

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 20	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2016 - * 028 Amendment No. (req. for Amendments *)
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Filing by Financial Industry Regulatory Authority
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
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 checked="" 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"/>
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Description
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

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 * Last Name *
 Title *
 E-mail *
 Telephone * Fax

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
By (Name *)
Senior Vice President and Director of Capital Markets Policy

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 *

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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.

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to clarify the operation of the Regulation NMS Plan to Address Extraordinary Volatility (“Plan”) following a Trading Pause or Regulatory Halt in a security subject to the Plan.²

The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The Chief Executive Officer of FINRA authorized the filing of the proposed rule change with the SEC pursuant to delegated authority. No other action by FINRA is necessary for the filing of the proposed rule change.

FINRA has filed the proposed rule change for immediate effectiveness. The operative date of the proposed rule change will be August 22, 2016.

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

¹ 15 U.S.C. 78s(b)(1).

² Unless otherwise specified, the capitalized terms used herein have the same meanings as set forth in the Plan.

FINRA Rule 6121.01 (Trading Pauses) (“Rule”) sets forth requirements applicable to member firms in connection with Trading Pauses.³ The Rule addresses the Plan’s provisions regarding Trading Pause, including that no trades in an NMS Stock are permitted to occur during a Trading Pause, and sets forth the circumstances under which trading in an NMS Stock can resume after a Trading Pause. Currently, the Rule also provides that FINRA may permit the resumption of trading otherwise than on an exchange if trading has commenced on at least one other national securities exchange. In addition, FINRA Rule 6190 (Compliance with Regulation NMS Plan to Address Extraordinary Market Volatility) provides, among other things, that a member that is a Trading Center in an NMS Stock must establish, maintain and enforce written policies and procedures reasonably designed to comply with the requirements of the Plan, including to prevent the execution of trades at prices below the Lower Price Band or above the Upper Price Band for an NMS Stock. The pilot period for the Plan was recently extended through April 21, 2017.⁴

FINRA and other self-regulatory organizations (SROs) are taking measures to clarify the operation of the Plan that results from the short period of time (generally up to three milliseconds) following the resumption of trading after a Trading Pause or Regulatory Halt and before the Price Bands are received from the Processor for securities

³ 17 CFR 242.608.

⁴ See Securities Exchange Act Release No. 77679 (April 21, 2016), 81 FR 24908 (April 27, 2016).

that are subject to the Plan.⁵ Specifically, FINRA is proposing an amendment to Rule 6121.01 to provide that, following a Trading Pause or Regulatory Halt in an NMS Stock that is subject to the Plan, a member may resume trading otherwise than on an exchange if trading has commenced on the primary listing exchange (or on another national securities exchange in the case of the resumption of trading following a ten-minute trading pause) and either: (1) the member has received the Price Bands from the Processor; or (2) if immediately following a Trading Pause or Regulatory Halt the member has not yet received the Price Bands from the Processor, the member has calculated an upper price band and lower price band consistent with the methodology provided for in Section V of the Plan and ensures that any transactions prior to the receipt of the Price Bands from the Processor are within the ranges provided for pursuant to the Plan, consistent with Section VI(A)(1) of the Plan.

The proposed rule change also clarifies what activity is permitted around the resumption of trading following a Trading Pause. Previously, the Rule provided that FINRA may permit the resumption of trading following a Trading Pause if trading has resumed on any national securities exchange. FINRA is revising the Rule to provide that members may resume trading following a Trading Pause if trading has resumed on the Primary Listing Exchange or, where the Primary Listing Exchange does not reopen for trading at the end of a ten-minute Trading Pause (and has issued notice that it cannot

⁵ See NASDAQ Equity Trader Alert # 2016-79 (NASDAQ Announces Improved Protections for Equity Markets Coming Out of Halts (“Leaky Bands”)) (April 12, 2016); See Bats Release Notes (Bats Announces Updates to Halt Resumption Behavior Effective July 15, 2016) (June 2, 2016). FINRA anticipates that other SROs will adopt similar measures to calculate an interim band for their listed securities to be applied in the brief time between the resumption of trading and when the Price Bands are subsequently received from the Processor.

resume trading for a reason other than a significant imbalance), a member may resume trading otherwise than on an exchange if trading has commenced in such NMS Stock on at least one other national securities exchange.⁶

Thus, the proposed amendment addresses the brief time between the resumption of trading following a Trading Pause or Regulatory Halt and when the Price Bands are received from the Processor by requiring members to take measures to ensure bands are in place (either by waiting for the receipt of the Price Bands from the Processor or calculating an interim upper price band and lower price band and ensuring that trades occur within those bands). Members may not rely on interim bands beyond the short period of time (generally up to three milliseconds) between the resumption of trading and the receipt of Price Bands by market participants.

