

Notice to Members

NOVEMBER 2003

SUGGESTED ROUTING

Legal & Compliance
Registered Representative
Senior Management

KEY TOPICS

Notices to Members
Public Access to Comments
Requests for Comment

INFORMATIONAL

Online Comments

NASD Announces Online Availability of Comments

Executive Summary

NASD today announced that it is now making available on its Web Site comments filed in response to *Notices to Members* that include a request for comments on rule proposals or regulatory initiatives. Posting comments online will make it easier for the public to access and review the submissions, and will improve the efficiency with which NASD maintains, reviews, and makes available the comments it receives.

As in the past, comments may be submitted either in writing to Barbara Z. Sweeney, Senior Vice President and Corporate Secretary of NASD, or electronically to pubcom@nasd.com. On occasion, NASD may also provide commenters with an online form for this purpose.

Questions/Further Information

Questions regarding this *Notice to Members* may be directed to Barbara Z. Sweeney, Senior Vice President and Corporate Secretary, NASD, at (202) 728-8062 or Barbara.Sweeney@nasd.com.

Discussion

Comments received in response to a request for comments on rule proposals or regulatory initiatives via the *Notice to Members* process have always been available to the public to ensure that all interested parties have the opportunity to review them. In the past, comments were obtained by interested parties calling or writing NASD to request this material. Now, by posting all comments online, whether received by NASD in hard copy or electronically, the public will have easier access to review these submissions.

Online availability of comments is consistent with the practice of the Securities and Exchange Commission (SEC) and other regulatory agencies. Like the SEC, NASD will post comments on its Web Site as submitted by the author(s). Therefore, parties should submit in their comments only information that they wish to make available publicly. Any individual or organization planning to submit comments to NASD should be aware that those comments, whether submitted electronically or via hard copy, will be made available online and in hard copy. The following notice will appear on NASD's Web Site concerning comments posted electronically: *The views, expressions, findings, and opinions expressed in the comments on this Web page are solely those of the author(s) and NASD accepts no responsibility for the content of the comments.*

Background

Before adopting a new rule that would govern the conduct of NASD member firms, NASD is required to file the proposed rule with the SEC, which then publishes the rule in the *Federal Register* so that the public may consider it. In general, interested persons have at least 21 days from the date of publication to register their comments. After those comments are received, the SEC may approve or disapprove the rule, or NASD may decide to change it.

Prior to filing a rule change with the SEC, NASD generally solicits comments on the proposal from its members, investors, and the general public through a *Notice to Members*, which is posted on NASD's Web Site. At times, NASD also may solicit comment through a *Notice to Members* on alternative approaches to a particular issue, similar to the issuance of a "concept release" by the SEC. The *Notice to Members* describes the rule proposal or area of regulatory interest and indicates when and how comments may be submitted. Generally, members and interested parties may submit their comments via one of the following methods:

- ◆ Mailing in written comments to Barbara Z. Sweeney, Senior Vice President and Corporate Secretary, 1735 K Street, NW, Washington, DC 20006-1500
- ◆ E-mailing written comments to pubcom@nasd.com
- ◆ Submitting comments online at the NASD Web Site (www.nasd.com)

Comments received during the comment period from members, investors, and the general public are fully considered before any further action is taken by NASD.

Procedure for Viewing Comments Online

Interested parties will be able to access comments on NASD's Web Site by accessing the appropriate *Notice to Members* and through a special page that will list all *Notices to Members* that have requested comments. Generally, comments will be posted on the NASD Web Site one week after the end of a comment period.

Members may continue to request a hard copy of the comments that NASD receives by sending a letter to:

Barbara Z. Sweeney
Senior Vice President and Corporate Secretary
1735 K Street, NW
Washington, DC 20006-1500

Effective Date

Comments will be posted online for all *Notices to Members* issued on or after December 1, 2003, that seek comment on a proposal.

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