

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

On August 9, 2007, FINRA filed SR-FINRA-2007-006 with the Securities and Exchange Commission (“SEC”) proposing to (1) adopt an FINRA policy providing for public access to historic TRACE data (“Historic TRACE Data”); and (2) amend NASD Rule 7030 to: (i) define Historic TRACE Data and establish fees for providing such data; (ii) make conforming and technical changes to the fee chart and certain defined terms; and (iii) designate current paragraph (c)(4) as paragraph (e).¹

FINRA is filing this partial Amendment No. 1 to the proposed rule change to amend NASD Rule 7030(d)(2) as described below to address SEC staff comments, and to amend NASD Rule 7030(e) and the fee chart to correct typographical errors. With this filing, FINRA also proposes to amend Form 19b-4, Item 3.(a), “Purpose,” at pages 16-17 and Exhibit 1, Item II.A.1., “Purpose,” at pages 33-35 to briefly describe and explain the proposed amendments. FINRA is including with this partial Amendment No. 1 an Exhibit (below), which shows marked changes to the text of Rule 7030 as originally filed, and the parts of the Form 19b-4 and Exhibit 1 referenced immediately above.

As originally filed, under proposed Rule 7030(d)(2), FINRA was provided discretion to charge (or not charge) a fee if a Non-Professional requested that FINRA provide him (or her) Historic TRACE Data. In addition, under the same provision, if FINRA decided to charge a fee, the fee would have been to recover “the administrative and operational costs of responding to such a request,” which referred to miscellaneous costs, such as postage or express mail fees. However, such costs were not specified in the rule text. The SEC staff was concerned that FINRA would be able to discriminate among Non-Professionals requesting data by charging certain Non-Professionals and waiving fees for others. In addition, SEC staff requested that FINRA clarify the bases for such fees in the rule text. To address SEC staff’s concerns, FINRA proposes to amend Rule 7030(d)(2) to specify that when providing Historic TRACE Data to a Non-Professional, FINRA will charge a cost-neutral fee that is comprised solely of the cost of the media used to store and deliver the data to the Non-Professional and the cost of delivery. For example, “the media” may mean a CD used to retrieve and store the Historic TRACE Data. In addition, “the cost of delivery” may refer to charges such as the U. S. Postal Service postage required to mail a CD or an express mail fee.

Finally, FINRA is correcting two typographical errors. FINRA proposes to delete the word “changes” and substitute in its place the word “charges” in NASD Rule 7030(e). Also, FINRA proposes to delete the introductory clause, “The following charges shall be paid . . . Trade Reporting and Compliance Engine (“TRACE”):,” from the fee chart set forth at the beginning of Rule 7030 and insert the clause after the number and title of Rule 7030 and immediately before such fee chart.

¹ SR-FINRA-2007-006 was published for notice and comment. *See* Securities Exchange Act Release No. 56327 (August 28, 2007), 72 FR 51689 (September 10, 2007).

EXHIBIT

This Exhibit shows the full text of the rule change marking changes from the rule text and descriptive text as originally filed. The rule text proposed in the original filing is shown as if adopted; the new language proposed is marked to show additions and deletions. Additions are underlined; deletions are in brackets.

**7000. CHARGES FOR OTC REPORTING FACILITY, OTC BULLETIN BOARD
AND TRADE REPORTING AND COMPLIANCE ENGINE SERVICES**

* * * * *

7030. Trade Reporting and Compliance Engine (TRACE)

The following charges shall be paid by participants for the use of the Trade

Reporting and Compliance Engine (“TRACE”):

[The following charges shall be paid by participants for the use of the Trade Reporting and Compliance Engine (“TRACE”):] System Fees	Transaction Reporting Fees	Market Data Fees
Level I Trade Report Only Web Browser Access - \$20/month per user ID Level II Full Service Web Browser Access - \$80/month per user ID, except that the charge for the first such user ID shall be \$50/month	Trades up to and including \$200,000 par value - \$0.475/trade; Trades between \$201,000 and \$999,999 par value - \$0.002375 times the number of bonds traded/trade; Trades of \$1,000,000 par value or more - \$2.375/trade	BTDS Professional Real-Time Data Display - \$60/month per terminal, or a flat fee of \$7,500/month entitling Professionals to make unlimited internal use of Real-Time TRACE transaction data on any number of interrogation or display devices

