

Plan”) with respect to CTA Plan Securities. Satisfaction of the condition would continue to be a prerequisite to the Nasdaq Exchange trading CTA Plan Securities.

II. Discussion

As discussed in the Nasdaq Exchange Order,⁶ the NASD plans to remain a member of the Intermarket Trading System (“ITS Plan”) for the purpose of providing access to over-the-counter (“OTC”) quotes in CTA Plan Securities communicated by its members through NASD facilities and to provide its members access to exchanges’ quotes in such securities. The Control Share Condition is necessary because the NASD and its members currently comply with their obligations under the ITS Plan through the NASD’s Nasdaq Market Center facility.

In addition, with respect to CTA Plan Securities, NASD facilities owned by Nasdaq currently are the NASD’s only means available to fulfill its obligations under Exchange Act Rules 602 and 603,⁷ the CTA Plan, CQ Plan, and Section 15A(b)(11) of the Exchange Act.⁸ Therefore, the NASD must have the means to satisfy these obligations prior to relinquishing control of Nasdaq.

The Nasdaq Exchange represented that the technology solutions to allow the NASD to fulfill its obligations with respect to CTA Plan Securities through means that would not involve a delegation of regulatory authority to Nasdaq are not completed.⁹ In addition, the Nasdaq Exchange represented that many of its prospective members have indicated that a phased-in approach to the Nasdaq Exchange’s operation would be preferable. Specifically, according to the Nasdaq Exchange, these firms believe that a single-day transition would entail unnecessary costs and administrative burdens and pose transition risks that could be mitigated through a phased approach.

The Commission believes that a phased-in implementation of the operation of the Nasdaq Exchange is consistent with the Exchange Act and may allow for a more smooth transition. Accordingly, the Commission believes that it is necessary or appropriate in the public interest, consistent with the protection of investors and consistent with the requirements of Exchange Act, and the rules and regulations thereunder applicable to Nasdaq

Exchange to modify the Control Share Condition to the Nasdaq Exchange Order as follows:

First, the requirement that the NASD represent that “control of Nasdaq through the Preferred D share is no longer necessary because the NASD can fulfill through other means its obligations with respect to [CTA Plan Securities] under Section 15A(b)(11) of the Exchange Act,¹⁰ Rules 602 and 603 of Regulation NMS,¹¹ and the national market system plans in which the NASD participates” is modified so as to be a condition only with respect to the Nasdaq Exchange commencing to trade CTA Plan Securities. This will allow the Nasdaq Exchange to begin operations as a national securities exchange solely for Nasdaq UTP Plan securities before the Control Share Condition is satisfied.

Second, the Control Share Condition is modified to permit the Nasdaq Exchange to commence trading Nasdaq UTP Plan Securities once Nasdaq is no longer delegated regulatory authority under the Delegation Plan with respect to such securities. The modification of the Control Share Condition described above means that the Nasdaq Exchange would commence trading in Nasdaq UTP Plan Securities while the NASD controls Nasdaq. The Commission believes, however, that it would be inappropriate for the Nasdaq Exchange to commence trading in Nasdaq UTP Plan Securities while its parent company continued to be delegated regulatory authority by the NASD with respect to the same activities.

Accordingly, the Commission would have to approve an amendment to the NASD’s Delegation Plan to reflect that Nasdaq would no longer be delegated regulatory authority with regard to Nasdaq UTP Securities prior to the Nasdaq Exchange commencing to trade Nasdaq UTP Plan Securities.

III. Modification of Conditions to Operation

The Commission notes that all of the other conditions set forth in the Nasdaq Exchange Order remain and must be satisfied before the Nasdaq Exchange can begin operations as an exchange.

The Commission hereby replaces the Control Share Condition to operation of the Nasdaq Exchange as a national securities exchange as follows:

B. The NASD’s Ability To Fulfill Its Statutory and Regulatory Obligations

(1) With respect to the Nasdaq Exchange commencing to trade securities reported pursuant to the

Nasdaq UTP Plan, the NASD’s Delegation Plan is amended to eliminate Nasdaq’s exercise of regulatory authority with respect to such securities.

(2) With respect only to the Nasdaq Exchange commencing to trade securities reported pursuant to the CTA Plan, the NASD must represent to the Commission that control of Nasdaq through the Preferred D share is no longer necessary because the NASD can fulfill through other means its obligations with respect to securities reported to the CTA Plan under Section 15A(b)(11) of the Exchange Act, Rules 602 and 603 of Regulation NMS, and the national market system plans in which the NASD participates.

