

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-55352; File No. SR-NYSE-2006-71)

February 26, 2007

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change to List and Trade Nine Series of Exchange-Traded Notes of Barclays Bank PLC Linked to the Performance of Sub-Indices of the Dow Jones - AIG Commodity Index<sup>SM</sup>

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Exchange Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 20, 2007, the New York Stock Exchange LLC (“Exchange” or “NYSE”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule changes as described in Items I, II, and III below, which items have been substantially prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule changes from interested persons.

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

The NYSE proposes to list and trade nine series of Exchange-Traded Notes of Barclays Bank PLC (“Barclays”) linked to the performance of sub-indices of the Dow Jones - AIG Commodity Index<sup>SM</sup>.

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 NYSE has prepared summaries, set forth in Sections A, B and C below, of the most significant aspects of such statements.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

The text of the proposed rule change is available at the NYSE, the Commission's Public Reference Room, and [www.nyse.com](http://www.nyse.com).

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

1. Purpose

The Notes

Under Section 703.19 of the Listed Company Manual (the "Manual"), the Exchange may approve for listing and trading securities not otherwise covered by the criteria of Sections 1 and 7 of the Manual, provided the issue is suited for auction market trading.<sup>3</sup> The Exchange proposes to list and trade, under Section 703.19 of the Manual, nine series of the Notes, which are linked to the performance of the following sub-indices (the sub-index linked to each series of Notes is referred to in this filing as the "Index" with respect to that series) of the Dow Jones - AIG Commodity Index<sup>SM</sup>: the Dow Jones-AIG Petroleum Total Return Sub-Index<sup>SM</sup>; the Dow Jones-AIG Livestock Total Return Sub-Index<sup>SM</sup>; the Dow Jones-AIG Agriculture Total Return Sub-Index<sup>SM</sup>; the Dow Jones-AIG Grains Total Return Sub-Index<sup>SM</sup>; the Dow Jones-AIG Energy Total Return Sub-Index<sup>SM</sup>; the Dow Jones-AIG Precious Metals Total Return Sub-Index<sup>SM</sup>; the Dow Jones-AIG ExEnergy Total Return Sub-Index<sup>SM</sup>; the Dow Jones-AIG Industrial Metals Total Return Sub-Index<sup>SM</sup>; and the Dow Jones-AIG Softs Total Return Sub-Index<sup>SM</sup>. Barclays intends to issue the Notes under the name "iPath<sup>SM</sup> Exchange-Traded Notes."

The Exchange believes that the Notes will conform to the initial listing standards for equity securities under Section 703.19, as Barclays is an affiliate of Barclays PLC,<sup>4</sup> which is a

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<sup>3</sup> See Securities Exchange Act Release No. 28217 (July 18, 1990), 55 FR 30056 (July 24, 1990).

<sup>4</sup> The issuer of the Notes, Barclays, is an affiliate of an Exchange-listed company (Barclays PLC) and not an Exchange-listed company itself. However, Barclays, though an affiliate

listed company in good standing, the Notes will have a minimum life of one year, the minimum public market value of each series of the Notes at the time of issuance will exceed \$4 million, there will be at least one million units of each series of Notes outstanding, and there will be at least 400 holders of each series at the time of issuance. The Notes are medium-term debt securities of Barclays that provide for a cash payment at maturity or upon earlier exchange at the holder's option, based on the performance of the Index subject to the adjustments described below. The original issue price of each Note is expected to be \$50. The Notes will trade on the Exchange's equity trading floor and the Exchange's existing equity trading rules will apply to trading in the Notes. The Notes will not have a minimum principal amount that will be repaid and, accordingly, payment on the Notes prior to or at maturity may be less than the original issue price of the Notes. In fact, the value of the Index must increase for the investor to receive at least the \$50 original issue price per Note at maturity or upon redemption. If the value of the Index decreases or does not increase sufficiently to offset the investor fee (described below), the investor will receive less, and possibly significantly less, than the \$50 original issue price per Note. In addition, holders of the Notes will not receive any interest payments from the Notes. The Notes will have a term of 30 years. The Notes are not callable.

Holders who have not previously redeemed their Notes will receive a cash payment at maturity equal to the original issue price of their Notes times the index factor on the Final Valuation Date (as defined below) minus the investor fee on the Final Valuation Date. The

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of Barclays PLC, would exceed the Exchange's earnings and minimum tangible net worth requirements in Section 102 of the Manual. Additionally, Barclays has informed the Exchange that the original issue price of the Notes, when combined with the original issue price of all other iPath securities offerings of the issuer that are listed on a national securities exchange (or association), does not exceed 25% of the issuer's tangible net worth.

