

member shall be \$25 per month, per firm. Nothing in this Rule shall prevent such third-party intermediaries from charging additional fees for their services.

(2) *Transaction Reporting Fees.* For each transaction in corporate bonds that is reportable to NASD pursuant to the Rule 6200 Series, the following charges shall be assessed against the member responsible for reporting the transaction:

(A) Trade Reporting Fee

[(i) For the period commencing July 1, 2002 and ending December 31, 2002, a member shall be charged a Trade Reporting Fee based upon a sliding scale ranging from \$0.50 to \$2.50 per transaction based on the size of the reported transaction. Trades up to and including \$200,000 par value will be charged a \$0.50 fee per trade; trades between \$201,000 par value and \$999,999 par value will be charged a fee of \$0.0025 multiplied by the number of bonds traded per trade; and trades of \$1,000,000 par value or more will be charged a fee of \$2.50 per trade.]

[(ii) For the period commencing January 1, 2003 and ending January 31, 2004, a]A member shall be charged a Trade Reporting Fee based upon a sliding scale ranging from \$0.475 to \$2.375 per transaction based on the size of the reported transaction. Trades up to and including \$200,000 par value will be charged a \$0.475 fee per trade; trades between \$201,000 par value and \$999,999 par value will be charged a fee of \$0.002375 multiplied by the number of bonds traded per trade; and trades of \$1,000,000 par value or more will be charged a fee of \$2.375 per trade.

(B) Cancel or Correct Trade Fee

[For the period commencing July 1, 2002 and ending December 31, 2002, a member shall be charged a Cancel or Correct Trade Fee of \$3.00 per canceled or corrected transaction. To provide firms with time to adjust to the new reporting system, the Cancel or Correct Trade Fee will not be charged until the later of October 1, 2002 or 90 days after the effective date of TRACE. For the month of October 2002, the Cancel or Correct Trade Fee shall be \$1.50 per canceled or corrected transaction. For the month of November 2002, the Cancel or Correct Trade Fee shall be \$2.25 per canceled or corrected transaction. For the period commencing January 1, 2003 and ending January 31, 2004, a]A member shall be charged a Cancel or Correct Trade Fee of \$1.50 per canceled or corrected transaction.

(C) "As of" Trade Late Fee

[For the period commencing July 1, 2002 and ending December 31, 2002, a]A member shall be charged an "As of" Trade Late Fee of \$3.00 per transaction for those transactions that are not timely reported "As of" as required by these rules. [To provide firms with time to adjust to the new reporting system, the "As of" Trade Late Fee will not be charged until the later of October 1, 2002 or 90 days after the effective date of TRACE. For the month of October 2002, the "As of" Trade Late Fee shall be \$1.50 per such transaction. For the month of November 2002, the "As of" Trade Late Fee shall be \$2.25 per such transaction. For the period commencing January 1, 2003 and ending January 31, 2004, a member shall be charged an "As of" Trade Late Fee of \$3.00 per canceled or corrected transaction.]

[(D) Browse and Query Fee

Members may review their own previously reported transaction data through a Browse and Query function. A member shall be charged \$0.05 for each returned page of the query beyond the first page.]

(3) Market Data Fees

Professionals and non-professionals may subscribe to receive R[real-T]ime and Delayed-Time TRACE data disseminated by NASD in one or more of the following ways for the charges specified. Members, vendors and other redistributors shall be required to execute appropriate agreements with NASD.

(A) Professional Fees. Professionals may subscribe for the following:

(i) Bond Trade Dissemination Service ("BTDS") Professional Real-Time Data Display Fee of \$60 per month, per terminal charge for each interrogation or display device receiving R[real-T]ime TRACE transaction data.

[Notwithstanding the above sentence, following the effective date of increased bond data dissemination as approved by the SEC on January 31, 2003<sup>[7]</sup>, NASD shall announce a period of one calendar month during which NASD shall waive the \$60 per terminal, per month charge.]

(ii) *BTDS Professional Delayed-Time Data Display Fee of \$15 per month, per terminal charge for each interrogation or display device receiving Delayed-Time TRACE transaction data; provided, that subscribers to the BTDS Professional Real-Time Data Display Fee described above shall not be charged this additional fee. Subject to the execution of appropriate agreements with NASD, certain summary market information of Delayed-Time TRACE*

*transaction data may be published or distributed by newspapers, press associations, newsletters, or similar media sources without charge.*

(iii) BTDS Internal Usage Authorization Fee of \$500 per month, per application/service [charge] for internal dissemination of R[real-T]ime and/or Delayed-Time TRACE transaction data used in one or more of the following ways *in a single application/service*: internal operational and processing systems, internal monitoring and surveillance systems, internal price validation, internal portfolio valuation services, internal analytical programs leading to purchase/sale or other trading decisions, and other related activities.<sup>[8]</sup>,<sup>2</sup>

(iv) BTDS External Usage Authorization Fee of \$1,000 per month, per application/service [charge] for dissemination of R[real-T]ime and/or Delayed-Time TRACE transaction data used in one or more of the following ways *in a single application/service*: repackaging of market data for delivery and dissemination outside the organization, such as indices or other derivative products.<sup>[9]</sup>,<sup>3</sup>

(B) Non-Professional Fees

The charge to be paid by a non-professional for each terminal receiving all or any portion of R[real-T]ime TRACE transaction data disseminated through TRACE shall be \$1.00 per month, per terminal.

(C) Definitions

(i) "Delayed-Time" as used in Rule 7010(k)(3) shall mean that period of time starting four hours after the time of dissemination by NASD of transaction data on a TRACE-eligible security, and ending at 11:59:59 p.m. Eastern Time that calendar day.

(ii) "Non-Professional"—A non-professional subscriber must provide certain information to NASD and shall receive TRACE market data primarily for his or her personal, non-commercial use. As used in Rule 7010(k)(3) [A],<sup>a</sup> "non-professional" is a natural person who is neither:

(a) registered nor qualified in any capacity with the Commission, the Commodity Futures Trading Commission, any state securities agency, any securities exchange or association, or any commodities or futures contract market or association, or an employee of the above who uses such information primarily for business-related activities; [or]

(b) engaged as an "investment adviser" as that term is defined in section 202(a)(11) of the Investment Advisers Act of 1940 (whether or not registered or qualified under that Act),