

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54178; File No. SR-NYSE-2006-47]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Requiring Member Organizations to Remit a Branch Office System Processing Fee in Connection with the Registration of Branch Offices via the Uniform Branch Office Registration Form Through the National Association of Securities Dealers, Inc.'s Central Registration Depository System

July 20, 2006.

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 30, 2006, the New York Stock Exchange LLC ("NYSE" 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.<sup>3</sup> NYSE has designated this proposal as establishing or changing a due, fee, or other charge imposed by NYSE pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>4</sup> and Rule 19b-4(f)(2) thereunder,<sup>5</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

The Exchange proposes to require NYSE-only member organizations to remit to the National Association of Securities Dealers, Inc. ("NASD") two fees in connection with branch offices processed via Form BR (Uniform Branch Office Registration Form) through NASD's Central Registration Depository ("CRD") system. The fees, an initial \$20.00 fee ("CRD Branch Office System Processing Fee") and a \$20.00 annual fee ("CRD Annual Branch Office System Processing Fee"), are consistent with

those paid by NASD-only and joint NYSE/NASD member organizations. The fees would be reflected in the amended NYSE Price List.<sup>6</sup> The text of the proposed rule change is available on NYSE's Web site (<http://www.nyse.com>), at NYSE'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, 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 require NYSE-only member organizations to remit to NASD two conforming branch office system processing fees in connection with the registration of branch offices via Form BR through NASD's CRD system.

##### Background

On September 30, 2005, the SEC approved the Exchange's proposed Form BR, which became effective on October 31, 2005.<sup>7</sup> The Form BR replaces Schedule E of the Form BD, the NYSE Branch Office Application Form and certain state branch office forms. The Form BR enables firms to register branch offices electronically with NASD, NYSE, and states that require branch registration or reporting via a single filing through the CRD system. At

the same time, the SEC approved a comparable NASD rule proposal.<sup>8</sup>

Branch office registration through the CRD system creates efficiencies for firms by, among other things, making it easier for firms to register or report branch offices and to manage their ongoing registration and/or reporting responsibilities with regard to those branch offices. In addition to being able to submit a single filing to fulfill the branch office registration requirements of NASD, NYSE and the states, member organizations benefit from one centralized branch office system, online work queues, electronic notifications and other features available through the CRD system. Firms are also able to link their registered persons to the physical location from which they work via the Form BR, which not only aids regulators' examination efforts, but helps firms in meeting certain recordkeeping requirements.

On May 23, 2006, NASD filed for immediate effectiveness a filing establishing an annual branch office system processing fee and waiver of the annual branch office system processing fee and the annual branch office registration fee for one branch office per member per year.<sup>9</sup> The branch office system processing fee is set at \$20.00 upon the registration of a branch office and \$20.00 annually thereafter per registered branch. NASD will begin assessing the processing fee during the third quarter of 2006 for all branch offices in existence as of July 3, 2006.<sup>10</sup> NASD will bill firms for all branch offices in existence as of July 3, 2006 via invoices, rather than through the CRD system.<sup>11</sup> For any branch office that is registered on or after July 3, 2006, NASD will assess and collect the branch office system processing fee through the CRD system at the time a firm registers a new branch office.<sup>12</sup> Starting December 2006, all firms will be assessed \$20.00 annually for each existing branch office as part of the CRD renewal program.<sup>13</sup> In NASD's filing, it was noted that the manner of assessment and collection of branch office system processing fees from firms that are solely members of other self-regulatory organizations ("SROs") that require their members to register branch offices via the Form BR would be addressed by other SROs.<sup>14</sup>

<sup>8</sup> See Release No. 34-52544 (September 30, 2005), 70 FR 58764 (October 7, 2005) (SR-NASD-2005-030). See also NASD Notice to Members 05-66.

<sup>9</sup> See Release No. 34-53955 (June 7, 2006), 71 FR 34658 (June 15, 2006) (SR-NASD-2006-065).

<sup>10</sup> *Id.*

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

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

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

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

<sup>3</sup> Pursuant to discussions with NYSE staff, the Commission has made clarifying changes throughout this notice. Telephone conversation between Stephen Kasprzak, Principal Counsel, and Cory Figman, Senior Special Counsel, Rule and Interpretive Standards, NYSE and Kate Robbins, Attorney, Division of Market Regulation ("Division"), Commission, on July 6, 2006 ("July 6 Telephone Conversation").

