

products that are useful and in demand as tools to manage the risks of their investment portfolios.

NQLX believes that its proposed rule changes comply with the requirements under section 6(h)(3) of the Act¹² and the criteria under section 2(a)(1)(D)(i) of the CEA,¹³ as modified by joint orders of the Commission and the CFTC, and that its listing standards are no less restrictive than comparable listing standards for options traded on a national securities exchange or national securities association.¹⁴

2. Statutory Basis

NQLX files this proposed rule change pursuant to section 19(b)(7) of the Act.¹⁵ NQLX believes that this proposed rule change is consistent with the requirements of the Commodity Futures Modernization Act of 2000,¹⁶ including the requirement that trading in a listed security futures is not readily susceptible to manipulation of its price nor to causing or being used to manipulate the price of the underlying security, options on the security, or options on a group or index including the security.¹⁷ NQLX further believes that its proposed rule change complies with the requirements under section 6(h)(3) of the Act¹⁸ and the criteria under Section 2(a)(1)(D)(i) of the CEA,¹⁹ as modified by joint orders of the Commission and the CFTC. In addition, NQLX believes that its proposed rule change is consistent with the provisions of section 6 of the Act,²⁰ in general, and section 6(b)(5) of the Act,²¹ in particular, which requires, among other things, that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, and, in general, to protect investors and the public interest.

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

NQLX does not believe that the proposed rule changes will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

C. Self-Regulatory Organization's Statement of Comments on the Proposed Rule Change Received From Members, Participants, or Others

NQLX neither solicited nor received written comment on the proposed rule changes.

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

The proposed rule change has become effective on January 27, 2003, except that the changes made in Amendment No. 1 have become effective on April 4, 2003. Within 60 days of the date of effectiveness of the proposed rule change, the Commission, after consultation with the CFTC, may summarily abrogate the proposed rule change and require that the proposed rule change be refiled in accordance with the provisions of section 19(b)(1) of the Act.²²

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, conflicts with the Act. Persons making written submissions should file nine copies of the submission with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Comments also may be submitted electronically to the following e-mail address: *rule-comments@sec.gov*. 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 these filings also will be available for inspection and copying at the principal office of NQLX. All submissions should refer to File No. SR-NQLX-2003-03 and should be submitted by May 12, 2003.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²³

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47679; File No. SR-NASD-2003-48]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the National Association of Securities Dealers, Inc. To Modify the Display Charge Associated With the Use of the Nasdaq Workstation II Service by Persons That Are Not NASD Members

April 15, 2003.

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 March 21, 2003, the National Association of Securities Dealers, Inc. ("NASD"), through its subsidiary, The Nasdaq Stock Market, Inc. ("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. 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 modify the display charge paid by persons that are not NASD members for use of the Nasdaq Workstation II ("NWII") Service.³ Nasdaq will implement the proposed rule change as soon as practicable following approval by the Commission.

The text of the proposed rule change appears below. New text is in italics. Deleted text is in brackets.

* * * * *

7000. Charges for Services and Equipment

7010. System Services

(a)-(e) No change.

²³ 17 CFR 200.30-3(a)(75).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ On March 21, 2003, Nasdaq also submitted a proposed rule change to modify this charge for NASD members. See Securities Exchange Act Release No. 47637 (April 7, 2003), 68 FR 17849 (April 11, 2003) (File No. SR-NASD-2003-47).

¹² 15 U.S.C. 78f(h)(3).

¹³ 7 U.S.C. 2(a)(1)(D)(i).

¹⁴ 15 U.S.C. 78f(h)(3)(C).

¹⁵ 15 U.S.C. 78s(b)(7).

¹⁶ P.L. 106-554, 114 Stat. 2763 (2000).

¹⁷ 15 U.S.C. 78f(h)(3)(H).

¹⁸ 15 U.S.C. 78f(h)(3).

¹⁹ 7 U.S.C. 2(a)(1)(D)(i).

²⁰ 15 U.S.C. 78f.

²¹ 15 U.S.C. 78f(b)(5).

²² 15 U.S.C. 78s(b)(1).