IV. Conclusion

It is ordered that the Control Share Condition to operation for the Nasdaq Exchange is modified as described herein.

By the Commission.

J. Lynn Taylor,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–54081; File No. SR–Amex–2006–60]

Self-Regulatory Organizations; America Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Extension of the Pilot Period Applicable to the Listing and Trading of Options on the iShares MSCI Emerging Markets Index

June 30, 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 June 20, 2006, the American Stock Exchange LLC (“Amex” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Amex has filed the proposed rule change, pursuant to section 19(b)(3)(A)(iii) of the Act³ and Rule 19b–4(f)(6) thereunder,⁴ which renders the proposal effective upon

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b–4(f)(6).

⁶ See Nasdaq Exchange Order, *supra* note 1.

⁷ 17 CFR 242.602 and 603.

⁸ 15 U.S.C. 78o–3(b)(11).

⁹ The Commission notes that the NASD operates the Alternative Display Facility (“ADF”), which currently collects quotes and trades for Nasdaq UTP Plan Securities, but not for CTA Plan Securities.

¹⁰ 15 U.S.C. 78o–3(b)(11).

¹¹ 17 CFR 242.602 and 603.

filing with the Commission.⁵ 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 Exchange proposes to extend the pilot period applicable to Amex's the listing and trading of options on the iShares MSCI Emerging Markets Index Fund ("Fund Options"). The Amex is not proposing any textual changes to the rules of Amex. The text of the proposed rule change is available on the Amex's Web site at <http://www.amex.com>, the Office of the Secretary, Amex 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, Amex 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 Amex 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

On May 17, 2006, the Commission approved the Amex's proposal to list and trade the Fund Options.⁶ SR-Amex-2006-43 was approved for a sixty-day pilot period that is due to expire on July 2, 2006 ("Pilot"). The Fund Options will continue to meet substantially all of the listing and maintenance standards in Commentary .06 to Amex Rule 915 and Commentary .07 to Amex Rule 916. For the requirements that are not met, the Amex continues to represent that sufficient mechanisms exist that would provide the Amex with adequate surveillance and regulatory information with respect to the Fund Options. Continuation of the Pilot would permit the Amex to continue to work with the Bolsa Mexicana de Valores ("Bolsa") to

⁵ The Exchange requested the Commission to waive the five-day pre-filing notice requirement and the 30-day operative delay, as specified in Rule 19b(3)(f)(iii). 17 CFR 240.19b-4(f)(6)(iii).

⁶ See Securities Exchange Act Release No. 53824 (May 17, 2006), 71 FR 30003 (May 24, 2006) (SR-Amex-2006-43).

develop a surveillance sharing agreement.

Accordingly, the Exchange proposes to extend the Pilot for an additional ninety-days, until October 1, 2006.

2. Statutory Basis

The Amex believes the proposed rule change is consistent with section 6(b) of the Act⁷ 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; and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers, or to regulate by virtue of any authority conferred by the Act matters not related to the purpose of the Act or the administration of the Amex.

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

Amex 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

No written comments were solicited or received with respect to the proposed rule change.

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

The foregoing rule change has become effective pursuant to section 19(b)(3)(A) of the Act⁹ and Rule 19b-4(f)(6)¹⁰ thereunder because the proposed rule change: (i) Does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not become operative for 30 days from the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6).

interest pursuant to section 19(b)(3)(A)(iii) of the Act¹¹ and Rule 19b-4(f)(6) thereunder.¹²

Amex has requested that the Commission waive both the five-day pre-filing requirement and the 30-day delayed operative delay.¹³ The Commission is exercising its authority to waive the five-day pre-filing notice requirement and believes that the waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Waiver of the five-day pre-filing and 30-day operative periods will extend the Pilot, which would otherwise expire on July 1, 2006, and allow the Amex to continue in its efforts to obtain a surveillance agreement with Bolsa. Accordingly, the Commission designates the proposal to be effective and operative upon filing with the Commission.¹⁴

At any time within sixty (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.¹⁵

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change 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-Amex-2006-60 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-Amex-2006-60. This file number should be included on the subject line if e-mail is used. To help the

¹¹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹² 17 CFR 240.19b-4(f)(6).

