

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-56153; File No. SR-NASDAQ-2007-057)

July 27, 2007

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Temporarily Waive Risk Management Workstation Fees

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 6, 2007, The NASDAQ Stock Market LLC (“Nasdaq”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by Nasdaq. Pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> Nasdaq has designated this proposal as establishing or changing a due, fee, or other charge, which renders the proposed rule change effective immediately upon filing.

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 the Substance of the Proposed Rule Change

Nasdaq proposes to offer free access to its enhanced Risk Management workstation functionality to clearing firms that elect to use Nasdaq’s away market execution drop copy service for a trial period extending through third quarter 2007.

Nasdaq will implement this rule change immediately.

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<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)(ii).

<sup>4</sup> 17 C.F.R. 240.19b-4(f)(2).

The text of the proposed rule change is below. Proposed new language is underlined.<sup>5</sup>

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**7015. Access Services.**

The following charges are assessed by Nasdaq for connectivity to the Nasdaq Market Center (NMC), the NASD/NASDAQ Trade Reporting Facility, and the NASD's OTCBB Service. The fees established under Rule 7015 for non-Nasdaq members using Nasdaq services for connectivity to the NMC, the NASD/NASDAQ Trade Reporting Facility, or the NASD's OTCBB Service shall be the fees established for members under this Rule 7015, as in effect on the date of Nasdaq's registration as a national securities exchange and as amended by SR-NASDAQ-2006-024 and SR-NASDAQ-2006-025, and as applied to non-members by SR-NASDAQ-2006-026.

**(a) – (d) No Change**

**(e) Specialized Services Related to NASD/NASDAQ Trade Reporting Facility**

CTCI fee	\$575/month
WebLink ACT or Nasdaq Workstation Post Trade	\$375/month (full functionality) or \$200/month (up to an average of twenty transactions per day each month) (For the purposes of this service only, a transaction is defined as an original trade entry, either on trade date or as-of transactions per month.)  <u>For a trial period ending September 30, 2007, the above fee shall not be imposed on any number of workstations equal to, or less than, the number of away market centers from which a clearing firm elects to have Nasdaq's Risk Management System receive execution drop copies,</u>
ACT Workstation	\$525/logon/month

<sup>5</sup> Changes are marked to the rule text that appears in the electronic Nasdaq Manual found at <http://nasdaq.complinet.com>.

**(f) – (g) No Change.**

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

In its filing with the Commission, Nasdaq 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. Nasdaq 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

Nasdaq is proposing to offer free access to its enhanced Risk Management workstation functionality to clearing firms that elect to use Nasdaq’s away market execution drop copy service for a trial period extending through the third quarter of 2007. Nasdaq Risk Management is a credit risk management tool that allows clearing firms to view in real time the dollars engaged by their correspondents (executing brokers) by side and security in US equity transactions. Historically, this product was able to capture only Nasdaq Market Center trading activity. Recently, however, Nasdaq enhanced the Risk Management product to allow drop copies of execution reports on trades taking place in other market centers to be delivered to a clearing firm’s Nasdaq Risk Management workstation.

Nasdaq has decided to provide access to this enhanced Risk Management workstation functionality free of charge to clearing firms for each away market center

from which the clearing firm elects to have Nasdaq's Risk Management system receive execution drop copies for a trial period ending September 30, 2007 to provide an incentive for clearing firms to take advantage of this new Risk Management functionality, and to enhance the exposure of the new Risk Management functionality to the marketplace. At the end of the promotional trial period, clearing firms will have the option to discontinue their use of this new Risk Management functionality or begin paying for it at the normal \$375 per-month per-workstation rate.

## 2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>6</sup> in general, and with Section 6(b)(4) of the Act,<sup>7</sup> in particular, in that the provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which Nasdaq operates or controls. In particular, Nasdaq believes that its proposal to waive this fee for a trial period provides appropriate incentives to encourage clearing firms' use of Nasdaq's enhanced Risk Management workstation functionality and drop copy service on an equitable basis.

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

Nasdaq 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, as amended.

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<sup>6</sup> 15 U.S.C. 78f.

<sup>7</sup> 15 U.S.C. 78f(b)(4).

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>8</sup> and subparagraph (f)(2) of Rule 19b-4 thereunder because it establishes or changes a due, fee, or other charge imposed by Nasdaq on its members.<sup>9</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, as amended, 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-NASDAQ-2007-057 on the subject line.

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<sup>8</sup> 15 U.S.C. 78s(b)(3)(a)(ii).

<sup>9</sup> 17 CFR 240.19b-4(f)(2).

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-NASDAQ-2007-057. 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 Section, 100 F Street, NE, Washington, DC 20549-1090, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing also will be available for inspection and copying at the principal offices 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-NASDAQ-2007-057 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>10</sup>

Florence E. Harmon  
Deputy Secretary

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<sup>10</sup> 17 CFR 200.30-3(a)(12).