

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-57070; File No. SR-Amex-2007-139)

December 31, 2007

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Retire the EEM Options Pilot Program

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 20, 2007, the American Stock Exchange LLC (“Amex” 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 has filed the proposal pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposal 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 retire an existing pilot program (the “Pilot”),⁵ that permits the Exchange to list and trade options (“Fund Options”) on the iShares MSCI Emerging Markets Index Fund (“Fund”).⁶ The text of the proposed rule change is available on the Amex’s website

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)(6).

⁵ See Securities Exchange Act Release No. 53824 (May 17, 2006), 71 FR 30003 (May 24, 2007) (SR-Amex-2006-43).

⁶ The Fund is an open-end investment company designed to hold a portfolio of securities that track the MSCI Emerging Markets Index (the “Index”). The Index is a capitalization-weighted index created and maintained by Morgan Stanley Capital International, Inc. For a complete description of the Fund and the Index, see id.

(<http://www.amex.com>), at the Exchange's Office of the Secretary 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 IV 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 purpose of this rule change is to retire the Pilot that permits the Exchange to list the Fund Options because the Fund now meets all of the Exchange's generic initial and maintenance standards.

On May 17, 2006, the Commission approved the Amex proposal to list and trade the Fund Options for a 60-day pilot period that expired on July 2, 2006.⁷ On June 30, 2006, the Commission approved a 90-day extension to the Pilot that expired on October 1, 2006.⁸ On September 29, 2006, the Commission approved a second 90-day extension to the Pilot that expired on January 2, 2007.⁹ On January 3, 2007, the Commission approved a third extension to

⁷ See supra note 5.

⁸ See Securities Exchange Act Release No. 34-54081 (June 30, 2006), 71 FR 38911 (July 10, 2006) (File No. SR-Amex-2006-60).

⁹ See Securities Exchange Act Release No. 34-54553 (Sept. 29, 2006), 71 FR 59561 (Oct. 10, 2006) (File No. SR-Amex-2006-91).

the Pilot for an additional 180-day period to expire on June 30, 2007.¹⁰ On June 25, 2007, the Commission approved a fourth extension to the Pilot for an additional six (6) months, set to expire on December 31, 2007.¹¹

The Fund now meets the Exchange's listing and maintenance standards in Commentary .06 to Amex Rule 915 and Commentary .07 to Amex Rule 916, respectively (the "Listing Standards"¹²). The Listing Standards permit the Exchange to list funds structured as open-end investment companies, such as the Fund, without having to file for approval with the Commission to list for trading options on such funds.

When the Exchange first sought to list options on the Fund, the Exchange had determined that the Fund met substantially all of the Exchange's Listing Standards requirements, but did not meet the Listing Standards requirement that no more than 50% of the weight of the securities in the Fund be comprised of securities that are not subject to a comprehensive surveillance sharing agreement ("CSSA").¹³ The Exchange had in place CSSAs with foreign exchanges that covered 46.72% of the securities in the fund. In order to meet the 50% threshold, the Exchange requested the Commission's approval to rely upon a memorandum of understanding that the Commission

¹⁰ See Securities Exchange Act Release No. 34-55040 (Jan. 3, 2007), 72 FR 1348 (Jan. 11, 2007) (File No. SR-Amex-2007-01).

¹¹ See Securities Exchange Act Release No. 34-55955 (June 25, 2007), 72 FR 36079 (July 2, 2007) (File No. SR-Amex-2007-57).

¹² Commentary .06 to Amex Rule 915 sets forth the initial listing and maintenance standards for shares or other securities ("Exchange-Traded Fund Shares") that are principally traded on a national securities exchange or through the facilities of a national securities exchange and reported as a national market security, and that represent an interest in a registered investment company organized as an open-end management investment company, a unit investment trust or other similar entity.

¹³ See Commentary .06(b)(i) to Amex Rule 915.

had entered into with the CNBV¹⁴ (the “MOU”) because the securities traded on Bolsa represented 7.42% of the weight of the Fund.¹⁵

The Fund has now become compliant with Commentary .06(b)(i) to Amex Rule 915 because the Korean Exchange (“KRX”)¹⁶ recently became a member of the Intermarket Surveillance Group and, therefore, securities and other products trading on its markets are now subject to a CSSA. As a result, the percentage of the weights of the Fund represented by South Korean securities now renders the Fund compliant with the Exchange’s Listing Standards requirements because more than 50% of the weight of the securities in the Fund are now subject to a CSSA.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations under the Act applicable to a national securities exchange and, in particular, the requirements of Section 6(b) of the Act.¹⁷ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) Act¹⁸ requirements that the rules of an exchange be designed to promote just and

¹⁴ The National Commission for Banking and Securities, or “CNBV,” is Mexico’s regulatory body for financial markets and banking. The CNBV regulates the Bolsa Mexicana de Valores (“Bolsa”).

¹⁵ See supra note 5. The Commission permitted the Exchange to rely on the MOU, and the Exchange agreed to use its best efforts to obtain a CSSA with the Bolsa during the respective pilot periods, which to date has not been obtained.

¹⁶ The KRX was created on January 27, 2005 through the consolidation of three domestic Korean Exchanges: Korea Stock Exchange (KSE), KOSDAQ Market and Korea Futures Market (KOFEX). See <http://neg.krx.co.kr/index.html>.

¹⁷ 15 U.S.C. 78f(b).

¹⁸ 15 U.S.C. 78f(b)(5).

equitable principles of trade, to prevent fraudulent and manipulative acts and, in general, to protect investors and the public interest.

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

The proposed rule change does not 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

No written comments were solicited or received with respect to the proposed rule change.

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

Because the forgoing rule change does not: (1) significantly affect the protection of investors or the public interest; (2) impose any significant burden on competition; and (3) become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁹ and Rule 19b-4(f)(6) thereunder.²⁰

A proposed rule change filed under 19b-4(f)(6) normally may not become operative prior to 30 days after the date of filing.²¹ However, Rule 19b-4(f)(6)(iii)²² permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the

¹⁹ 15 U.S.C. 78s(b)(3)(A).

²⁰ 17 CFR 240.19b-4(f)(6).

²¹ 17 CFR 240.19b-4(f)(6)(iii). In addition, Rule 19b-4(f)(6)(iii) requires that a self-regulatory organization submit to the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has requested and the Commission has determined to waive this five-day pre-filing notice requirement.

²² Id.

30-day operative delay, to permit the Exchange to list options on the Fund immediately. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. The proposal is substantially similar to a proposal recently submitted by CBOE and approved by the Commission,²³ and it raises no new regulatory issues. The Commission notes that the Pilot, which would otherwise expire December 31, 2007, is no longer needed now that the Fund complies with Commentary .06(b)(i) to Amex Rule 915. For these reasons, the Commission designates the proposed rule change to be operative upon filing with the Commission.²⁴

At any time within 60 days of the filing of such 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. 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-Amex-2007-139 on the subject line.

²³ See Securities Exchange Act Release No. 56448 (September 17, 2007), 72 FR 54304 (September 24, 2007) (SR-CBOE-2007-111).

²⁴ For the purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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-Amex-2007-139. 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, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing also will be available for inspection and copying at the principal office of Amex.

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-Amex-2007-139 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.²⁵

Nancy M. Morris
Secretary

²⁵ 17 CFR 200.30-3(a)(12).