As noted in Item 2 of this filing, FINRA has filed the proposed rule change for immediate effectiveness. The operative date of the proposed rule change will be August 22, 2016.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,⁷ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public

⁶ Deleted language from paragraph (b) is no longer applicable because it addressed a transitional period in Plan implementation prior to the Plan becoming effective as to all NMS Stocks. The Plan applied to all NMS Stocks on December 8, 2013. Rights and warrants are excluded from the Plan. See Securities Exchange Act Release No. 70273 (August 27, 2013), 78 FR 54321 (September 3, 2013) (File No. 4-631).

⁷ 15 U.S.C. 78o-3(b)(6).

interest. The proposed rule change also is designed to support the principles of Section 11A(a)(1) of the Act⁸ in that it seeks to assure fair competition among brokers and dealers and among exchange markets.

The proposed rule change is designed to better implement the goals of the Plan, which has been approved by the Commission as reasonably designed to prevent potentially harmful price volatility, including severe volatility of the kind that occurred on May 6, 2010. In clarifying the operation of the Plan, the proposed rule change seeks to help ensure that the goals of the Plan are met. Accordingly, FINRA believes that the proposed rule change will further the goals of investor protection and fair and orderly markets.

4. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change seeks to require members to take measures to ensure that their trading activity is in compliance with FINRA Rule 6190 and the Plan, and does not impose requirements that do not currently exist under FINRA rules, FINRA guidance and the Plan.

Specifically, a member that is a Trading Center in an NMS Stock already is required to establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the requirements of the Plan, including to prevent the execution of trades at prices that are outside of the Price Bands. To comply with this requirement, members must be aware of the upper and lower price bands applicable to

⁸ 15 U.S.C. 78k-1(a)(1).

their trading activity. This proposal provides that, immediately following a halt of a security subject to the Plan, a member may not resume trading until trading has resumed on the primary listing exchange (or on another national securities exchange in the case of the resumption of trading following a ten-minute pause) and either the member has received the Price Bands from the processor or has established interim bands calculated in compliance with the Plan.

5. **Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others**

Written comments were neither solicited nor received.

6. **Extension of Time Period for Commission Action**

Not applicable.

7. **Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)**

FINRA has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act⁹ and paragraph (f)(6) of Rule 19b-4 thereunder.¹⁰ FINRA asserts that the proposed rule change: (1) will not significantly affect the protection of investors or the public interest, (2) will not impose any significant burden on competition, and (3) and will not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate. In addition, FINRA provided the Commission with written notice of its intent to file the proposed rule change, along with a

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6).

brief description and text of the proposed rule change, at least five business days prior to the date of filing, or such shorter time as designated by the Commission.¹¹

The proposal does not impose requirements that do not currently exist under FINRA rules, FINRA guidance and the Plan, and seeks to clarify the operation of the Plan by requiring members to take measures to ensure that their trading activity is compliance with FINRA Rule 6190 and the Plan.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1. Completed notice of proposed rule change for publication in the Federal Register.

Exhibit 5. Text of the proposed rule change.

¹¹ 17 CFR 240.19b-4(f)(6)(iii).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-FINRA-2016-028)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Clarify the Operation of the Regulation NMS Plan to Address Extraordinary Market Volatility

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on , Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as constituting a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act,³ which renders the proposal effective upon receipt of this filing by the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

FINRA is proposing to clarify the operation of the Regulation NMS Plan to Address Extraordinary Volatility (“Plan”) following a Trading Pause or Regulatory Halt in a security subject to the Plan.⁴

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).

⁴ Unless otherwise specified, the capitalized terms used herein have the same meanings as set forth in the Plan.

The text of the proposed rule change is available on FINRA's website at <http://www.finra.org>, at the principal office of FINRA and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FINRA included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

FINRA Rule 6121.01 (Trading Pauses) ("Rule") sets forth requirements applicable to member firms in connection with Trading Pauses.⁵ The Rule addresses the Plan's provisions regarding Trading Pause, including that no trades in an NMS Stock are permitted to occur during a Trading Pause, and sets forth the circumstances under which trading in an NMS Stock can resume after a Trading Pause. Currently, the Rule also provides that FINRA may permit the resumption of trading otherwise than on an exchange if trading has commenced on at least one other national securities exchange. In addition, FINRA Rule 6190 (Compliance with Regulation NMS Plan to Address Extraordinary Market Volatility) provides, among other things, that a member that is a Trading Center in an NMS Stock must establish, maintain and enforce written policies

⁵ 17 CFR 242.608.

