate arrangements with their respective clearing organizations. See *Notice to Members* 03-08 (February 2003).

<sup>9</sup> A schedule of FINRA's designated settlement dates can be found on its Web site at <http://www.finra.org>. See also *Notice to Members* 07-24 (May 2007).

<sup>14</sup> 17 CFR 200.30-3(a)(12).