



T. SEAN BENNETT
PRINCIPAL ASSOCIATE GENERAL COUNSEL
805 KING FARM BOULEVARD
ROCKVILLE, MD 20850

P: [REDACTED]
F: [REDACTED]
E: [REDACTED]

January 19, 2017

Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Amendment No. 3 (SR-NASDAQ-2016-131)

Dear Mr. Fields:

The NASDAQ Stock Market LLC filed the above-referenced filing on January 19, 2017.

Sincerely,

A handwritten signature in grey ink, consisting of a large, fluid loop followed by a long horizontal stroke extending to the right.

T. Sean Bennett
Principal Associate General Counsel

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="5"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - <input type="text" value="2016"/> - * <input type="text" value="131"/>
Amendment No. (req. for Amendments *) <input type="text" value="3"/>			
Filing by NASDAQ Stock Market Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934			
Initial * <input type="checkbox"/>	Amendment * <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>
			Section 19(b)(3)(A) * <input type="checkbox"/>
			Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4)
			<input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5)
			<input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010		Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934	
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>	Section 3C(b)(2) * <input type="checkbox"/>	
Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
Description			
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).			
<input type="text"/>			
Contact Information			
Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.			
First Name * <input type="text" value="Sean"/>	Last Name * <input type="text" value="Bennett"/>		
Title * <input type="text" value="Principal Associate General Counsel"/>			
E-mail * <input type="text" value="[REDACTED]"/>			
Telephone * <input type="text" value="[REDACTED]"/>	Fax <input type="text"/>		
Signature			
Pursuant to the requirements of the Securities Exchange Act of 1934,			
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.			
(Title *)			
Date <input type="text" value="01/19/2017"/>	<input type="text" value="Executive Vice President and General Counsel"/>		
By <input type="text" value="Edward S. Knight"/>	<input type="text" value="[REDACTED]"/>		
(Name *)			
NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.			

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Partial Amendment No. 3 to SR-NASDAQ-2016-131

On October 13, 2016, The NASDAQ Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change (“Proposal”) to amend rule 4120 to enhance the reopening auction process following a trading halt declared pursuant to the Plan to Address Extraordinary market Volatility Pursuant to Rule 608 of Regulation NMS under the Act (the “Plan”). The Exchange also proposed to amend Rule 4753 (“Nasdaq Halt Cross”) to include the proposed new terms Auction Reference Prices and Auction Collars in the definition of Order Imbalance Indicator for purposes of the reopening process after Trading Pauses initiated under Rule 4120(a)(12), and to amend Rule 11890 (“Clearly Erroneous Transactions”) to provide that a member cannot request a review of an execution arising from a Halt Auction as a clearly erroneous execution. On December 5, 2016, Nasdaq filed Amendment No. 1, which was subsequently withdrawn by Nasdaq and replaced with Amendment No. 2 on December 20, 2016. Amendment No. 2 proposed two changes to the original filing. First, Nasdaq proposed to amend Rule 4120 to state that it is using the Auction Reference Price in determining whether a security subject to a Trading Pause is priced at \$3 or less, which determines the method of calculating the Auction Collar prices. Second, Nasdaq proposed to amend Rule 4754(b)(6), which concerns the processing of the Nasdaq Closing Cross, to conform the rule to the changes proposed to Rule 4120(a)(12)(H).

Nasdaq is filing this Partial Amendment No. 3 to SR-NASDAQ-2016-131 to provide additional detail concerning the planned implementation date of the proposed changes. As noted in the original filing, Nasdaq, together with other primary listing

exchanges committed to file rule changes with the Commission under Section 19(b) of the Exchange Act to amend their respective trading practice for automated reopenings following a Trading Pause consistent with a standardized approach agreed to by Participants that would allow for extensions of a Trading Pause if equilibrium cannot be met for a Reopening Price within specified parameters. These rule changes arose from, and are contingent upon approval of, Amendment 12 to the Plan. Amendment 12 was published by the Commission on November 28, 2016.¹ Moreover, the proposed changes are designed to be implemented simultaneously among the primary listing exchanges to avoid inconsistent outcomes in the reopening process during times of market stress. Last, implementation of the Amendment 12 changes, and by extension the Proposal, is contingent on the Securities Information Processors successfully implementing changes to their systems to allow for the new reopening process. Nasdaq believes that it will be in a position to implement the proposed changes in the third quarter of 2017, assuming the preconditions that Amendment 12 is approved, the Security Information Processors have implemented their changes, and other primary listing exchanges are able to implement their proposed changes simultaneously with Nasdaq.

Nasdaq is proposing the following specific changes to SR-NASDAQ-2016-131:

- 1) In the Form 19b-4 on page 14 of 41, and in Exhibit 1 on page 32 of 41, replace the entire paragraph under the heading “Implementation Date” with the following text:

“The Exchange proposes to implement the proposed rule change in the third quarter of 2017, following the Commission’s approval of Amendment

¹ See Securities Exchange Act Release No. 79410 (November 28, 2016), 81 FR 87114 (December 2, 2016) (File No. 4-631).

12. Implementation of the proposed changes is also contingent on the Securities Information Processors successfully implementing changes to their systems to allow for the new reopening process, the other Primary Listing Exchanges gaining approval of their related filings and their ability to implement the changes concurrent with Nasdaq. The Exchange will announce the implementation date via a notice to be issued after the Commission's approval of this proposed rule change."

Nasdaq believes that SR-NASDAQ-2016-131, as amended, remains consistent with the Securities Exchange Act of 1934, and specifically with Section 6(b)(5), for all the reasons stated in the original filing and Partial Amendment No. 2. Partial Amendment No. 3 furthers the goals of Section 6(b)(5) by providing greater specificity on the implementation of the proposed changes.