and procedures reasonably designed to comply with the requirements of the Plan, including to prevent the execution of trades at prices below the Lower Price Band or above the Upper Price Band for an NMS Stock. The pilot period for the Plan was recently extended through April 21, 2017.⁶

FINRA and other self-regulatory organizations (SROs) are taking measures to clarify the operation of the Plan that results from the short period of time (generally up to three milliseconds) following the resumption of trading after a Trading Pause or Regulatory Halt and before the Price Bands are received from the Processor for securities that are subject to the Plan.⁷ Specifically, FINRA is proposing an amendment to Rule 6121.01 to provide that, following a Trading Pause or Regulatory Halt in an NMS Stock that is subject to the Plan, a member may resume trading otherwise than on an exchange if trading has commenced on the primary listing exchange (or on another national securities exchange in the case of the resumption of trading following a ten-minute trading pause) and either: (1) the member has received the Price Bands from the Processor; or (2) if immediately following a Trading Pause or Regulatory Halt the member has not yet received the Price Bands from the Processor, the member has calculated an upper price band and lower price band consistent with the methodology provided for in Section V of the Plan and ensures that any transactions prior to the receipt

⁶ See Securities Exchange Act Release No. 77679 (April 21, 2016), 81 FR 24908 (April 27, 2016).

⁷ See NASDAQ Equity Trader Alert # 2016-79 (NASDAQ Announces Improved Protections for Equity Markets Coming Out of Halts (“Leaky Bands”)) (April 12, 2016); See Bats Release Notes (Bats Announces Updates to Halt Resumption Behavior Effective July 15, 2016) (June 2, 2016). FINRA anticipates that other SROs will adopt similar measures to calculate an interim band for their listed securities to be applied in the brief time between the resumption of trading and when the Price Bands are subsequently received from the Processor.

of the Price Bands from the Processor are within the ranges provided for pursuant to the Plan, consistent with Section VI(A)(1) of the Plan.

The proposed rule change also clarifies what activity is permitted around the resumption of trading following a Trading Pause. Previously, the Rule provided that FINRA may permit the resumption of trading following a Trading Pause if trading has resumed on any national securities exchange. FINRA is revising the Rule to provide that members may resume trading following a Trading Pause if trading has resumed on the Primary Listing Exchange or, where the Primary Listing Exchange does not reopen for trading at the end of a ten-minute Trading Pause (and has issued notice that it cannot resume trading for a reason other than a significant imbalance), a member may resume trading otherwise than on an exchange if trading has commenced in such NMS Stock on at least one other national securities exchange.⁸

Thus, the proposed amendment addresses the brief time between the resumption of trading following a Trading Pause or Regulatory Halt and when the Price Bands are received from the Processor by requiring members to take measures to ensure bands are in place (either by waiting for the receipt of the Price Bands from the Processor or calculating an interim upper price band and lower price band and ensuring that trades occur within those bands). Members may not rely on interim bands beyond the short period of time (generally up to three milliseconds) between the resumption of trading and the receipt of Price Bands by market participants.

⁸ Deleted language from paragraph (b) is no longer applicable because it addressed a transitional period in Plan implementation prior to the Plan becoming effective as to all NMS Stocks. The Plan applied to all NMS Stocks on December 8, 2013. Rights and warrants are excluded from the Plan. See Securities Exchange Act Release No. 70273 (August 27, 2013), 78 FR 54321 (September 3, 2013) (File No. 4-631).

FINRA has filed the proposed rule change for immediate effectiveness. The operative date of the proposed rule change will be August 22, 2016.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,⁹ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. The proposed rule change also is designed to support the principles of Section 11A(a)(1) of the Act¹⁰ in that it seeks to assure fair competition among brokers and dealers and among exchange markets.

The proposed rule change is designed to better implement the goals of the Plan, which has been approved by the Commission as reasonably designed to prevent potentially harmful price volatility, including severe volatility of the kind that occurred on May 6, 2010. In clarifying the operation of the Plan, the proposed rule change seeks to help ensure that the goals of the Plan are met. Accordingly, FINRA believes that the proposed rule change will further the goals of investor protection and fair and orderly markets.

B. Self-Regulatory Organization's Statement on Burden on Competition

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change seeks to require members to take measures to ensure that

⁹ 15 U.S.C. 78o-3(b)(6).

¹⁰ 15 U.S.C. 78k-1(a)(1).

their trading activity is in compliance with FINRA Rule 6190 and the Plan, and does not impose requirements that do not currently exist under FINRA rules, FINRA guidance and the Plan.

