

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-52133; File No. SR-NASD-2005-068)

July 27, 2005

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving Proposed Rule Change Regarding a New Order Type for the Pre-Market Trading Session

On May 25, 2005, the National Association of Securities Dealers, Inc., through its subsidiary, The Nasdaq Stock Market, Inc. (“Nasdaq”), filed with the Securities and Exchange Commission (“Commission”) a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² to establish a new order type for Nasdaq-listed securities called the Total Good-till-Canceled order, which would be eligible for execution during the pre-market trading session and would be processed precisely as the Good-till-Canceled order. The proposed rule change was published for comment in the Federal Register on June 23, 2005.³ The Commission received no comments on the proposal. This order approves the proposed rule change.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities association,⁴ the requirements of Section 15A of the Act,⁵ in general, and Section 15A(b)(6) of the Act,⁶ in particular, which requires, among other things, that the rules of a national securities association be designed to facilitate transactions in securities and to remove impediments to and

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 51859 (June 16, 2005), 70 FR 36428.

⁴ In approving the proposed rule change, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78o-3.

⁶ 15 U.S.C. 78o-3(b)(6).

perfect the mechanism of a free and open market. In proposing to establish the new order type, Nasdaq seeks to provide market participants with more choices, thereby permitting them to represent their trading interest more completely than is currently possible on Nasdaq. The depth and liquidity of the market on Nasdaq could increase as a result of the enhanced interest and competition, which in turn could promote greater competition among market centers.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (SR-NASD-2005-068) be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland
Deputy Secretary

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(12).