<p>CTCI/Third Party - \$25/month/per firm</p>	<p>Cancel/Correct - \$1.50/trade</p>	<p>Vendor Real-Time Data Feed - \$1,500/month for receipt of continuous Real-Time TRACE transaction data, except for qualifying Tax-Exempt Organizations, or \$250/month for daily receipt of Snapshot Real-Time TRACE transaction data</p>
	<p>“As of” Trade Late - \$3/trade</p>	<p>Vendor Real-Time Data Feed - \$400/month for Real-Time TRACE transaction data for qualifying Tax-Exempt Organizations. A Tax-Exempt Organization qualifies to obtain Real-Time TRACE transaction data under this provision if it redistributes data solely to Non-Professionals at no charge.</p>
		<p>BTDS Non-Professional Real-Time Data Display – No charge</p>
		<p>Historic TRACE Data Set-Up Fee - a single fee of \$2,000 for development, set-up and receipt of 2002 Historic TRACE Data, except for qualifying Tax-Exempt Organizations.</p>

		<p>Historic TRACE Data Set-Up Fee - a single fee of \$1,000 for development, set-up and receipt of 2002 Historic TRACE Data for qualifying Tax-Exempt Organizations. A Tax-Exempt Organization qualifies under this provision if it redistributes the data solely to Non-Professionals at no charge or to other qualifying Tax-Exempt Organizations at no charge.</p>
		<p>Historic TRACE Data Fee - \$2,000/calendar year for receipt of Historic TRACE Data, except for qualifying Tax-Exempt Organizations. The data is enabled for internal use and internal and/or external desktop display distribution. Bulk re-distribution of data is not permitted. (Calendar year 2003 Historic TRACE Data is first year available.)</p>
		<p>Historic TRACE Data Bulk Re-Distribution Fee – except for qualifying Tax-Exempt Organizations, \$1/CUSIP per calendar year (or part thereof) of Historic TRACE Data per each recipient of re-distributed data; maximum fee of \$1,000/calendar year (or part thereof) of data per each recipient of re-distributed data.</p>

		<p>Historic TRACE Data/Bulk Re-Distribution Fee – for qualifying Tax-Exempt Organizations, \$500/calendar year for receipt of Historic TRACE Data. The data is enabled for internal use and internal and/or external desktop display. Bulk re-distribution of data is permitted. A Tax-Exempt Organization qualifies under this provision if it redistributes the data solely to Non-Professionals at no charge or to other qualifying Tax-Exempt Organizations at no charge. (Calendar year 2003 Historic TRACE Data is first year available.)</p>
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(a) through (b) No Change.

(c) Market Data Fees

Professionals and Non-Professionals may subscribe to receive Real-Time TRACE transaction data disseminated by NASD in one or more of the following ways for the charges specified, as applicable. Members, vendors and other redistributors shall be required to execute appropriate agreements with NASD.

(1) – (2) No Change.

(3) Definitions

(A) “Non-Professional” -- As used in Rule 7030 a “Non-Professional” is a natural person who uses TRACE transaction data solely for his or her personal, non-commercial use. A Non-Professional subscriber must agree to certain terms of use of the TRACE data,

including that he or she receive and use the TRACE transaction data solely for his or her personal, non-commercial use. As used in Rule 7030 a “Non-Professional” is not:

(i) through (iv) No Change.

(B) “Tax-Exempt Organization” as used in Rule 7030 means an organization that is described in Section 501(c) of the Internal Revenue Code (26 U.S.C. §501(c)) and has received recognition of the exemption from federal income taxes from the Internal Revenue Service.

(C) “Real-Time” as used in Rule 7030 means that period of time starting from the time of dissemination by NASD of transaction data on a TRACE-eligible security, and ending no more than four hours thereafter.

(D) “Historic TRACE Data” as used in Rule 7030 means historic transaction-level data with elements to be determined from time to time by NASD in its discretion and as stated in a Notice or other equivalent publication. Historic TRACE Data will be delayed a minimum of 18 months and will not include MPID information.

