

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-54285; File No. SR-NASDAQ-2006-023)

August 8, 2006

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding Technical and Conforming Changes to Nasdaq Rule 7018

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 July 31, 2006, 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 prepared by Nasdaq. Nasdaq filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act,³ and Rule 19b-4(f)(2) thereunder,⁴ 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

Nasdaq proposes to conform Nasdaq Rule 7018 to changes made to Rule 7010(i) of the rules of the National Association of Securities Dealers, Inc. (“NASD”) since approval of Nasdaq’s rules by the Commission in January 2006, and to make changes to the rule to reflect Nasdaq’s operation as an exchange for Nasdaq-listed securities in advance of its operation for other securities. Nasdaq proposes to implement the proposed rule change on August 1, 2006.

The text of the proposed rule change is available on Nasdaq’s Web site at

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

<http://www.nasdaq.com>, at the principal office of Nasdaq, 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, 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 filing this proposed rule change to conform Nasdaq Rule 7018 to changes made to NASD Rule 7010(i) since approval of Nasdaq's rules by the Commission in January 2006, and to make changes to the rule to reflect Nasdaq's operation as an exchange for Nasdaq-listed securities in advance of its operation for other securities. Specifically, Nasdaq is amending Nasdaq Rule 7018 to reflect changes made to NASD Rule 7010(i) by SR-NASD-2005-141, SR-NASD-2006-013, SR-NASD-2006-023, SR-NASD-2005-057, and SR-NASD-2006-061.⁵

Nasdaq is also adding language to the Rule to clarify that until Nasdaq begins to operate as an exchange for non-Nasdaq stocks, the charges or credits for transactions in non-Nasdaq securities

⁵ Securities Exchange Act Release Nos. 52978 (December 19, 2005), 70 FR 76842 (December 27, 2005) (SR-NASD-2005-141); 53256 (February 8, 2006), 71 FR 8020 (February 15, 2006) (SR-NASD-2006-013); 53320 (February 15, 2006), 71 FR 9395 (February 23, 2006) (SR-NASD-2006-023); 54160 (July 17, 2006), 71 FR 42696 (July 27, 2006) (SR-NASD-2006-057); and 53931 (June 1, 2006), 71 FR 33325 (June 8, 2006) (SR-NASD-2006-061).

through the ITS/CAES System operated by The Nasdaq Stock Market, Inc. and Brut and Inet are set forth in NASD Rule 7010(i). Finally, because the fee schedule for Nasdaq-listed stocks traded on Nasdaq is based directly on the predecessor fee schedule of The Nasdaq Stock Market, Inc., which in turn has based the level of certain fees and credits on a market participants' combined volume in all securities traded through The Nasdaq Stock Market, Inc., Nasdaq is adding language to provide that its fees and credits will be based on volume in all securities traded through both Nasdaq exchange systems and systems operated by The Nasdaq Stock Market, Inc. for trading non-Nasdaq-listed securities. Nasdaq believes the effect of this language is to ensure that Nasdaq's fees and credits remain consistent with the fees and credits previously in effect.

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁶ in general, and with Section 6(b)(4) of the Act,⁷ in particular, in that it 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 the Nasdaq operates or controls. Nasdaq believes the proposed rule change conforms Nasdaq Rule 7018 to changes made to NASD Rule 7010(i) since approval of Nasdaq's rules by the Commission in January 2006, and makes changes to the rule to reflect Nasdaq's operation as an exchange for Nasdaq-listed securities in advance of its operation for other securities.

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(4).

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.

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 is subject to Section 19(b)(3)(A)(ii) of the Act⁸ and subparagraph (f)(2) of Rule 19b-4 thereunder⁹ because it establishes or changes a due, fee, or other charge applicable only to a member imposed by the self-regulatory organization.

Accordingly, the proposal is effective upon Commission receipt of the filing. 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

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁹ 17 CFR 240.19b-4(f)(2).

- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-NASDAQ-2006-023 on the subject line.

Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File No. SR-NASDAQ-2006-023. 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 will also be available for inspection and copying at the principal office of the Nasdaq. 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 No. SR-NASDAQ-2006-023 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.¹⁰

Nancy M. Morris
Secretary

¹⁰ 17 CFR 200.30-3(a)(12).