For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[17]

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–55526; File No. SR–NASD–2007–025]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt New NASD Rule 7000E Series Relating to Fees and Credits for the NASD/NYSE Trade Reporting Facility

March 26, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 21, 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 prepared substantially by NASD. NASD filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act[3] and Rule 19b–4(f)(6) thereunder,[4] 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 adopt a new NASD Rule 7000E Series relating to fees and credits for the NASD/NYSE Trade Reporting Facility (''NASD/NYSE TRF''). The text of the proposed rule change is available at *http://www.nasd.com*, NASD, and 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, 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 February 1, 2007, NASD filed for immediate effectiveness a proposed rule change relating to the establishment of the NASD/NYSE TRF.[5] The NASD/NYSE TRF will provide NASD members with another mechanism for reporting to NASD locked-in transactions in exchange-listed securities effected otherwise than on an exchange. The NASD/NYSE TRF will commence operation upon successful completion of system testing and certification, which is currently anticipated to be in April 2007. The instant proposed rule change would adopt a new NASD Rule 7000E Series relating to fees and credits applicable to the NASD/NYSE TRF.

NASD is proposing that under new Rule 7002E there will be no transaction fee for reporting locked-in trades to the NASD/NYSE TRF in securities listed on the New York Stock Exchange (''Tape A''), the American Stock Exchange (''Tape B''), and the Nasdaq Exchange (''Tape C''). Although NASD is not required to file a proposed rule change where no fees are to be assessed, for members' convenience and to avoid potential confusion with the fee structures of other NASD facilities, NASD is proposing Rule 7002E to clarify that there will be no charge for use of the NASD/NYSE TRF to report locked-in transactions in exchange-listed securities effected otherwise than on an exchange. The text of proposed Rule 7002E is identical to the text of current Rule 7002C relating to the NASD/NSX Trade Reporting Facility (''NASD/NSX TRF'') and Rule 7002D relating to the NASD/BSE Trade Reporting Facility (''NASD/BSE TRF'').

In addition, NASD is proposing a transaction credit program under new Rule 7001E that is identical to the existing transaction credit program for the NASD/NSX TRF under Rule 7001C. NASD members reporting trades in Tape A, Tape B and Tape C stocks to the NASD/NYSE TRF will receive a 50% pro rata credit on gross market data revenue earned by the NASD/NYSE TRF with respect to those trade reports. Credits will be paid on a quarterly basis. To the extent that market data revenue is subject to any adjustment, credits may be adjusted accordingly.[6]

Tape A and Tape B revenue is currently distributed to NASD and the exchanges based on number of trades reported, while Tape C revenue is distributed based on an average of the number of trades and number of shares reported. Thus, under the proposed program, the Tape A and Tape B revenue attributable to a member will be based on number of trades reported, while the Tape C revenue attributable to a member would be based on number of trades and number of shares reported. A member will receive 50% of the gross revenue attributable to it in each of the three tapes. ''Gross revenue'' is the revenue received by the NASD/NYSE TRF from the three tape associations after the tape associations deduct allocated support costs and unincorporated business costs.

NASD filed the proposed rule change for immediate effectiveness. NASD proposes to implement the proposed rule change on the first day of operation of the NASD/NYSE TRF, which is currently anticipated to be in April 2007.

2. Statutory Basis

NASD believes that the proposed rule change is consistent with the provisions of Section 15A of the Act,[7] in general, and with Section 15A(b)(5) of the Act,[8] in particular, which requires, among other things, that NASD rules provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that NASD operates or controls. NASD believes that the proposed rule change is a reasonable and equitable fee and credit structure in that there will be no fees charged for trade reporting to the NASD/NYSE TRF and the proposed transaction credit program is identical to existing credits for the NASD/NSX TRF.

[17] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A).

[4] 17 CFR 240.19b–4(f)(6). NASD gave the Commission written notice of its intent to file the proposed rule change on March 6, 2007.

[5] *See* Securities Exchange Act Release No. 55325 (February 21, 2007), 72 FR 8820 (February 27, 2007) (SR–NASD–2007–011).

[6] NASD also notes that the proposed transaction credit program is substantially equivalent to the existing transaction credit program for the NASD/Nasdaq Trade Reporting Facility (''NASD/Nasdaq TRF'') under Rule 7001B and the NASD/BSE TRF under Rule 7001D. However, under the transaction credit programs for the NASD/Nasdaq TRF and NASD/BSE TRF, members do not receive 50% of gross revenue; instead, members receive 50% of revenue after deducting the amount, if any, that the respective TRF pays to the Consolidated Tape Association or the Nasdaq Securities Information Processor for capacity usage.

[7] 15 U.S.C. 78*o*–3.

[8] 15 U.S.C. 78*o*–3(b)(5).

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 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 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[9] and Rule 19b–4(f)(6) thereunder.[10] 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.

NASD has asked that the Commission waive the 30-day operative delay set forth in Rule 19b–4(f)(6)(iii) under the Act[11] to allow the proposed rule change to be implemented on the first day of operation of the NASD/NYSE TRF, which is currently anticipated to be in April 2007. The Commission believes such waiver is consistent with the protection of investors and the public interest, for it will allow the proposed fees and credits to be in place at the time NASD begins operating the NASD/NYSE TRF. For these reasons, the Commission designates the proposal to be operative upon filing with the Commission.[12]

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–NASD–2007–025 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–2007–025. 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. 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–2007–025 and should be submitted on or before April 23, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[13]

Florence E. Harmon,

Deputy Secretary.

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[9] 15 U.S.C. 78s(b)(3)(A).

[10] 17 CFR 240.19b–4(f)(6).

[11] 17 CFR 240.19b–4(f)(6)(iii).

[12] For purposes only of waiving the 30-day operative delay of this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

[13] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–55525; File No. SR–NFA–2007–01]

Self-Regulatory Organization; National Futures Association; Notice of Filing and Immediate Effectiveness of a Proposed Amendment Relating to NFA Compliance Rule 2–10

March 26, 2007.

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–7 under the Act,[2] notice is hereby given that on February 27, 2007, National Futures Association (''NFA'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change described in Items I, II, and III below, which Items have been substantially prepared by NFA. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. NFA also has filed the proposed rule change with the Commodity Futures Trading Commission (''CFTC'').

NFA, on February 26, 2007, submitted the proposed rule change to the CFTC for approval. The CFTC approved the proposed rule change on March 12, 2007.[3]

I. Self-Regulatory Organization's Description of the Proposed Rule Change

Section 15A(k) of the Act[4] makes NFA a national securities association for the limited purpose of regulating the activities of NFA members (''Members'') who are registered as brokers or dealers in security futures products under Section 15(b)(11) of the Act.[5] NFA Compliance Rule 2–10(b) applies to all futures commission merchant (''FCM'') Members, including those who are registered as security futures brokers or dealers under Section 15(b)(11) of the Act.

NFA Compliance Rule 2–10 currently requires FCM Members to maintain their books and records in an office located in either the U.S. or a jurisdiction that the CFTC has determined to have a comparable regulatory scheme for purposes of the CFTC's Part 30 regulation.[6] The amendment requires the U.S. or Part 30

[1] 15 U.S.C. 78s(b)(7).

[2] 17 CFR 240.19b–7.

[3] *See* Letter from Eileen Donovan, Acting Secretary, CFTC, to Thomas W. Sexton, General Counsel, NFA, dated March 12, 2007, confirming approval of the proposal.

[4] 15 U.S.C. 78*o*–3(k).

[5] 15 U.S.C. 78*o*(b)(11).

[6] 17 CFR 30.1–30.12.