(d) Historic TRACE Data

Professionals and Non-Professionals may receive Historic TRACE Data provided by NASD in one or more of the following ways for the charges specified, as applicable. Recipients of Historic TRACE Data shall be required to execute appropriate agreements with NASD.

(1) Professional Fees

Professionals may subscribe for the following:

(A) Persons or Organizations Other Than Qualifying Tax-Exempt Organizations

(i) Set-Up Fee – a single fee of \$2,000 for development, and set-up to begin receiving Historic TRACE Data and to receive all 2002 Historic TRACE Data. 2002 Historic TRACE Data will be enabled for internal use and internal and/or external desktop display distribution. Bulk re-distribution of such data is not permitted.

(ii) Data Fee - \$2,000 per calendar year for receipt of Historic TRACE Data, for calendar year 2003 and each subsequent year. Historic TRACE Data is enabled for internal use and internal and/or external desktop display distribution. Bulk re-distribution of such data is not permitted.

(iii) Bulk Re-Distribution Fee - \$1 per CUSIP per calendar year (or part thereof) of Historic TRACE Data per each recipient of re-distributed data, with a maximum fee of \$1,000 per calendar year (or part thereof) of data per each recipient of re-distributed data.

(B) Qualifying Tax-Exempt Organizations

A Tax-Exempt Organization qualifies to receive Historic TRACE Data at the reduced fees under this paragraph 7030(d)(1)(B) if it does not

re-distribute such data in bulk, or it re-distributes such data in bulk or otherwise at no charge only to Non-Professionals or other Tax-Exempt Organizations that agree to be subject to the same restrictions on re-distribution.

(i) Set-Up Fee - \$1,000 for set-up to begin receiving Historic TRACE Data and to receive all 2002 Historic TRACE Data. 2002 Historic TRACE Data will be enabled for internal use and internal and/or external desktop display distribution. Such data may be re-distributed in bulk, provided it is re-distributed at no charge only to Non-Professionals or other Tax-Exempt Organizations that agree to be subject to the same restrictions on re-distribution.

(ii) Data and Bulk Re-Distribution Fee - \$500 per calendar year of data, for calendar year 2003 and each subsequent year, for receipt of Historic TRACE Data. Historic TRACE Data is enabled for internal use and internal and/or external desktop display, and bulk redistribution. Such data may be re-distributed in bulk, provided it is re-distributed at no charge only to Non-Professionals or to other Tax-Exempt Organizations that agree to be subject to the same restrictions on re-distribution.

(2) Non-Professional Fees

If NASD provides Historic TRACE Data to a Non-Professional,¹[who requests such data,] NASD [may]will charge a cost-neutral fee under Rule

7030(e) comprised solely of the cost of the media and the cost of delivery (e.g., U.S. Postal Service or other requested delivery service).[to reimburse NASD for operational costs related to preparing the data response.]

(e) Other Requests for Data

NASD may impose and collect charges for data NASD supported upon request, where there is no provision elsewhere in this Rule 7030 for [changes]charges for such service or sale.

* * * * *

Proposed Amendment to Form 19b-4, Item 3.(a), “Purpose,” at page 16 and Exhibit 1, Item II.A.1., “Purpose,” at pages 33-34.

In the paragraph labeled Non-Professionals, FINRA proposes to delete the final two sentences and replace them with: FINRA proposes to amend Rule 7030(d)(2) to specify that when providing Historic TRACE Data to a Non-Professional, FINRA will charge a cost-neutral fee that is comprised solely of the cost of the media used to store and deliver the data to the Non-Professional and the cost of delivery. For example, “the media” may mean a CD used to retrieve and store the Historic TRACE Data. In addition, “the cost of delivery” may refer to charges such the U. S. Postal Service postage required to mail a CD or an express mail fee.

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Proposed Amendment to Form 19b-4, Item 3.(a), “Purpose,” at page 17 and Exhibit 1, Item II.A.1., “Purpose,” at page 35.

In Form 19b-4, page 17, in the second full paragraph and Exhibit 1, page 35, in the first full paragraph, FINRA proposes to amend the paragraph as follows: Finally,

FINRA proposes to renumber current NASD Rule 7030(c)(4) as NASD Rule 7030(e) so that the provision will apply to NASD Rule 7030 generally[.]and to change the word “changes” to “charges” to correct a typographical error contained in the original filing.