“index factor” on any given day will be equal to the closing value of the Index on that day divided by the initial index level. The “initial index level” is the closing value of the Index on the date of issuance of the Notes (the “Trade Date”) and the “final index level” is the closing value of the Index on the Final Valuation Date. The investor fee is equal to 0.75% per year times the principal amount of a holder’s Notes times the index factor, calculated on a daily basis in the following manner: The investor fee on the Trade Date will equal zero. On each subsequent calendar day until maturity or early redemption, the investor fee will increase by an amount equal to 0.75% times the principal amount of a holder’s Notes times the index factor on that day (or, if such day is not a trading day, the index factor on the immediately preceding trading day) divided by 365. The investor fee is the only fee holders who hold their Notes until maturity will be charged in connection with their ownership of the Notes (investors who redeem their Notes early, as described below, will be charged an additional fee in the form of an adjustment to the index factor).

Prior to maturity, holders may redeem their Notes on any Redemption Date (defined below) during the term of the Notes provided that they present at least 50,000 Notes for redemption, or they act through a broker or other financial intermediaries (such as a bank or other financial institution not required to register as a broker-dealer to engage in securities transactions) that are willing to bundle their Notes for redemption with other investors’ Notes. If a holder chooses to redeem such holder’s Notes, the holder will receive a cash payment on the applicable Redemption Date equal to the initial issue price of such holder’s Notes times the adjusted index factor on the applicable Valuation Date minus the investor fee on the applicable Valuation Date. The adjusted index factor on any given day will be equal to the closing value of the Index on that day times 0.9975 divided by the initial Index level. A “Redemption Date” is

the third business day following a Valuation Date (other than the Final Valuation Date (defined below)). A “Valuation Date” is each Thursday from the first Thursday after issuance of the Notes until the last Thursday before maturity of the Notes (the “Final Valuation Date”) inclusive (or, if such date is not a trading day,<sup>5</sup> the next succeeding trading day), unless the calculation agent determines that a market disruption event, as described below, occurs or is continuing on that day.<sup>6</sup> In that event, the Valuation Date for the maturity date or corresponding Redemption Date, as the case may be, will be the first following trading day on which the calculation agent determines that a market disruption event does not occur and is not continuing. In no event, however, will a Valuation Date be postponed by more than five trading days.<sup>7</sup>

Any of the following will be a market disruption event: (i) a material limitation, suspension or disruption in the trading of any Index component which results in a failure by the trading facility on which the relevant contract is traded to report a daily contract reference price (i.e., the price of the relevant contract that is used as a reference or benchmark by market participants); (ii) the daily contract reference price for any Index component is a “limit price,” which means that the daily contract reference price for such contract has increased or decreased from the previous day’s daily contract reference price by the maximum amount permitted under the applicable rules or procedures of the relevant trading facility; (iii) failure by AIG-FP and Dow Jones to publish the closing value of the Index or of the applicable trading facility or other

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<sup>5</sup> A “trading day” is a day on which (i) the value of the Index is published by AIG-FP and Dow Jones, (ii) trading is generally conducted on the Exchange and (iii) trading is generally conducted on the markets on which the futures contracts underlying the Index are traded, in each case as determined by the calculation agent in its sole discretion.

<sup>6</sup> Barclays will serve as the initial calculation agent.

<sup>7</sup> If a “market disruption event” is of more than a temporary nature, the Exchange will file a proposed rule change pursuant to Rule 19b-4 seeking Commission approval to continue trading the Notes. Unless approved for continued trading, the Exchange would commence delisting proceedings.

price source to announce or publish the daily contract reference price for one or more Index component; or (iv) any other event, if the calculation agent determines in its sole discretion that the event materially interferes with Barclays' ability or the ability of any of Barclays' affiliates to unwind all or a material portion of a hedge with respect to the Notes that Barclays or Barclays' affiliates have effected or may effect as described herein in connection with the sale of the Notes.

If a Valuation Date is postponed by five trading days, that fifth day will nevertheless be the date on which the value of the Index will be determined by the calculation agent. In such an event, the calculation agent will make a good faith estimate in its sole discretion of the value of the Index.

