

Attention Nancy M. Morris  
Secretary, Securities and Exchange Commission  
100F Street, NE  
Washington, DC 20549-1090  
Monday, 04 June 2007

Dear Ms. Morris,

**File Number SR-NASD-2007-030**  
**Response to the NASD Proposed Rule Change**

We are writing to you regarding a new paragraph you are proposing to codify in Rule 6620 regarding a member's trade reporting obligations with respect to transactions in foreign securities. We think that the NASD should consider an exception to this rule for a type of transaction commonly known as an ADR/Ordinary swap trade. Swaps of this type, where a customer holds an ADR position and an equivalent neutralising position in the Ordinary share are regularly either "closed down" by Agent banks (i.e. banks who issue the ADR) or by the customer finding another counterpart with the opposite side of the swap. In the case of an Agent bank "closing down" one of these swaps, no reporting requirements exist. We believe the same logic should apply to customers finding and then cancelling their neutral positions with each other.

We have lodged this comment with you today, as you have requested comments and feedback by 7<sup>th</sup> June; however we feel that our customers and other brokers in the market will reply to your announcement with the same view over the next few days. The market feels that your proposal needs more consideration and the logic of an exception to this rule is compelling for this type of transaction.

Yours sincerely,

Charles Davies  
Linkbrokers Derivatives Corp Inc.