

fees applicable to members and (2) the monthly access fee applicable to ISE market makers. As a further incentive for market makers to quote in FX options, the Exchange proposes to waive one API for each class of market maker in FX options. For example, a firm that is both a primary market maker ("PMM") and a competitive market maker ("CMM") in FX options ("FXPMM" and "FXCMM," respectively) will receive a waiver of two APIs, one for quoting as a FXPMM and one for quoting as a FXCMM.

Finally, FX options are an options product and, as such, are subject to certain other fees that are currently on the Schedule of Fees. These fees include the minimum PMM fee and the Inactivity fee applicable to both PMMs and CMMs. In order to promote trading in FX options, ISE proposes to exclude FXPMMs and FXCMMs from being subject to these fees.

The Exchange believes that the proposed rule change will further the Exchange's goal of introducing new products to the marketplace that are competitively priced.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6(b) of the Act¹¹ in general, and Section 6(b)(4) of the Act¹² in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among Exchange members and other persons using Exchange facilities.

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

The Exchange believes that the proposed rule change will not impose 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

The Exchange has not solicited, and does not intend to solicit, comments on the proposed rule change. The Exchange has not received any unsolicited written comments from its members or other interested parties.

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

The foregoing proposed rule change has become effective pursuant to

Section 19(b)(3)(A)(ii) of the Act¹³ and Rule 19b-4(f)(2)¹⁴ thereunder, because it establishes or changes a due, fee, or other charge imposed by the Exchange. At any time within 60 days of the filing of such 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.¹⁵

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-ISE-2007-25 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-ISE-2007-25. 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 ISE. 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-ISE-2007-25 and should be submitted on or before May 31, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁶

Florence E. Harmon,
Deputy Secretary.

[FR Doc. E7-8912 Filed 5-9-07; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55703; File No. SR-NASD-2007-026]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Implement Technical Changes to the Customer, Industry and Mediation Codes

May 3, 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 April 13, 2007 the National Association of Securities Dealers, Inc. ("NASD"), through its wholly owned subsidiary, NASD Dispute Resolution, Inc. ("NASD Dispute Resolution") 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 NASD Dispute Resolution. NASD has designated the proposed rule change as concerned solely with the administration of the self-regulatory organization under Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(3) thereunder,⁴ which renders the proposal effective upon receipt of this filing by the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

¹⁶ 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)(iii).

⁴ 17 CFR 240.19b-4(f)(3).

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(4).

¹³ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁴ 17 CFR 240.19b-4(f)(2).

¹⁵ For purposes of calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change, the Commission considers the period to commence on May 2, 2007, the date on which the Exchange filed Amendment No. 1.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

NASD Dispute Resolution is proposing to amend the NASD Codes of Arbitration Procedure for Customer Disputes ("Customer Code") and for Industry Disputes ("Industry Code"), and to amend the NASD Code Mediation Procedure ("Mediation Code") (collectively, the "Codes") to delete rule language that was rescinded prior to the approval of the Codes, to change a reference that was amended by a separate NASD proposal, and to insert rule language that was approved by the Commission prior to its approval of the Customer and Industry Codes, but was inadvertently omitted from the Customer and Industry Codes. Proposed new language is in italics; proposed deletions are in brackets. The text of the proposed rule change is available at NASD, on NASD's Web site (<http://www.nasd.com>) 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, 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

Recently, NASD reorganized its dispute resolution rules (Rules 10000 *et seq.*) into three separate procedural codes: the Customer Code; the Industry Code; and the Mediation Code.⁵ The Customer, Industry and Mediation Codes replaced the NASD Code of Arbitration Procedure ("old Code") in its entirety.

⁵ In 2004, NASD filed separately with the Commission the Industry and Mediation Codes. See Securities Exchange Act Release No. 51857 (June 15, 2005), 70 FR 36430 (June 23, 2005) (File No. SR-NASD-2004-011) (notice); and Securities Exchange Act Release No. 51855 (June 15, 2005), 70 FR 36440 (June 23, 2005) (File No. SR-NASD-2004-013) (notice).

The Commission approved the Mediation Code on October 31, 2005.⁶ The Commission approved the Customer Code and Industry Code (collectively, "new Codes") on January 24, 2007,⁷ and the new Codes became effective on April 16, 2007.⁸

NASD is proposing several technical, nonsubstantive amendments to the Mediation Code and the new Arbitration Codes. With these amendments, NASD is proposing to delete provisions that were rescinded prior to the Codes' approval, to change a reference that was amended by a separate NASD proposal, and to add a provision that was approved by the Commission prior to its approval of the new Mediation and Arbitration Codes, but was inadvertently omitted from the new Codes.

First, NASD proposes to delete Interpretive Material (IM) 12000(f) and IM-13000(f) from the Arbitration Codes because these paragraphs were rescinded by SR-NASD-2005-070.⁹ These paragraphs state that failure by a member or person associated with a member to waive the California Rules of Court, Division VI of the Appendix, entitled, "Ethics Standards for Neutral Arbitrators in Contractual Arbitration" in certain circumstances may be deemed conduct inconsistent with just and equitable principle of trade, and a violation of Rule 2110. These provisions were included in IM-12000 and IM-13000 of the new Codes inadvertently, and should be removed.