Specifically, a member that is a Trading Center in an NMS Stock already is required to establish, maintain and enforce written policies and procedures that are reasonably designed to comply with the requirements of the Plan, including to prevent the execution of trades at prices that are outside of the Price Bands. To comply with this requirement, members must be aware of the upper and lower price bands applicable to their trading activity. This proposal provides that, immediately following a halt of a security subject to the Plan, a member may not resume trading until trading has resumed on the primary listing exchange (or on another national securities exchange in the case of the resumption of trading following a ten-minute pause) and either the member has received the Price Bands from the processor or has established interim bands calculated in compliance with the Plan.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed,

or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6) thereunder.¹²

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2016-028 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Robert W. Errett, Deputy Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

All submissions should refer to File Number SR-FINRA-2016-028. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-FINRA-2016-028 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Robert W. Errett
Deputy Secretary

¹³ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Below is the text of the proposed rule change. Proposed new language is underlined. Proposed deletions are in brackets.

* * * * *

6100. QUOTING AND TRADING IN NMS STOCKS

* * * * *

6121. Trading Halts Due to Extraordinary Market Volatility

Pursuant to the procedures set forth in Rule 6120(b), FINRA shall halt all trading otherwise than on an exchange in any NMS stock, as defined in Rule 600(b)(47) of SEC Regulation NMS, if other major securities markets initiate market-wide trading halts in response to their rules or extraordinary market conditions or if otherwise directed by the Securities and Exchange Commission. Members must halt quoting and trading otherwise than on an exchange in any NMS stock as of the time the market-wide trading halt is publicly disseminated.

••• **Supplementary Material:** -----

.01 [Trading Pauses] Resumption of Trading in Securities Subject to the Regulation NMS Plan to Address Extraordinary Market Volatility

(a) The Regulation NMS Plan to Address Extraordinary Market Volatility (Plan) sets forth the circumstances under which the Primary Listing Exchange shall declare a Trading Pause for an NMS Stock. The Plan expressly provides that no trades in an NMS Stock shall occur during a Trading Pause. The Plan also sets forth the circumstances under which trading in an NMS Stock can resume after a Trading Pause. A [FINRA] member may [permit the resumption of] resume trading otherwise than on an exchange following a Trading Pause or Regulatory Halt in [such]an NMS Stock that is subject to

the Plan if trading has commenced on the Primary Listing Exchange (or [at least one] other national securities exchange pursuant to paragraph (b) below) and either:[.]

(1) the member has received the Price Bands from the Processor; or

(2) if immediately following a Trading Pause or Regulatory Halt the member has not yet received the Price Bands from the Processor, the member has calculated an upper price band and lower price band consistent with the methodology provided for in Section V of the Plan and ensures that any transactions prior to the receipt of the Price Bands from the Processor are within the ranges provided for pursuant to the Plan, consistent with Section VI(A)(1) of the Plan.

(b) Where a Primary Listing Exchange does not reopen for trading at the end of a ten-minute Trading Pause and has issued notice that it cannot resume trading for a reason other than a significant imbalance, a member may resume trading otherwise than on an exchange in such NMS Stock if trading has commenced on at least one other national securities exchange.

[The provisions of this paragraph (a) shall be in effect during a pilot period to coincide with the pilot period for the Plan (including any extensions to the pilot period for the Plan).]

[(b) For any Tier 1 or Tier 2 NMS Stock for which the Plan has not yet been implemented, if a primary listing market has issued an individual stock trading pause under its Rules, FINRA will halt trading otherwise than on an exchange in that security until trading has resumed on the primary listing market. If, however, trading has not resumed on the primary listing market and ten minutes have passed since the individual

stock trading pause message has been received from the responsible single plan processor or the primary listing market has issued notice that it cannot resume trading for a reason other than a significant imbalance, FINRA may permit the resumption of trading otherwise than on an exchange in such stock if trading has commenced on at least one other national securities exchange. Upon implementation of the Plan for any Tier 1 or Tier 2 NMS Stock, this paragraph (b) will cease to apply to that security and paragraph (a) will apply to that security. The provisions of this paragraph (b) shall be in effect during a pilot period set to end upon implementation of Phase II of the Plan.]

(c) For purposes of this Supplementary Material .01, the following terms shall have the meanings as set forth in the Regulation NMS Plan to Address Extraordinary Market Volatility: “NMS Stock,” [“Phase II,”] “Price Bands,” “Primary Listing Exchange,” “Processor,” “Regulatory Halt” [“Tier 1,” “Tier 2”] and “Trading Pause.”

(d) The provisions of this Supplementary Material .01 shall be in effect during a pilot period to coincide with the pilot period for the Plan (including any extensions to the pilot period for the Plan).

.02 No Change.

* * * * *