

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-52746; File No. SR-NASD-2005-106)

November 7, 2005

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving Proposed Rule Change Regarding Fees for Closed-End Funds Listing on The Nasdaq Capital Market

On August 31, 2005, the National Association of Securities Dealers, Inc. (“NASD”), through its subsidiary, The Nasdaq Stock Market, Inc. (“Nasdaq”), filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change regarding fees for closed-end funds listing on The Nasdaq Capital Market.<sup>3</sup> Nasdaq has proposed to amend NASD Rules 4510 and 4520 to: (i) decrease the entry fee for listing a closed-end fund on the Nasdaq Capital Market to \$5,000 (of which \$1,000 is a non-refundable application fee) per fund; and (ii) adopt a new annual fee schedule for closed-end funds on the Nasdaq Capital Market, which is identical to that of funds listed on the Nasdaq National Market.<sup>4</sup> The proposed rule change was published for comment in the Federal Register on October 3, 2005.<sup>5</sup> The Commission received no comments on the proposal.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Subsequent to the Nasdaq filing of this proposed rule, Nasdaq filed, and the Commission approved, another proposed rule change which renamed “The Nasdaq SmallCap Market” as “The Nasdaq Capital Market.” See Securities Exchange Act Release No. 52489 (September 21, 2005) 70 FR 56948 (September 27, 2005).

<sup>4</sup> Nasdaq recently adopted new listing fees for Closed-End Funds listing on the Nasdaq National Market. See Securities Exchange Act Release No. 52277 (August 17, 2005), 70 FR 49347 (August 23, 2005) (SR-NASD-2005-096).

<sup>5</sup> See Securities Exchange Act Release No. 52515 (September 27, 2005), 70 FR 57638 (October 3, 2005).

After careful review, 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 self-regulatory organization.<sup>6</sup> In particular, the Commission believes that the proposed rule change is consistent with Section 15A(b)(6) of the Act<sup>7</sup> in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,<sup>8</sup> that the proposed rule change (File No. SR-NASD-2005-106) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

Jonathan G. Katz  
Secretary

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<sup>6</sup> The Commission has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

<sup>7</sup> 15 U.S.C. 78o-3(b)(6).

<sup>8</sup> 15 U.S.C. 78s(b)(2).

<sup>9</sup> 17 CFR 200.30-3(a)(12).