

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 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-ISE-2007-120 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-ISE-2007-120. This file number should be included on the subject line if e-mail is used. To help the 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 Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of ISE. 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-ISE-2007-120 and should

be submitted on or before January 18, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57002; File No. SR-MSRB-2007-07]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Rule G-14, Reports of Sales or Purchases, to Extend the Expiration Date of the Three-Hour Exception to the Fifteen-Minute Reporting Deadline

December 20, 2007.

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 November 27, 2007, the Municipal Securities Rulemaking Board ("MSRB" or "Board"), filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the MSRB. The MSRB has filed the proposal as a "non-controversial" rule change pursuant to section 19(b)(3)(A)(iii) of the Act,³ 3 and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposal effective upon filing with the Commission. 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 MSRB is filing with the Commission a proposed rule change consisting of an amendment to MSRB Rule G-14, Reports of Sales or Purchases (the "proposed rule change"). The proposed rule change would extend the expiration date of the three-hour exception to the fifteen-minute reporting deadline for certain when, as and if issued transactions under Rule G-14 RTRS Procedures, paragraph

(a)(ii)(C). Under the current language of this provision, the three-hour reporting exception will automatically expire December 31, 2007. The proposed rule change provides that the three-hour exception will expire on June 30, 2008 in order to coincide with the effective date of other proposed changes to MSRB rules designed to improve transaction reporting of new issue municipal securities. The MSRB proposes an effective date for this proposed rule change of December 31, 2007. The text of the proposed rule change is available on the MSRB's Web site (<http://www.msrb.org>), at the MSRB, 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, the MSRB 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 MSRB 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

MSRB Rule G-14, on transaction reporting, requires all brokers, dealers and municipal securities dealers ("dealers") to report all transactions in municipal securities to the MSRB Real-Time Transaction Reporting System ("RTRS") within fifteen minutes of the time of trade execution, with limited exceptions. One exception listed in Rule G-14 RTRS Procedures, paragraph (a)(ii) is a "three-hour exception" that allows a dealer three hours to report a transaction in a when, as and if issued ("when-issued") security if all of the following conditions apply: (i) The CUSIP number and indicative data of the issue traded are not in the securities master file used by the dealer to process trades for confirmations, clearance and settlement; (ii) the dealer has not traded the issue in the previous year; and (iii) the dealer is not a syndicate manager or syndicate member for the issue.

The three-hour exception was designed to give a dealer time to add a security to its "securities master file" so that a trade can be reported through the dealer's automated trade processing systems. A securities master file

¹⁰ 17 CFR 200.30-3(a)(12).

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).

contains the information about a municipal security issue that is necessary for a dealer to be able to process transactions in the issue. It includes such items as the interest rate, dated date, interest payment cycle, and put and call schedules. The dealer's securities master file often contains information only for securities held in custody for customers and for securities that have been recently traded. If a dealer trades a security that is not in its securities master file, the relevant securities information must be obtained by the dealer from an information vendor before the trade can be processed and reported.⁵

For new issue transactions, a dealer's access to necessary securities information depends not only on its link with an information vendor but also on whether that vendor itself has the information on the new issue. Vendors currently obtain much of their new issue information through voluntary cooperation from underwriters. This process does not always result in all the vendors having the necessary securities information by the time trade executions begin. Dealers trading a new issue for the first time need the three-hour exception from the fifteen-minute trade reporting requirement for their first trades in a new issue because the securities information is not always available at the time the trade is executed.⁶

To address inefficiencies in the collection of new information securities data, Securities Industry and Financial Markets Association ("SIFMA"), industry members, securities information vendors, and other service providers in the municipal securities market have worked extensively with The Depository Trust and Clearing Corporation ("DTCC") to develop a centralized system for collecting and communicating new issue securities information. The system, called the "New Issue Information Dissemination System" ("NIIDS"), will be operated by DTCC and will act as a central collection point for standardized

electronic files of new issue information provided by underwriters which will be disseminated in real-time to information vendors. DTCC plans to implement NIIDS in early 2008.⁷

MSRB has filed with the SEC another proposed rule change designed to improve new issue transaction reporting that includes requiring underwriter participation with NIIDS.⁸ The proposed effective date for these changes is June 30, 2008. NIIDS, in conjunction with MSRB rules, should make it possible for dealers to report new issue trades earlier and thus eliminate the need for the three-hour exception for when-issued trade reports. Accordingly, an extension of the three-hour exception for when-issued transactions to June 30, 2008 will allow time for NIIDS to be implemented and will ensure that the three-hour exception is available up to the effective date of MSRB rules designed to improve new issue transaction reporting.

The proposed rule change would revise MSRB Rule G-14 RTRS Procedures (a)(ii)(C) by deleting the language regarding the expiration of the three-hour exception on December 31, 2007 and replacing the language to state that for when-issued transactions, the three-hour exception to the fifteen minute reporting rule will expire on June 30, 2008.

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with section 15B(b)(2)(C) of the Act,⁹ which provides that the MSRB's rules shall:

Be 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 municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.

The Board believes that the proposed rule change is consistent with the Act because it will allow the municipal securities industry to produce more accurate trade reporting and transparency.