Second, NASD proposes to amend the numerical reference in Rule 12102(a) of the Customer Code, Rule 13102(a) of the Industry Code and Rule 14102(a) of the Mediation Code, which identify the part of the Plan of Allocation and Delegation of Functions by NASD to Subsidiaries ("Delegation Plan") that applies to NASD Dispute Resolution. In a proposal filed on September 5, 2006 to reflect the complete separation of NASD from the Nasdaq Stock Market, NASD amended the number of the section of the Delegation Plan that applies to NASD Dispute Resolution.¹⁰ As a result of this

⁶ See Securities Exchange Act Release No. 52705 (October 31, 2005), 70 FR 67525 (November 7, 2005) (File No. SR-NASD-2004-013) (approval order).

⁷ See Securities Exchange Act Release No. 55158 (Jan. 24, 2007), 72 FR 4574 (Jan. 31, 2007) (File Nos. SR-NASD-2003-158 and SR-NASD-2004-011) (approval orders).

⁸ The changes were announced in Notice to Members 07-07 (Feb. 2007).

⁹ See Securities Exchange Act Release No. 51825 (June 13, 2005), 70 FR 35482 (June 20, 2005) (File No. SR-NASD-2005-070) (approval order).

¹⁰ See Securities Exchange Act Release No. 54798 (November 21, 2006), 71 FR 69156 (November 29, 2006) (File No. SR-NASD-2006-104) (approval order).

change, NASD is proposing to amend Rules 12102(a), 13102(a), and 14102(a) to change the reference to the Delegation Plan.

Finally, NASD proposes to insert a provision in the proposed amendments to Rules 12206(c) and 13206(c) of the Customer Code and Industry Code, respectively, stating that the six-year time limit on the submission of claims shall not apply to any claim that is directed to arbitration by a court of competent jurisdiction upon request of a member or associated person. This provision was approved by the Commission prior to its approval of the new Arbitration Codes, but was inadvertently omitted from them.¹¹

2. Statutory Basis

NASD believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,¹² which provides, among other things, that NASD's rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. NASD believes that the proposed rule change is consistent with the provision of the Act noted above because it will assist in the administration of arbitrations by clarifying the Customer, Industry, and Mediation Codes, which will make them easier to understand and apply.

(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 by NASD.

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)(iii) of the Act and Rule 19b-4(f)(3) thereunder because it is concerned solely with the administration of the self-regulatory

¹¹ See Securities Exchange Act Release No. 50714 (November 22, 2004), 69 FR 69971 (December 1, 2004) (File No. SR-NASD-2003-101) (approval order).

¹² 15 U.S.C. 78o-3(b)(6).

organization.¹³ 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. Please include File Number SR-NASD-2007-026 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-2007-026. 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 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 the File Number SR-NASD-2007-026 and

should be submitted on or before May 31, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E7-8914 Filed 5-9-07; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55707; File No. SR-NYSEArca-2007-41]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to NYSE Arca Marketplace Trading Sessions

May 4, 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 April 20, 2007 NYSE Arca, Inc. ("NYSE Arca" or "Exchange"), through its wholly owned subsidiary NYSE Arca Equities, Inc. ("NYSE Arca Equities"), filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been substantially prepared by the Exchange. The Exchange filed the proposal pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposed rule change 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, through NYSE Arca Equities, to update the list in NYSE Arca Equities Rule 7.34 of securities eligible to trade in one or more, but not all three, of the Exchange's trading sessions. The Exchange proposes to add to the lists the following investment company units (ICUs)⁵ of funds that are trading on

NYSE Arca, L.L.C. ("NYSE Arca Marketplace"), the equities trading facility of NYSE Arca Equities, pursuant to unlisted trading privileges ("UTP"); (1) SPDR®⁶ S&P®⁷ International Small Cap ETF; and (2) SPDR® S&P® World ex-US ETF. The text of the proposed rule change is available on the Exchange's Web site (<http://www.nyse.com>), at the principal office of the Exchange, 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. 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

NYSE Arca Equities Rule 7.34 currently provides, in part, that NYSE Arca Marketplace shall have three trading sessions each day: An Opening Session (1 a.m. Pacific Time ("PT") to 6:30 a.m. PT), a Core Trading Session (6:30 a.m. PT to 1 p.m. PT) and a Late Trading Session (1 p.m. PT to 5 p.m. PT), and that the Core Trading Session for securities described in NYSE Arca Equities Rules 5.1(b)(13), 5.1(b)(18), 5.2(j)(3), 8.100, 8.200, 8.201, 8.202, 8.203, 8.300, and 8.400 (each, a "Derivative Securities Product") shall conclude at 1:15 p.m. PT.⁸

NYSE Arca Equities Rule 7.34 includes a list of those securities which are eligible to trade in one or more, but not all three, of the Exchange's trading sessions. The Exchange maintains on its Web site (<http://www.nysearca.com>) a list that identifies all securities traded

⁶ SPDR® is a registered trademark of The McGraw-Hill Companies, Inc.

⁷ S&P® is a registered trademark of The McGraw-Hill Companies, Inc.

⁸ NYSE Arca Equities Rules 5.1(b)(13), 5.2(j)(3), 8.100, 8.200, 8.201, 8.202, 8.203, 8.300, and 8.400 relate to Unit Investment Trusts, ICUs, Portfolio Depositary Receipts, Trust Issued Receipts, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Partnership Units, and Paired Trust Shares, respectively. See Securities Exchange Act Release No. 54997 (December 21, 2006), 71 FR 78501 (December 29, 2006) (SR-NYSEArca-2006-77) (amending NYSE Arca Equities Rule 7.34).

¹³ 17 CFR 240.19b-4(f)(3).

¹⁴ 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).

⁵ NYSE Arca Equities Rule 5.1(b)(15) defines an ICU as a security representing an interest in a registered investment company that could be organized as a unit investment trust, an open-end management investment company, or a similar entity.