

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-57001; File No. SR-NASDAQ-2007-099)

December 20, 2007

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Establishing Fee for Registering and Transferring Registration of Associated Persons

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 December 20, 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 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 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 charge fees for individual registration and transfer/re-licensing under Rule 7003(b). The proposed rule change is effective upon filing.

The text of the proposed rule change is below. Proposed new language is underlined; proposed deletions are in brackets.

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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).

(a) The following fees will be collected and retained by FINRA [NASD] via the Web CRD registration system for the registration of associated persons of Nasdaq members that are not also FINRA [NASD] members:

(1) – (6) No change.

(b) The following fees will be collected via the Web CRD registration system for the registration of associated persons of Nasdaq members:

(1) \$55 for each initial Form U4 filed for the registration of a representative or principal.

(2) \$55 for each registration U4 transfer or re-licensing of a representative or principal.

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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 proposes to revise Rule 7003 and begin charging fees for registration and transfer/re-licensing of individuals. Currently, Nasdaq is one of only a few self-

regulatory organizations (“SROs”) that charge membership application and renewal fees for firms, but does not charge fees for registered representatives.

Subsequent to the early 2006 transition of the Nasdaq Market Center as a facility of the Financial Industry Regulatory Authority, Inc. (f/k/a National Association of Securities Dealers, Inc.) to a facility of a new SRO, Nasdaq decided to limit membership fees to firm application, renewal, and trading rights charges. However, since then Nasdaq’s market share in trading New York Stock Exchange securities has increased significantly and Nasdaq will also soon launch an options exchange. Both of these events create additional regulation expense that must be supported. Nasdaq believes that the new fees are warranted to ensure that fees for registered representatives fund a portion of the cost of regulating the Nasdaq market. Nasdaq believes that even with the new fees, registered representatives that are Nasdaq members will still generally pay less than or the same amount they pay to be registered representatives in other SROs.<sup>5</sup>

Nasdaq proposes to begin charging \$55 for individual initial registration and transfer/re-licensing on January 1, 2008.

## 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 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 Nasdaq

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<sup>5</sup> See,  
[http://www.finra.org/web/groups/reg\\_systems/documents/regulatory\\_systems/p005213.pdf](http://www.finra.org/web/groups/reg_systems/documents/regulatory_systems/p005213.pdf).

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

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

operates or controls. Nasdaq believes that the proposed Nasdaq membership fees for individual registration and transfer/re-licensing are a reasonable and equitable method of ensuring that registered representative fees funds a portion of the cost of regulating the Nasdaq market, and that the overall cost for registered representatives that are Nasdaq members is reasonable as compared with their cost of membership in other SROs.

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 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.<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

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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).

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](mailto:rule-comments@sec.gov). Please include File Number SR-NASDAQ-2007-099 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-NASDAQ-2007-099. 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 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of 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 Number SR-NASDAQ-2007-099 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, 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).