

[FR Doc. 06-9844 Filed 12-22-06; 8:45 am]
BILLING CODE 8011-01-C

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54949; File No. SR-BSE-2006-53]

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto To Allow Exchange Traded Funds To Trade on the Boston Equities Exchange Until 4:15 p.m. Eastern Standard Time

December 18, 2006.

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 November 30, 2006, the Boston Stock Exchange, Inc. ("Exchange" or "BSE") 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 the Exchange. On December 14, 2006, the BSE submitted Amendment No. 1 to the proposed rule change. The Exchange filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) 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, as amended, from interested persons.

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

The BSE proposes to allow Exchange Traded Funds, or ETFs, to trade on the Boston Equities Exchange ("BeX") until 4:15 p.m. Eastern Standard Time each business day. Additionally, by this filing the BSE is providing notice to its Members that the Good Till Time order type will not be available for approximately six to eight weeks following the November 20, 2006 launch of the BeX marketplace. The BSE will provide its Members with at least one day's notice of the date Good Till Time order types will be accepted on BeX.

The text of the proposed rule changes is available on the Exchange's Web site (<http://www.bse.com>), at the Exchange's

Office of the Secretary, 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 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. 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

On June 13, 2006, the BSE filed Amendment No. 3 to SR-BSE-2006-22, a rule filing submitted in connection with the implementation of the first of two phases of BeX, a fully automated electronic book for the display and execution of orders in securities. On August 25, 2006, SR-BSE-2006-22 was approved by the Commission.⁵ On August 3, 2006, the BSE filed, in connection with the implementation of the second phase of the BeX trading system and in connection with satisfying the requirements of Regulation NMS, SR-BSE-2006-30. On September 29, 2006, the Commission approved SR-BSE-2006-30.⁶

The purpose of this filing is to amend the operating hours of the BeX marketplace to reflect that ETFs may trade on BeX until 4:15 p.m. Eastern Standard Time each business day. The Amendment to the filing clarifies that although ETFs may trade on BeX until 4:15 p.m. Eastern Standard Time, ETFs cannot be submitted as Limit or Close Orders, will not participate in the Market on Close Period described in Chapter XXXVII, Section 3(f)(i) of the BSE Rules, and will not be placed in the Authorized Reserve State described in Chapter XXXVII, Section 3(f)(ii) of the BSE Rules. Rather, ETFs will simply cease matching in the BeX system after 4:15 p.m.

Further, by this filing, the BSE is providing notice to its Members that the Good Till Time order type will not be available for approximately six to eight

weeks following the November 20, 2006 launch of the BeX marketplace. The BSE will provide its Members with at least one day's notice of the date Good Till Time order types will be accepted on BeX.

2. Statutory Basis

The Exchange believes that the proposal, as amended, is consistent with the requirements of Section 6(b) of the Act,⁷ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁸ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.⁹

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

The Exchange does not believe that the proposed rule change will 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 neither solicited nor received comments on the proposed rule change.

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

Because the foregoing proposed rule change does not: (1) Significantly affect the protection of investors or the public interest; (2) impose any significant burden on competition; and (3) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, provided that the Exchange has given the Commission written notice of its intent to file the proposed rule change

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

⁹ For purposes of calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change under Section 19(b)(3)(C) of the Act, the Commission considers the period to commence on December 14, 2006, the date on which the BSE filed Amendment No. 1. See 15 U.S.C. 78s(b)(3)(C).

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 See Securities Exchange Act Release No. 54365 (Aug. 25, 2006), 71 FR 52192 (Sept. 1, 2006).

⁶ See Securities Exchange Act Release No. 54546 (Sept. 29, 2006), 71 FR 59161 (Oct. 6, 2006).

at least five business days prior to the filing date of the proposal.¹⁰

A proposed rule change filed under Rule 19b-4(f)(6) normally may not become operative prior to 30 days after the date of filing.¹¹ However, Rule 19b-4(f)(6)(iii)¹² permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day pre-operative period, which would make the rule change operative immediately. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest, because the proposed rule change clarifies how BeX operates in relation to ETFs.¹³ For this reason, the Commission designates that the proposal become operative immediately.

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, as amended, 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-BSE-2006-53 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-BSE-2006-53. 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 the Exchange. 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-BSE-2006-53 and should be submitted on or before January 16, 2007.

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

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E6-22006 Filed 12-22-06; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54953; File No. SR-NASD-2006-134]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Extending the Pilot Relating to Manning Price-Improvement Standards for Decimalized Securities

December 18, 2006.

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 December 7, 2006, the National Association of Securities Dealers, Inc. ("NASD") 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 NASD. NASD has designated the proposal as constituting a "non-controversial" proposed rule change under Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders it 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

NASD is proposing to extend through June 30, 2007, the current pilot price-improvement standards for decimalized securities contained in NASD Interpretive Material ("IM") 2110-2—Trading Ahead of Customer Limit Order ("Manning Rule"). NASD proposes no changes to its rule text.⁵

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

NASD's Manning Rule requires an NASD member firm to provide a minimum level of price improvement to incoming orders in exchange-listed securities if the firm chooses to trade as principal with those incoming orders at a price equal to or better than customer limit orders the firm currently holds. If a firm fails to provide the minimum level of price improvement to the

¹⁰ As required under Rule 19b-4(f)(6)(iii), BSE provided the Commission with notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposal.

¹¹ 17 CFR 240.19b-4(f)(6)(iii).

¹² *Id.*

¹³ For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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 NASD has proposed changes to the text of NASD IM 2110-2 in a separate filing, SR-NASD-2005-146, which is currently pending at the Commission. See Securities Exchange Act Release No. 54705 (November 3, 2006), 71 FR 65863 (November 9, 2006) (Notice of filing of SR-NASD-2005-146). The proposed changes in SR-NASD-2005-146 would amend, among other provisions, the price-improvement standards in NASD IM-2110-2.