To redeem their Notes, holders must instruct their broker or other person through whom they hold their Notes to take the following steps:

- deliver a notice of redemption to Barclays via e-mail by no later than 11:00 a.m. Eastern time ("ET") on the business day prior to the applicable Valuation Date. If Barclays receives such notice by the time specified in the preceding sentence, it will respond by sending the holder a confirmation of redemption;
- deliver the signed confirmation of redemption to Barclays via facsimile in the specified form by 4:00 p.m. ET on the same day; Barclays must acknowledge receipt in order for the confirmation to be effective; and
- transfer such holder's book-entry interest in its Notes to the trustee on Barclays' behalf at or prior to 10:00 a.m. ET on the applicable Redemption Date (the third business day following the Valuation Date).

If holders elect to redeem their Notes, Barclays may request that Barclays Capital Inc. (a broker-dealer) purchase the Notes for the cash amount that would otherwise have been payable

by Barclays upon redemption. In this case, Barclays will remain obligated to redeem the Notes if Barclays Capital Inc. fails to purchase the Notes. Any Notes purchased by Barclays Capital Inc. may remain outstanding.

If an event of default occurs and the maturity of the Notes is accelerated Barclays will pay the default amount in respect of the principal of the Notes at maturity. The default amount for the Notes on any day will be an amount, determined by the calculation agent in its sole discretion, equal to the cost of having a qualified financial institution, of the kind and selected as described below, expressly assume all Barclays' payment and other obligations with respect to the Notes as of that day and as if no default or acceleration had occurred, or to undertake other obligations providing substantially equivalent economic value to the holders of the Notes with respect to the Notes. That cost will equal:

- the lowest amount that a qualified financial institution would charge to effect this assumption or undertaking, plus
- the reasonable expenses, including reasonable attorneys' fees, incurred by the holders of the Notes in preparing any documentation necessary for this assumption or undertaking.

During the default quotation period for the Notes (described below), the holders of the Notes and/or Barclays may request a qualified financial institution to provide a quotation of the amount it would charge to effect this assumption or undertaking. If either party obtains a quotation, it must notify the other party in writing of the quotation. The amount referred to in the first bullet point above will equal the lowest – or, if there is only one, the only – quotation obtained, and as to which notice is so given, during the default quotation period. With respect to any quotation, however, the party not obtaining the quotation may object, on reasonable and

significant grounds, to the assumption or undertaking by the qualified financial institution providing the quotation and notify the other party in writing of those grounds within two business days after the last day of the default quotation period, in which case that quotation will be disregarded in determining the default amount. The default quotation period is the period beginning on the day the default amount first becomes due and ending on the third business day after that day, unless:

- no quotation of the kind referred to above is obtained, or
- every quotation of that kind obtained is objected to within five business days after the due date as described above.

If either of these two events occurs, the default quotation period will continue until the third business day after the first business day on which prompt notice of a quotation is given as described above. If that quotation is objected to as described above within five business days after that first business day, however, the default quotation period will continue as described in the prior sentence and this sentence.

In any event, if the default quotation period and the subsequent two business day objection period have not ended before the Final Valuation Date, then the default amount will equal the stated principal amount of the Notes.<sup>8</sup>

#### Indicative Value

An intraday "Indicative Value" meant to approximate the intrinsic economic value of the Notes will be calculated and published via the facilities of the Consolidated Tape Association ("CTA") every 15 seconds throughout the NYSE trading day on each day on which the Notes are

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<sup>8</sup> Additional information about the default provisions of the Notes is provided in Barclays' Registration Statement on Form F-3 (333-126811), as amended by Amendment No. 1 on September 14, 2005.

traded on the Exchange.<sup>9</sup> Additionally, Barclays or an affiliate will calculate and publish the closing Indicative Value of the Notes on each trading day at [www.ipathetn.com](http://www.ipathetn.com). The last sale price of the Notes will also be disseminated over the consolidated tape, subject to a 20-minute delay. In connection with the Notes, the term “Indicative Value” refers to the value at a given time determined based on the following equation:

$$\text{Indicative Value} = \text{Principal Amount per Unit} \times (\text{Current Index Level} / \text{Initial Index Level}) - \text{Current Investor Fee}$$

where:

Principal Amount per Unit = \$50;

Current Index Level = The most recent published level of the Index as reported by Dow Jones and AIG-FP;

Initial Index Level = The Index level on the trade date for the Notes; and

Current Investor Fee = The most recent daily calculation of the investor fee with respect to the Notes, determined as described above (which, during any trading day, will be the investor fee determined on the preceding calendar day).

