

7010. System Services
(a) through (j) No Change.

(k) Trade Reporting and Compliance Engine (TRACE)

[(Rule 7010(k) shall expire on January 31, 2004, unless amended, extended, or permanently adopted by NASD

pursuant to SEC approval at or before such date).]

The following charges shall be paid by participants for the use of the Trade Reporting and Compliance Engine ("TRACE"):

| System fees | Transaction reporting fees | Market data fees |
|---|--|---|
| <p>[From 07/01/02 to 12/31/02: Web Browser Access: \$85/month for 1 user ID; \$75/month for 2–9 user IDs; \$70/month for 2–10+ user IDs, except]</p> <p>[If less than 25 trades per month, in October, November, or December 2002—\$25/month per user ID]</p> <p>[From 01/01/03 to 01/31/04: Level I Trade Report Only Web Browser Access—\$25/month per user ID]</p> <p>[Level II Full Service Web Browser Access—\$85/month per user ID, except]</p> <p><i>Level I Trade Report Only Web Browser Access—\$20/month per user ID</i></p> <p><i>Level II Full Service Web Browser Access—\$80/month per user ID</i></p> <p>[For a period of one calendar month to be announced: Level II Full Service Web Browser Access—will be \$25/month per user ID]</p> <p>CTCI/Third Party—\$25/month/per firm</p> <p>[Third Party—\$25/month]</p> | <p>[From 07/01/02 to 12/31/02: Trades up to and including \$200,000 par value—\$0.50/trade; Trades between \$201,000 and \$999,999 par value—\$0.0025 times the number of bonds traded/trade; Trades of \$1,000,000 par value or more—\$2.50/trade]</p> <p>[From 01/01/03 to 01/31/04:] Trades up to and including \$200,000 par value—\$0.475/trade; Trades between \$201,000 and \$999,999 par value—\$0.002375 times the number of bonds traded/trade; Trades of \$1,000,000 par value or more—\$2.375/trade</p> <p>[From 07/01/02 to 12/31/02: Cancel/Correct—\$3/trade, except For October 2002—\$1.50/trade, For November 2002—\$2.25/trade]</p> <p>[From 01/01/03 to 01/31/04:] Cancel/Correct—\$1.50/trade</p> <p>[From 07/01/02 to 12/31/02: "As of" Trade Late—\$3/trade, except For October 2002—\$1.50/trade, For November 2002—\$2.25/trade]</p> <p>[From 01/01/03 to 01/31/04:] "As of" Trade Late—\$3/trade</p> <p>[Browse & Query—\$0.05 after first page]</p> | <p>BTDS Professional <i>Real-Time Data</i>. Display—\$60/month per terminal, except [For a period of one calendar month to be announced: Waiver of fee (\$0)]</p> <p><i>BTDS Professional Delayed-Time Data Display—\$15/month per terminal</i></p> <p>BTDS Internal Usage Authorization—\$500/month per application/service for <i>Real-Time and Delayed-Time Data</i></p> <p>BTDS External Usage Authorization—\$1,000/month per application/service for <i>Real-Time and Delayed-Time Data</i></p> <p>BTDS Non-Professional <i>Real-Time Data</i> Display—\$1/month per terminal</p> |

(1) *System Related Fees*. There are three methods by which a member may report corporate bond transactions that are reportable to NASD pursuant to the Rule 6200 Series. A member may choose among the following methods to report data to NASD: (a) a TRACE web browser; (b) a Computer-to-Computer Interface ("CTCI") (either one dedicated solely to TRACE or a multi-purpose line); or (c) a third-party reporting intermediary. Fees will be charged based on the reporting methodology selected by the member.

(A) Web Browser Access

[(i) For the period commencing July 1, 2002 and ending December 31, 2002, the charge to be paid by a member that elects to report TRACE data to NASD via a TRACE web browser shall be as follows: for the first user ID registered, a charge of \$85 per month; for the next two through nine user IDs registered, a charge of \$75 per month, per such additional user ID; and for ten or more

user IDs registered, a charge of \$70 per month, per user ID from two to ten or more. If a member reports less than 25 trades per month to the TRACE system in October, November, or December 2002, the charge to be paid by a member for the TRACE web browser shall be \$25, per such month, per user ID.]

[(ii) For the period commencing January 1, 2003 and ending January 31, 2004, the charge to be paid by a member that elects to report TRACE data to NASD via a TRACE web browser shall be as follows: \$25 per month, per user ID for Level I Web Trade Report Only Browser Access and \$85 per month, per user ID for Level II Full Service Web Browser Access.] *The charge to be paid by a member that elects to report TRACE data to NASD via a TRACE web browser shall be as follows: \$20 per month, per user ID for Level I Web Trade Report Only Browser Access and \$80 per month, per user ID for Level II Full Service Web Browser Access.* [Notwithstanding the above sentence,

following the effective date of increased bond data dissemination as approved by the SEC on January 31, 2003, NASD shall announce a period of one calendar month during which the charge for Level II Full Service Web Browser Access shall be \$25 per month, per user ID.]

(B) Computer-to-Computer Interface Access

The charge to be paid by a member that elects to report TRACE data to NASD via a CTCI line shall be \$25 per month, per *firm*[line], regardless of whether the line is or is not dedicated exclusively for TRACE.^[6] ¹

(C) Third Party Access—Indirect Reporting

A member may elect to report TRACE data indirectly to NASD via third-party reporting intermediaries, such as vendors, service bureaus, or the National Securities Clearing Corporation ("NSCC"). The charge to be paid by a