

subsequent Click terminals is extended through June 30, 2004.⁹ The Exchange represents that it is extending the term of the fee waivers for competitive purposes. The Exchange is also removing language in its Schedule of Fees that relates to a fee waiver that expired on May 31, 2003 and has not been renewed—namely, firm proprietary Execution Fees for trades executed in the Block Order Mechanism.

With respect to the fee elimination, the Exchange is proposing to eliminate the fee for preparing a Rule 11Ac1-6 Order Report, or specialized best execution report, that the Exchange currently offers to members who specifically request this report. The Exchange is eliminating the fee since the Exchange has recovered the technical development costs associated with producing the report, as well as for competitive purposes.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(4) of the Act that an exchange have an equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities.¹⁰

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

The proposed rule change does 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 this proposed rule change. The Exchange has not received any unsolicited written comments from 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 been designated as a fee change pursuant to Section 19(b)(3)(A)(ii) of the Act¹¹ and Rule 19b-4(f)(2) thereunder.¹² Accordingly, the proposal will take effect upon filing with the Commission. 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 proposal is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549-0609. 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 ISE. All submissions should refer to File No. SR-ISE-2003-16 and should be submitted by August 1, 2003.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹³

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48122; File No. SR-NSCC-2003-14]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of a Proposed Rule Change Relating to Anonymity Features on Trading Systems

July 2, 2003.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on June 19, 2003, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission"), and on

June 23, 2003, amended the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by NSCC. 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 proposed rule change would modify NSCC's procedures to accommodate the reporting of trades executed on a system that provides trading anonymity.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NSCC 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. NSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

NSCC may receive locked-in trade data from an SRO that operates a trading system that provides anonymity. At the request of the SRO, NSCC may report back to members such trades identifying an acronym selected by the SRO instead of naming the actual contraside. The purpose of the proposed rule filing is to add language to section II.C.1 of NSCC Rules and Procedures that would provide that in such an event the contraside is one of the members eligible to execute trades on the anonymous trading system. New language would also be added to that section that would provide that if NSCC ceases to act for the unnamed contraside, the applicable entity providing the anonymous trading system will be responsible for identifying to members which of their trades are with the affected member.

The National Association of Securities Dealers, Inc. ("NASD") recently filed a proposed rule change that would allow it to add an anonymity feature to the Nasdaq Stock Market's SuperMontage trading system.³ NSCC's proposed rule

⁹ *Id.*

¹⁰ 15 U.S.C. 78f(b)(4).

¹¹ 15 U.S.C. 78s(b)(3)(A)(ii).

¹² 17 CFR 240.19b-4(f)(2).

¹³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified parts of these statements.

³ File No. SR-NASD-2003-85 (filed May 22, 2003).