

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55698; File No. SR-NYSE-2007-44]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Establish Fees for NYSE Bonds

May 2, 2007.

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 May 1, 2007, the New York Stock Exchange LLC (“NYSE” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by the Exchange. The Exchange filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders it effective upon filing with 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

The Exchange proposes to eliminate certain fees applicable to NYSE BondsSM (“NYSE Bonds”) and adopt a new transaction fee of \$0.50 per bond for executions on NYSE Bonds that remove liquidity from NYSE Bonds. The text of the proposed rule change is available at the Exchange, the Commission’s Public Reference Room, and <http://www.nyse.com>.

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 NYSE 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 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

On Monday, April 22, 2007, the Exchange implemented the operation of its NYSE Bond platform. Only NYSE members and member organizations that have executed and delivered to the Exchange the NYSE Bonds Service and Access Agreement, including member organizations that were subscribers to the Automated Bond System (“ABS”), are eligible to access NYSE Bonds (“Eligible Members”).

Through this filing, the Exchange proposes to eliminate certain fees associated with the NYSE Bonds platform.⁵ Specifically, the Exchange proposes to eliminate its current \$15,000 annual subscription charge, the \$5,000 additional display charge, the current usage fees (\$0.05, \$0.10, \$0.20, and \$0.30), the \$0.10 Fixed Income Public Agency Transaction fee, and the \$5,000 computer-to-computer service fee effective on May 1, 2007.

The current fee structure for NYSE Bonds is a tier-based structure with a range from \$0.05 to \$0.30 per order entered, depending on the amount of fixed income orders submitted by the member organization within the calendar year. The Exchange further proposes to amend the current transaction fees to charge a new transaction fee of \$0.50 per bond for executions on NYSE Bonds that remove liquidity from the NYSE Bonds book. To facilitate the move to the new fee structure, the Exchange intends to waive the assessment of any transaction fees on NYSE Bonds for fixed income orders executed through the system for the period of April 23, 2007 through April 30, 2007.

Beginning Tuesday, May 1, 2007, the Exchange will implement a fee of \$5,000 per year to be assessed to Eligible Members that utilize an Exchange-sponsored fixed income order management and entry (“Graphic User Interface” or “GUI”) system for accessing NYSE Bonds. Eligible Members that do not utilize the GUI will not be assessed the annual fee.

Finally, the Exchange further seeks to remove the current cap on the total fees incurred by member organizations that participate on or submit orders to NYSE Bonds. The current cap is \$20,000 per year per member organization; however,

the Exchange may seek to impose a cap of such fees at a later date.

The Exchange believes that the new transaction fees that are scheduled to become operative on May 1, 2007 will bring the NYSE Bonds platform more in line with the current fixed income market.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act⁶ in general and furthers the objectives of Section 6(b)(4)⁷ in particular in that it is intended to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities.

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 purposes of the Act.

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

Written comments on the proposed rule change were neither solicited nor received.

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

The foregoing proposed rule change is subject to Section 19(b)(3)(A)(ii) of the Act⁸ and subparagraph (f)(2) of Rule 19b-4 thereunder⁹ because it establishes or changes a due, fee, or other charge applicable only to a member imposed by a self-regulatory organization. Accordingly, the proposal is effective upon Commission receipt of the filing. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate 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.

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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(2).

⁵ The current fees applicable to the NYSE Bonds system were carried over from ABS. See Securities Exchange Act Release No. 55496 (March 20, 2007), 72 FR 14631 (March 28, 2007) (SR-NYSE-2006-37).

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(4).

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁹ 17 CFR 240.19b-4(f)(2).

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 e-mail to rule-comments@sec.gov. Please include File Number SR-NYSE-2007-44 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-NYSE-2007-44. 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 will also be available for inspection and copying at the principal office of the NYSE. 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-NYSE-2007-44 and should be submitted on or before May 30, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55699; File No. SR-NYSEArca-2007-27]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change To List and Trade Shares of the iShares FTSE NAREIT Residential Index Fund

May 3, 2007.

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 March 9, 2007, NYSE Arca, Inc. ("NYSE Arca" or "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 proposed rule change from interested persons and to approve the proposed rule change on an accelerated basis.

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

The Exchange proposes to list and trade shares ("Shares") of the iShares FTSE NAREIT Residential Index Fund ("Fund") of the iShares®³ Trust ("Trust") based on the FTSE NAREIT Residential Index ("Index" or "Underlying Index") pursuant to NYSE Arca Equities Rule 5.2(j)(3). The text of the proposed rule change is available on the Exchange's Web site at www.nyse.com, at the Exchange's principal office, 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 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 proposes to list the Shares of the Fund. The Trust is an open-end management company with over 90 separate investment portfolios and is registered under the Investment Company Act of 1940 ("1940 Act").⁴ The Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Underlying Index, as described more fully below. The Fund would concentrate its investments in a particular industry or group of industries to approximately the same extent as the Index is so concentrated. Because all of the securities included in the Underlying Index are issued by real estate investment trusts ("REITs") that invest in residential real estate, the Fund would always be concentrated in the residential real estate industry.⁵

Under NYSE Arca Equities Rule 5.2(j)(3), the Exchange may list and/or trade pursuant to unlisted trading privileges ("UTP") "Investment Company Units" ("ICUs").⁶ The Fund does not meet the "generic" listing requirements of NYSE Arca Equities Rule 5.2(j)(3) applicable to listing of ICUs in reliance upon Rule 19b-4(e) under the Act,⁷ and thus cannot be listed without a filing pursuant to Rule 19b-4 under the Act. Specifically, the Underlying Index does not meet the requirement of Commentary .01(a)(3) to

⁴ See Post-Effective Amendment No. 63 to the Trust's Registration Statement on Form N-1A, as filed with the Commission on November 15, 2006 and accompanying Statement of Additional Information ("SAI") (File No. 333-92935 and 811-09729) (the "Registration Statement"). The Trust was established as a Delaware statutory trust on December 16, 1999.

⁵ See *supra* note 4; e-mail from Tim Milanowski, Director, NYSE Group, Inc. to Mitra Mehr, Special Counsel, Division of Market Regulation ("Division"), Commission, dated April 25, 2007.

⁶ In October 1999, the Commission approved NYSE Arca Equities Rule 5.2(j)(3), which sets forth the rules related to listing and trading criteria for ICUs. See Securities Exchange Act Release No. 41983 (October 6, 1999), 64 FR 56008 (October 15, 1999) (SR-PCX-1998-29). In July 2001, the Commission also approved the Exchange's generic listing standards for listing and trading, or the trading pursuant to UTP, of ICUs under NYSE Arca Equities Rule 5.2(j)(3). See Securities Exchange Act Release No. 44551 (July 12, 2001), 66 FR 37716 (July 19, 2001) (SR-PCX-2001-14). NYSE Arca Equities Rule 5.1(b)(15) defines an ICU as a security representing an interest in a registered investment company that could be organized as a unit investment trust, an open-end management investment company, or a similar entity.

⁷ 17 CFR 240.19b-4(e).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ iShares® is a registered trademark of Barclays Global Investors, N.A.

¹⁰ 17 CFR 200.30-3(a)(12).