SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-54967; File No. SR-NYSEArca-2006-90)

December 19, 2006

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change to Trade Exchange-Traded Notes Linked to the MSCI India Total Return Index Pursuant to Unlisted Trading Privileges

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 December 18, 2006, NYSE Arca, Inc. (the "Exchange"), through its wholly owned subsidiary, NYSE Arca Equities, Inc. ("NYSE Arca Equities"), filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been substantially prepared by the Exchange. The Commission is publishing this notice and order to solicit comments on the proposal from interested persons and to approve the proposal on an accelerated basis.

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

The Exchange, through NYSE Arca Equities, is proposing to trade Exchange-Traded Notes ("Notes") of Barclays Bank PLC ("Barclays") linked to the performance of the MSCI India Total Return Index ("Index") pursuant to unlisted trading privileges ("UTP"). The text of the proposed rule change is available on the Exchange's Web site http://www.nysearca.com, at the principal office of the Exchange, 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, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

proposed rule change. The text of these statements may be examined at the places specified in Item III below. The Exchange 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

The Exchange is proposing to trade the Notes of Barclays linked to the performance of the Index pursuant to UTP. The Index is a free-float-adjusted market capitalization index that is designed to measure the market performance, including price performance and income from dividend payments, of Indian equity securities. The Index is currently comprised of the top 68 companies by market capitalization listed on the National Stock Exchange of India. The Index is calculated by Morgan Stanley Capital International Inc. ("MSCI") and is denominated in U.S. dollars. A rule proposal for the original listing and trading of the Notes by New York Stock Exchange LLC ("NYSE") has been approved by the Commission.[3] The Exchange deems the Notes to be an equity securities, thus rendering trading in the Notes subject to the Exchange's existing rules governing the trading of equity securities. The trading hours for the Notes on the Exchange would be from 9:30 a.m. to 8:00 p.m. Eastern Time ("ET") in accordance with NYSE Arca Equities Rule 7.34(a).

Quotations for and last sale information regarding the Notes are disseminated through the Consolidated Quotation System. Bloomberg L.P. disseminates the value of the Index under the ticker symbol "NDEUSIA" and this information is widely disseminated by quotation vendors. The Index is static during the NYSE's trading day from 9.30 a.m. ET to 4.00 p.m. ET, which is

[3] See Securities Exchange Act Release No. 54944 (December 15, 2006).

equivalent to the Exchange's Core Trading Session. An intraday "indicative value" ("IIV") meant to approximate the intrinsic economic value of the Notes, updated to reflect changes in currency exchange rates, will be calculated and published by a third-party service provider via the facilities of the Consolidated Tape Association on a 15-second delayed basis throughout the regular NYSE trading day of 9.30 a.m. to 4.00 p.m. ET on each day on which the Notes are traded on NYSE.

The Exchange represents that it would cease trading in the Notes during the listing market's trading hours if: (a) the listing market stops trading the Notes because:

(i) of a regulatory halt similar to a halt based on NYSE Arca Equities Rule 7.12;

(ii) MSCI ceases to maintain or calculate the value of the Index on a periodic basis or if the value of the Index ceases to be widely available; or

(iii) the IIV is no longer calculated or disseminated;

or (b) if the listing market delists the Notes. Additionally, the Exchange states that it may cease trading the Notes if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable. In addition, the Exchange represents that it would follow any procedures with respect to trading halts as set forth in NYSE Arca Equities Rule 7.34.

In connection with the trading of the Notes, NYSE Arca Equities represents that it would inform Exchange members in an Information Bulletin of the special characteristics and risks associated with trading the Notes. The Exchange also would require its members to deliver a prospectus or product description to investors purchasing Notes prior to or concurrently with a transaction in the Notes and will note this prospectus delivery requirement in the Information Bulletin.[4]

In addition, before an Exchange member recommends a transaction in the Notes, the member must determine that the Notes are suitable for the customer.

The Exchange represents that its surveillance procedures would incorporate and rely upon existing Exchange surveillance procedures governing equities. The Exchange believes that these procedures are adequate to monitor Exchange trading of the Notes in all trading sessions and to detect violations of Exchange rules, thereby deterring manipulation. The Exchange states that its current trading surveillance focuses on detecting securities trading outside their normal patterns. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

2. Statutory Basis

The Exchange believes that the proposal is consistent with Section 6(b) of the Act[5] in general and Section 6(b)(5) of the Act[6] in particular 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, in general, to protect investors and the public interest. In addition, the Exchange believes that the proposal is consistent with Rule 12f-5 under the Act[7] because it deems the Notes to be equity securities, thus

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4 See e-mail dated December 19, 2006, from John Carey, Assistant General Counsel, NYSE Group, Inc. to Mitra Mehr, Special Counsel, Division of Market Regulation, Commission.

