

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-57921; File No. SR-NYSEArca-2008-46)

June 4, 2008

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Granting Accelerated Approval of Proposed Rule Change Relating to the Listing and Trading of Shares of the NETS ISEQ 20 Index Fund (Ireland)

I. Introduction

On May 8, 2008, 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”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to list and trade the shares (“Shares”) of the NETS ISEQ 20 Index Fund (Ireland) (“Fund”) issued by the NETS Trust (“Trust”). The proposed rule change was published for comment in the Federal Register on May 15, 2008 for a 15-day comment period.³ The Commission received no comments on the proposal. This order approves the proposed rule change on an accelerated basis.

II. Description of the Proposal

The Exchange proposes to list and trade the Shares pursuant to NYSE Arca Equities Rule 5.2(j)(3), the Exchange’s listing standards for Investment Company Units (“ICUs”).⁴ The Fund is an “index fund” that seeks to provide investment results that correspond generally to the price

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 57805 (May 8, 2008), 73 FR 28178.

⁴ ICUs are securities that represent interests in a registered investment company that holds securities comprising, or otherwise based on or representing an interest in, an index or portfolio of securities (or holds securities in another registered investment company that holds securities comprising, or otherwise based on or representing an interest in, an index or portfolio of securities). See NYSE Arca Equities Rule 5.2(j)(3).

and yield performance, before fees and expenses, of publicly-traded securities in the aggregate in the Irish market, as represented by the ISEQ 20[®] (“Index”). The primary market for securities in the Index is the Irish Stock Exchange.

The Exchange represents that the Index for the Fund does not meet all of the “generic” listing requirements of Commentary .01(a)(B) to NYSE Arca Equities Rule 5.2(j)(3) applicable to the listing of ICUs based on international or global indexes.⁵ Specifically, the Index meets all such requirements except for those set forth in Commentary .01(a)(B)(3).⁶ The Exchange represents that: (1) except for the requirement under Commentary .01(a)(B)(3) to NYSE Arca Equities Rule 5.2(j)(3) relating to the five most heavily weighted component stocks, the Shares of the Fund currently satisfy all of the generic listing standards under NYSE Arca Equities Rule 5.2(j)(3); (2) the continued listing standards under NYSE Arca Equities Rules 5.2(j)(3) and 5.5(g)(2) applicable to ICUs will apply to the Shares; and (3) the Trust is required to comply with Rule 10A-3 under the Act⁷ for the initial and continued listing of the Shares. In addition, the Exchange represents that the Shares will comply with all other requirements applicable to ICUs including, but not limited to, requirements relating to the dissemination of key information

⁵ NYSE Arca Equities may approve a series of ICUs based on equity security components for listing and/or trading (including pursuant to unlisted trading privileges) pursuant to Rule 19b-4(e) under the Act, if such series of ICUs satisfies the “generic” listing requirements that are set forth under Commentary .01 to NYSE Arca Equities Rule 5.2(j)(3) and have been approved by the Commission. See Commentary .01 to NYSE Arca Equities Rule 5.2(j)(3); 17 CFR 240.19b-4(e).

⁶ The Exchange states that the Index satisfies the first requirement under Commentary .01(a)(B)(3) to NYSE Arca Equities Rule 5.2(j)(3) that the most heavily weighted component stock shall not exceed 25% of the weight of the index or portfolio. However, the Index fails to meet the second requirement of Commentary .01(a)(B)(3) to NYSE Arca Equities Rule 5.2(j)(3) that the five most heavily weighted component stocks shall not exceed 60% of the weight of the Index. The Exchange states that, as of April 18, 2008, the five most heavily weighted component stocks represented 68.7% of the Index weight.

⁷ See 17 CFR 240.10A-3.

such as the Index value and Intraday Indicative Value, rules governing the trading of equity securities, trading hours, trading halts, surveillance, and Information Bulletin to ETP Holders, as set forth in prior Commission orders approving the generic listing rules applicable to the listing and trading of ICUs.⁸

III. Discussion and Commission's Findings

The Commission has carefully reviewed the proposed rule change and finds that it is consistent with the requirements of Section 6 of the Act⁹ and the rules and regulations thereunder applicable to a national securities exchange.¹⁰ In particular, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,¹¹ which requires, among other things, that the Exchange's rules be designed 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 the proposed rule change should not significantly affect the protection of investors or the public interest or impose any significant burden on competition. The Commission notes the Exchange's representations that, although the Index fails to meet the requirement relating to the five most heavily weighted component stocks set forth in

⁸ See, e.g., Securities Exchange Act Release Nos. 55621 (April 12, 2007), 72 FR 19571 (April 18, 2007) (SR-NYSEArca-2006-86) (approving generic listing standards for ICUs based on international or global indexes); 44551 (July 12, 2001), 66 FR 37716 (July 19, 2001) (SR-PCX-2001-14) (approving generic listing standards for ICUs and Portfolio Depositary Receipts); and 41983 (October 6, 1999), 64 FR 56008 (October 15, 1999) (SR-PCX-98-29) (approving rules for the listing and trading of ICUs).

⁹ 15 U.S.C. 78f.

¹⁰ In approving this proposed rule change the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹¹ 15 U.S.C. 78f(b)(5).

Commentary .01(a)(B)(3) to NYSE Arca Equities Rule 5.2(j)(3) by 8.7%,¹² the Shares currently satisfy all of the other applicable generic listing standards under NYSE Arca Equities Rule 5.2(j)(3), and will be subject to all of the continued listing standards under NYSE Arca Equities Rules 5.2(j)(3) and 5.5(g)(2) applicable to ICUs. Additionally, the Exchange represents that the Shares will comply with all other requirements applicable to ICUs¹³ and that the Trust is required to comply with Rule 10A-3 under the Act.¹⁴

The Commission finds good cause for approving the proposed rule change before the 30th day after the date of publication of notice of filing thereof in the Federal Register. The Commission notes that, because the Shares comply with all of the NYSE Arca Equities generic listing standards for ICUs (except for missing the requirement relating to the five highest weighted components of the Index), the listing and trading of the Shares by NYSE Arca does not appear to present any novel or significant regulatory issues or impose any significant burden on competition. For these reasons, the Commission believes that accelerated approval of the proposed rule change should provide additional choices for investors in, and promote additional competition in the market for, ICUs. Therefore, the Commission finds good cause, consistent with Section 19(b)(2) of the Act, to approve the proposed rule change on an accelerated basis.

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,¹⁵ that the

¹² See supra note 6.

¹³ See supra note 8 and accompanying text.

¹⁴ See 17 CFR 240.10A-3.

¹⁵ 15 U.S.C. 78s(b)(2).

proposed rule change (SR-NYSEArca-2008-46) be, and it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁶

Florence E. Harmon
Acting Secretary

¹⁶ 17 CFR 200.30-3(a)(12).