⁷ In addition to providing an improved mechanism for disseminating the new issue information necessary for trade processing, the system also would use the information for purposes of establishing depository eligibility for new issues. DTCC plans to require use of the New Underwriting System ("NUWS"), of which NIIDS is a component, beginning in April 2008.

⁸ See File Number SR-MSRB-2007-08.

⁹ 15 U.S.C. 78o-4(b)(2)(C).

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

The Board does not believe that the proposed rule change will impose any burden on competition since it would apply equally to all brokers, dealers and municipal securities dealers.

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

Although the MSRB did not publish for comment an exposure draft of the proposed rule change, the MSRB received one letter requesting that the expiration of the three-hour exception be extended to no earlier than the time that changes to MSRB rules to require underwriter participation with NIIDS become effective.¹⁰

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

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 November 27, 2007, the date on which it was filed, and the MSRB provided the Commission with written notice of its intent to file the proposed rule change at least five business days prior to the filing date, the proposed rule change has become effective pursuant to section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6) thereunder.¹²

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.¹³

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:

¹⁰ See letter from Leslie M. Norwood, Managing Director and Associate General Counsel, SIFMA to Harold Johnson, Deputy General Counsel, and Justin Pica, Uniform Practice Policy Advisor, MSRB dated October 16, 2007.

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

¹³ See Section 19(b)(3)(C) of the Act, 15 U.S.C. 78s(b)(3)(C).

⁵ Many dealers use service bureaus for various trade processing functions, including the maintenance of securities master files. Securities master file update procedures for service bureaus are the same as those described for dealers.

⁶ In the new issue market, information vendors seek to collect information on each issue and deliver it to customers in time for trade reporting in the new issue. There are several challenges for vendors and dealers to meet the reporting deadlines. For example, there are approximately 15,000 new municipal issues that must be set up in databases each month. Another problem for the industry is the fact that approximately 85 different information fields for each issue must be successfully gathered, which in large part depends on the timely cooperation of the underwriters.

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-MSRB-2007-07 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-MSRB-2007-07. This file number should be included on the subject line if e-mail is used. To help the 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 Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the MSRB. 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-MSRB-2007-07 and should be submitted on or before January 18, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57004; File No. SR-MSRB-2007-06]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of Proposed Rule Change Relating to an Amendment to the Municipal Securities Information Library® System To Establish a Pilot System for Consolidated Dissemination of Disclosure Documents and Related Information Through an Internet-Based Public Access Portal

December 20, 2007.

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 November 15, 2007, the Municipal Securities Rulemaking Board ("MSRB" or "Board") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by the MSRB. 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 MSRB is filing with the Commission a proposed rule change establishing a pilot system for the consolidated dissemination, through an Internet-based public access portal, of disclosure documents and related information received by the MSRB through its existing facilities (the "pilot portal"). The proposed rule change consists of an amendment to the MSRB's existing Official Statement and Advance Refunding Document (OS/ARD) system of the Municipal Securities Information Library® ("MSIL"®) system,³ under which the pilot portal would be established and operated pending establishment of a permanent Internet-based public access system (the "permanent system"). The MSRB expects the pilot portal to

become operational on the later of March 10, 2008 or 5 business days after SEC approval. The MSRB requests approval of the pilot portal for a period of one year from the date it becomes operational, subject to earlier termination upon completion of the transition to the permanent system. The text of the proposed rule change is available on the MSRB's Web site (<http://www.msrb.org>), at the MSRB's principal office, 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, the MSRB 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 MSRB 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

Rule G-36 requires that a broker, dealer or municipal securities dealer (a "dealer") that acts as managing or sole underwriter for most primary offerings of municipal securities send the official statement ("OS") and Form G-36(OS) to the MSIL system. In addition, if the offering is an advance refunding and an escrow deposit agreement or other advance refunding document ("ARD") has been prepared, the ARD and Form G-36(ARD) also must be sent to the MSIL system by the managing or sole underwriter. OSs and ARDs collected by the MSIL system currently are made available in paper form, subject to copying charges, at the MSRB's public access facility in Alexandria, Virginia, and electronically by paid subscription on a daily over-night basis and by purchase of annual back-log collections.

The proposed rule change will establish, on a pilot basis, an Internet-based public access portal (the "pilot portal") to provide free access to OSs and ARDs received by the MSRB under Rule G-36. Copies of all such OSs and ARDs received by the MSRB on or after implementation of the pilot portal will be made available to the public as portable document format (PDF) files for viewing, printing and downloading at the pilot portal promptly after

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Municipal Securities Information Library and MSIL are registered trademarks of the MSRB. The MSIL system's OS/ARD system was initially approved by the Commission in 1991 and amended in 2001 to establish the current optional electronic submission system. See Securities Exchange Act Release No. 29298 (June 13, 1991), 56 FR 28194 (June 19, 1991) (File No. SR-MSRB-1990-2); Securities Exchange Act Release No. 44458 (June 20, 2001), 66 FR 34495 (June 28, 2001) (File No. SR-MSRB-2001-03).

¹⁴ 17 CFR 200.30-3(a)(12).