5 15 U.S.C. 78s(b).

6 15 U.S.C. 78s(b)(5).

7 17 CFR 240.12f-5.

rendering trading in the Notes subject to the Exchange's existing rules governing the trading of equity securities.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Act.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. 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-NYSEArca-2006-90 on the subject line.

Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSEArca-2006-90. 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 Web site (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 inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal offices of the Exchange. 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-NYSEArca-2006-90 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

IV. Commission's Findings and Order Granting Accelerated Approval of the Proposed Rule Change

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 national securities exchange.[8] In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,[9] which requires that an exchange have rules designed, among other things, 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. The Commission believes that this proposal should benefit investors by increasing competition among markets that trade the Notes.

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8 In approving this rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

9 15 U.S.C. 78f(b)(5).

In addition, the Commission finds that the proposal is consistent with Section 12(f) of the Act,[10] which permits an exchange to trade, pursuant to UTP, a security that is listed and registered on another exchange.[11] The Commission notes that it previously approved the listing and trading of the Notes on NYSE.[12] The Commission also finds that the proposal is consistent with Rule 12f-5 under the Act,[13] which provides that an exchange shall not extend UTP to a security unless the exchange has in effect a rule or rules providing for transactions in the class or type of security to which the exchange extends UTP. The Exchange has represented that it meets this requirement because it deems the Notes to be equity securities, thus rendering trading in the Notes subject to the Exchange's existing rules governing the trading of equity securities.

The Commission further believes that the proposal is consistent with Section 11A(a)(1)(C)(iii) of the Act,[14] which sets forth Congress' finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities. Quotations for and last sale information regarding the Notes are disseminated through the Consolidated Quotation System. Furthermore, the IIV, updated to reflect changes in currency exchange rates, will be calculated and published by a third-party service provider via the facilities of the Consolidated Tape Association on a 15-second delayed

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10 15 U.S.C. 78l(f).

11 Section 12(a) of the Act, 15 U.S.C. 78l(a), generally prohibits a broker-dealer from trading a security on a national securities exchange unless the security is registered on that exchange pursuant to Section 12 of the Act. Section 12(f) of the Act excludes from this restriction trading in any security to which an exchange "extends UTP." When an exchange extends UTP to a security, it allows its members to trade the security as if it were listed and registered on the exchange even though it is not so listed and registered.

12 See supra note 3.

13 17 CFR 240.12f-5.

14 15 U.S.C. 78k-1(a)(1)(C)(iii).

basis throughout the Exchange's Core Trading Session. In addition, if the listing market halts trading when the IIV is not being calculated or disseminated, the Exchange would halt trading in the Notes. The Exchange has represented that it would follow the procedures with respect to trading halts set forth in NYSE Arca Equities Rule 7.34.

The Commission notes that, if the Notes should be delisted by the listing exchange, the Exchange would no longer have authority to trade the Notes pursuant to this order.

In support of this proposal, the Exchange has made the following representations:

1. The Exchange's surveillance procedures are adequate to address any concerns associated with the trading of the Notes on a UTP basis.
2. The Exchange would inform Exchange members in an Information Bulletin of the special characteristics and risks associated with trading the Notes.
3. The Exchange would require its members to deliver a prospectus or product description to investors purchasing Notes prior to or concurrently with a transaction in the Notes and will note this prospectus delivery requirement in the information circular.

This approval order is conditioned on the Exchange's adherence to these representations.

The Commission finds good cause for approving this proposal before the thirtieth day after the publication of notice thereof in the Federal Register. As noted previously, the Commission previously found that the listing and trading of the Notes on NYSE is consistent with the Act. The Commission presently is not aware of any regulatory issue that should cause it to revisit that finding or would preclude the trading of the Notes on the Exchange pursuant to UTP. Therefore, accelerating approval of this proposal should benefit investors by creating, without undue delay, additional competition in the market for the Notes.

V. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,[15] that the proposed rule change (SR-NYSEArca-2006-90) is approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[16]

Nancy M. Morris
Secretary

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15 15 U.S.C. 78s(b)(2).

16 17 CFR 200.30-3(a)(12).