The Indicative Value will not reflect price changes to the price of an underlying commodity between the close of trading of the futures contract at the relevant futures exchange and the close of trading on the NYSE at 4:00 p.m. ET. The value of the Notes may accordingly

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<sup>9</sup> The Indicative Value calculation will be provided for reference purposes only. It is not intended as a price or quotation, or as an offer or solicitation for the purchase, sale, redemption or termination of the Notes, nor does it reflect hedging or transaction costs, credit considerations, market liquidity or bid-offer spreads. Published Index levels from the sponsors may occasionally be subject to delay or postponement. Any such delays or postponements will affect the current Index level and therefore the Indicative Value of the Notes. Index levels provided by the sponsors will not necessarily reflect the depth and liquidity of the underlying commodities markets. For this reason and others, the actual trading price of the Notes may be different from their Indicative Value.

be influenced by non-concurrent trading hours between the NYSE and the various futures exchanges on which the futures contracts based on the Index commodities are traded. While the Notes will trade on the NYSE from 9:30 a.m. to 4:00 p.m. ET, the table below lists the trading hours for all of the components of each series of Notes.

CBOT

Corn	10:30 a.m. - 2:15 p.m. ET
Soybeans	10:30 a.m. - 2:15 p.m. ET
Soybean Oil	10:30 a.m. - 2:15 p.m. ET
Wheat	10:30 a.m. - 2:15 p.m. ET

CME

Lean Hogs	10:10 a.m. - 2:00 p.m. ET
Live Cattle	10:05 a.m. - 2:00 p.m. ET

CSCE

Coffee	9:15 a.m. - 12:30 p.m. ET
Sugar #11	9:00 a.m. - 12:00 p.m. ET

NYBOT

Cotton #2	10:30 a.m. - 2:15 p.m. ET
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NYMEX

Copper	8:10 a.m. - 1:00 p.m. ET
Gold	8:20 a.m. - 1:30 p.m. ET
Heating Oil	10:05 a.m. - 2:30 p.m. ET
Natural Gas	10:00 a.m. - 2:30 p.m. ET
Silver	8:25 a.m. - 1:25 p.m. ET
Unleaded Gasoline	10:05 a.m. - 2:30 p.m. ET
WTI Crude Oil	10:00 a.m. - 2:30 p.m. ET

LME

Aluminum	6:55 a.m. - 12:00 p.m. ET
Nickel	7:15 a.m. - 11:55 a.m. ET
Zinc	7:10 a.m. - 11:55 a.m. ET

While the market for futures trading for each of the Index commodities is open, the Indicative Value can be expected to closely approximate the redemption value of the Notes. However, during NYSE trading hours when the futures contracts have ceased trading, spreads and resulting premiums or discounts may widen, and therefore, increase the difference between

the price of the Notes and their redemption value. The Indicative Value disseminated during NYSE trading hours should not be viewed as a real time update of the redemption value.

### Description of the Indices

All of the indices to which the Notes included in this filing are linked are sub-indices of the Dow Jones - AIG Commodity Index<sup>SM</sup>. The Commission has previously reviewed and approved for listing Exchange-Traded Notes linked to the Dow Jones - AIG Commodity Index Total Return<sup>SM</sup> and it is described in detail in the related filing.<sup>10</sup> At present, Dow Jones disseminates the Index value of each sub-index every 15 seconds (assuming the Index value has changed within such 15 second interval) from 8:00 a.m. to 3:00 p.m. ET and publishes a daily Index value at approximately 4:00 p.m. ET on each day on which the Index is calculated. The sub-index values can still be retrieved after 3:00 p.m. until the end of the Exchange trading day but their values are generally static after 3:00 p.m., although they may change if settlement values for Index components become available after that time.

The following is a description of the components of the various sub-indices of the Dow Jones - AIG Commodity Index<sup>SM</sup> to which the various Notes are linked.

