

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-81123; File No. SR-NASDAQ-2017-038)

July 11, 2017

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change, as Modified by Amendment No. 1, Relating to the First Trust Municipal High Income ETF

On May 16, 2017, The NASDAQ Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change relating to the First Trust Municipal High Income ETF (“Fund”) of First Trust Exchange-Traded Fund III, the shares of which have been approved by the Commission for listing and trading under Nasdaq Rule 5735. The proposed rule change was published for comment in the Federal Register on June 2, 2017.³ On July 10, 2017, the Exchange filed Amendment No. 1 to the proposed rule change.⁴ The Commission has received no comment letters on the proposed rule change.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 80802 (May 26, 2017), 82 FR 25648 (June 2, 2017).

⁴ In Amendment No. 1, which amended and replaced the proposed rule change in its entirety, Nasdaq (a) deleted references to the “Liquidity Rule,” and (b) made certain changes to the percentages to the Fund’s investments in Municipal Securities that are, at the time of investment, rated investment grade and below investment grade. Because Amendment No. 1 does not materially alter the substance of the proposed rule change or raise unique or novel regulatory issues, Amendment No. 1 is not subject to notice and comment. Amendment No. 1 to the proposed rule change is available at: <https://www.sec.gov/comments/sr-nasdaq-2017-038/nasdaq2017038-1841718-155073.pdf>.

Section 19(b)(2) of the Act⁵ provides that, within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is July 17, 2017. The Commission is extending this 45-day time period.

The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,⁶ designates August 31, 2017, as the date by which the Commission shall either approve or disapprove or

⁵ 15 U.S.C. 78s(b)(2).

⁶ Id.

institute proceedings to determine whether to disapprove the proposed rule change (File Number SR-NASDAQ-2017-038).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Jill M. Peterson
Assistant Secretary

⁷ 17 CFR 200.30-3(a)(31).