¹³ 17 CFR 240.19b-4(f)(6)(iii).

¹⁴ 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. 15 U.S.C. 78c(f).

¹⁵ See Section 19(b)(3)(C) of the Act, 15 U.S.C. 78s(b)(3)(C).

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 Section, 100 F Street, NE., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the Amex. 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-Amex-2006-60 and should be submitted on or before July 31, 2006.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹⁶

Nancy M. Morris,
Secretary.

[FR Doc. E6-10684 Filed 7-7-06; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54082; File No. SR-BSE-2006-29]

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto to Extend the Effective Date of a Previous Rule Change Relating to Information Contained in a Directed Order on the Boston Options Exchange

June 30, 2006.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on June 20, 2006, the Boston Stock Exchange, Inc. ("BSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule

change as described in Items I and II below, which Items have been prepared by the BSE. The BSE 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 proposed rule change effective upon filing with the Commission. On June 29, 2006, the BSE filed Amendment No. 1 to the proposed rule change.⁵ 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

On March 17, 2006, the Exchange filed a proposed rule change to amend its rules governing its Directed Order process on Boston Stock Exchange, Inc. ("BOX") pursuant to section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder, which rendered the proposal immediately effective upon filing with the Commission.⁶ The rules were amended to clearly state that the BOX Trading Host identifies to an Executing Participant ("EP") the identity of the firm entering a Directed Order. The amended rule was to be effective until June 30, 2006, while the Commission considered a corresponding Exchange proposal, SR-BSE-2005-52,⁷ to amend the BOX rules on a permanent basis to permit EPs to choose the firms from whom they will accept Directed Orders, while providing complete anonymity of the firm entering a Directed Order.⁸

The Exchange now proposes to extend the effective date of the amended rule governing the anonymity of its Directed

Order process on the BOX from June 30, 2006 to September 30, 2006 while the Commission continues to consider SR-BSE-2005-52 which would amend the BOX rules on a permanent basis to permit EPs to choose the firms from whom they will accept Directed Orders, while providing complete anonymity of the firm entering a Directed Order. In the event the Commission reaches a decision with respect to SR-BSE-2005-52 to amend the BOX rules before September 30, 2006, the amended rule governing the Exchange's Directed Order process on the BOX will cease to be effective at the time of that decision.

This rule filing proposes to extend the effective date of the amended rule governing the Exchange's Directed Order process on the BOX from June 30, 2006 to September 30, 2006.

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 BSE 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 BSE 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 March 17, 2006 the BSE filed SR-BSE-2006-14, a proposed rule change seeking to amend the BOX rules to clearly state that the BOX Trading Host identifies to an EP the identity of the firm entering a Directed Order. That proposed rule change became immediately effective upon filing with the Commission pursuant to Rule 19b-4(f)(6) under the Act.⁹ The rule change was to be effective until June 30, 2006, while the Commission considered a corresponding Exchange proposal, SR-BSE-2006-52, to amend the BOX rules on a permanent basis to permit EPs to choose the firms from whom they will accept Directed Orders while providing complete anonymity of the firm entering a Directed Order. This proposed rule filing seeks to extend the date of effectiveness of the amended Directed Order rule from June 30, 2006 to September 30, 2006, while the

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ In Amendment No. 1, BSE submitted rule text that indicates that the proposed rule change will expire on September 30, 2006.

⁶ See Securities Exchange Act Release No. 53516 (March 20, 2006), 71 FR 15232 (March 27, 2006) (SR-BSE-2006-14). At the Exchange's request, the Commission edited language in this filing to clarify that the Commission did not approve SR-BSE-2006-14, but that SR-BSE-2006-14 became immediately effective upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder. Telephone conference between Jan Woo, Attorney, Division of Market Regulation, Commission, and Brian Donnelly, Assistant Vice President of Regulation and Compliance, BSE, on June 27, 2006 ("Telephone conference").

⁷ See Securities Exchange Act Release No. 53357 (February 23, 2006), 71 FR 10730 (March 2, 2006) (Notice of filing of Amendments No. 2, 3, and 4 to proposed rule change to modify the information contained in a Directed Order on the BOX).

⁸ In the event that the issue of anonymity in the Directed Order process is not resolved by September 30, 2006, the Exchange intends to submit another filing under Rule 19b-4(f)(6) under the Act extending this rule and system process.

⁹ See footnote 5 *supra*. Telephone conference.

¹⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.