<sup>4</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>5</sup> 17 CFR 240.19b-4(f)(2).

<sup>6</sup> The Exchange clarified that the amendments to the NYSE 2006 Price List would be inserted in the section entitled "Registration & Regulatory Fees," in the subsection entitled "Registration Fees," after the "Branch Office Fee" and before the "Registered Persons" fees. Telephone conversation between Cory Figman, Senior Special Counsel, NYSE and Kate Robbins, Attorney, Division, Commission, on July 12, 2006. In addition, the Exchange clarified that it intends to change the date on the NYSE Price List from 2005 to 2006. See July 6 Telephone Conversation, *supra* note 3.

<sup>7</sup> See Release No. 34-52543 (September 30, 2005), 70 FR 58771 (October 7, 2005) (SR-NYSE-2005-13). See also NYSE Information Memo 05-75.

The proposed rule change would require NYSE-only members to remit to NASD a conforming initial \$20.00 CRD Branch Office System Processing Fee and a conforming \$20.00 CRD Annual Branch Office System Processing Fee in connection with branch offices processed via Form BR through the CRD system. These fees would be included on the NYSE Price List. The purpose of these branch office system processing fees is to recover the cost to NASD of developing and implementing the Form BR as well as for ongoing branch office system maintenance and enhancements.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and in particular, with the requirements of Section 6(b)(4) of the Act,<sup>15</sup> which requires the rules of an Exchange to provide for the equitable allocation of reasonable dues, fees and other charges among its members, and issuers and other persons using its facilities.

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

The Exchange believes that the proposed rule change does not impose any burden on competition 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*

Comments were neither solicited nor received.

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

The proposed rule change has become effective pursuant to Section 19(b)(3)(A)(ii)<sup>16</sup> of the Act and paragraph (f)(2) of Rule 19b-4 thereunder,<sup>17</sup> in that it establishes or changes a due, fee, or other charge applicable to NYSE members.

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-NYSE-2006-47 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-NYSE-2006-47. 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 the NYSE. 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-NYSE-2006-47 and should be submitted on or before August 16, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>18</sup>

**J. Lynn Taylor,**

*Assistant Secretary.*

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## DEPARTMENT OF STATE

### [Public Notice 5474]

### **30-Day Notice of Proposed Information Collection: DS-1998E, Foreign Service Written Examination Registration Form, OMB Control Number 1405-0008**

**ACTION:** Notice of request for public comment and submission to OMB of proposed collection of information.

**SUMMARY:** The Department of State has submitted the following information collection request to the Office of Management and Budget (OMB) for approval in accordance with the Paperwork Reduction Act of 1995.

- *Title of Information Collection:* Foreign Service Written Examination Registration Form.
- *OMB Control Number:* 1405-0008.
- *Type of Request:* Extension of a Currently Approved Collection.
- *Originating Office:* Human Resources, HR/REE/BEX.
- *Form Number:* DS-1998E.
- *Respondents:* Registrants for the Foreign Service Written Examination.
- *Estimated Number of Respondents:* 32,316.
- *Estimated Number of Responses:* 32,316.
- *Average Hours Per Response:* 20 minutes (1/3 hour).
- *Total Estimated Burden:* 10,772 hours.
- *Frequency:* Annually.
- *Obligation to Respond:* Required to Obtain or Retain a Benefit.

**DATES:** Submit comments to the Office of Management and Budget (OMB) for up to 30 days from July 26, 2006.

**ADDRESSES:** Direct comments and questions to Katherine Astrich, the Department of State Desk Officer in the Office of Information and Regulatory Affairs at the Office of Management and Budget (OMB), who may be reached at 202-395-4718. You may submit comments by any of the following methods:

- E-mail: [kastrich@omb.eop.gov](mailto:kastrich@omb.eop.gov). You must include the DS form number, information collection title, and OMB control number in the subject line of your message.

<sup>15</sup> U.S.C. 78f(b)(4).

<sup>16</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

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

<sup>18</sup> 17 CFR 200.30-3(a)(12).