



THE NASDAQ STOCK MARKET
ONE LIBERTY PLAZA, 50TH FLOOR
NEW YORK, NY 10006

November 28, 2006

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-9303

Re: Termination of a Foreign Private Issuer's Registration of a Class of Securities under Section 12(g) and Duty to File Reports under Section 15(d) of the Securities Exchange Act of 1934 (File No. S7-12-05)

Dear Ms. Morris:

The Nasdaq Stock Market, Inc. ("Nasdaq") appreciates this opportunity to comment on the above captioned proposed rule, which would modify the requirements for a foreign private issuer to be able to terminate its registration and reporting obligations under the Securities Exchange Act of 1934 (the "Exchange Act"). Nasdaq supports the goal of the Securities and Exchange Commission (the "Commission" or "SEC") in this regard: to remove a disincentive for foreign private issuers to access the U.S. public capital markets by providing these issuers a meaningful option to terminate their Exchange Act reporting obligations if they find a diminished level of U.S. investor interest in their securities. Nasdaq has long advocated the removal of barriers that limit a company's choice of market¹ and therefore supports the Commission's proposal. Nasdaq further believes that the proposal will generally achieve the Commission's goals without compromising its mission to protect investors.

In the proposing release, the Commission has asked whether a foreign private issuer should be permitted to exclude institutional investors when determining the number of its U.S. resident shareholders. Nasdaq believes that it should. The Commission has previously recognized that institutional investors are more sophisticated than, and do not require the same degree of protection as, non-institutional investors. Thus, Rule 144A under the Securities Act of 1933 permits the sale of unregistered securities to "qualified institutional buyers." Nasdaq believes that qualified institutional buyers should likewise be excluded from the calculation of U.S. resident shareholders by foreign private issuers. These investors are able to view the issuer's disclosures in its home country market and do not rely on SEC filings for information about the issuer. Further, these investors are able to purchase and sell shares in the issuer's home market, rather than in the U.S. securities markets. Of course to the extent that an institutional investor purchases shares in the non-U.S. market and resells them in the U.S. securities markets to non-

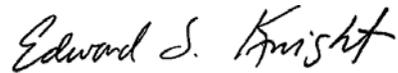
¹ See, e.g., Petition for a Rulemaking to Repeal Rule 500 of the New York Stock Exchange, Petition 4-482, available at <http://www.sec.gov/rules/petitions/petn4-482.htm> (May 14, 2003).

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institutional investors, while the company is an SEC reporting company, the purchasers of those securities would be counted by the foreign private issuer in calculating its U.S. resident shareholders. For these same reasons, Nasdaq believes that holdings by qualified institutional buyers should not be considered as held by U.S. residents for purposes of calculating the percentage of worldwide public float that is held by U.S. residents.

If the SEC staff has any questions concerning this submission, please feel free to contact me at (301) 978-8480 or Arnold Golub at (301) 978-8075.

Very truly yours,

A handwritten signature in black ink that reads "Edward S. Knight". The signature is written in a cursive, flowing style.

Edward S. Knight
Executive Vice President and
General Counsel