#### Dow Jones–AIG Petroleum Total Return Sub-Index<sup>SM</sup>

The index includes those contracts in the Dow Jones - AIG Commodity Index<sup>SM</sup> that relate to petroleum-related commodities: crude oil, heating oil and unleaded gasoline. The relative weighting of each contract in the index as of August 15, 2006 was as follows:

<u>Commodity</u>	<u>Designated Contract</u>	<u>Exchange</u>	<u>Weighting</u>
Crude Oil	Oil	NYMEX	62.43%
Heating Oil	Heating Oil	NYMEX	19.05%

<sup>10</sup> See Securities Exchange Act Release No. 53876 (May 25, 2006), 71 FR 32158 (June 2, 2006) (SR-NYSE-2006-16).

<u>Commodity</u>	<u>Designated Contract</u>	<u>Exchange</u>	<u>Weighting</u>
Unleaded Gasoline	New York Harbor Unleaded Gasoline	NYMEX	18.51%

Dow Jones–AIG Livestock Total Return Sub-Index<sup>SM</sup>

The index includes those contracts in the Dow Jones - AIG Commodity Index<sup>SM</sup> that relate to livestock: hogs and live cattle. The relative weighting of each contract in the index as of August 15, 2006 was as follows:

<u>Commodity</u>	<u>Designated Contract</u>	<u>Exchange</u>	<u>Weighting</u>
Live Cattle	Live Cattle	CME	57.72%
Hogs	Lean Hogs	CME	42.28%

Dow Jones–AIG Agriculture Total Return Sub-Index<sup>SM</sup>

The index includes those contracts in the Dow Jones - AIG Commodity Index<sup>SM</sup> that relate to agricultural commodities: coffee, corn, cotton, soybean oil, soybeans and wheat. The relative weighting of each contract in the index as of August 15, 2006 was as follows:

<u>Commodity</u>	<u>Designated Contract</u>	<u>Exchange</u>	<u>Weighting</u>
Soybeans	Soybeans	CBOT	23.36%
Corn	Corn	CBOT	21.11%
Wheat	Wheat	CBOT	18.50%
Cotton	Cotton	NYCE	10.27%
Soybean Oil	Soybean Oil	CBOT	10.07%
Coffee	Coffee “C”	CSCE	8.46%
Sugar	World Sugar No. 11	CSCE	8.23%

Dow Jones–AIG Grains Total Return Sub-Index<sup>SM</sup>

The index includes those contracts in the Dow Jones - AIG Commodity Index<sup>SM</sup> that relate to grains: corn, soybeans and wheat. The relative weighting of each contract in the index as of August 15, 2006 was as follows:

<u>Commodity</u>	<u>Designated Contract</u>	<u>Exchange</u>	<u>Weighting</u>
Soybeans	Soybeans	CBOT	37.10%
Corn	Corn	CBOT	33.52%
Wheat	Wheat	CBOT	29.38%

Dow Jones–AIG Energy Total Return Sub-Index<sup>SM</sup>

The index includes those contracts in the Dow Jones - AIG Commodity Index<sup>SM</sup> that relate to energy-related commodities: crude oil, heating oil, natural gas and unleaded gasoline. The relative weighting of each contract in the index as of August 15, 2006 was as follows:

<u>Commodity</u>	<u>Designated Contract</u>	<u>Exchange</u>	<u>Weighting</u>
Crude Oil	Oil	NYMEX	42.41%
Natural Gas	Henry Hub Natural Gas	NYMEX	32.07%
Heating Oil	Heating Oil	NYMEX	12.94%
Unleaded Gasoline	New York Harbor Unleaded Gasoline	NYMEX	12.58%

Dow Jones–AIG Precious Metals Total Return Sub-Index<sup>SM</sup>

The index includes those contracts in the Dow Jones - AIG Commodity Index<sup>SM</sup> that relate to commodities other than energy: aluminum, coffee, copper, corn, cotton, gold, hogs, live cattle, nickel, silver, soybeans, soybean oil, sugar, wheat and zinc. The relative weighting of each contract in the index as of August 15, 2006 was as follows:

<u>Commodity</u>	<u>Designated Contract</u>	<u>Exchange</u>	<u>Weighting</u>
Copper	Copper	NYMEX	12.63%
Aluminum	High Grade Primary Aluminum	LME	9.52%
Gold	Gold	NYMEX	9.34%
Soybeans	Soybeans	CBOT	9.29%
Corn	Corn	CBOT	8.39%
Live Cattle	Live Cattle	CME	7.47%
Wheat	Wheat	CBOT	7.36%
Nickel	Primary Nickel	LME	6.54%
Zinc	Zinc	LME	5.85%
Hogs	Lean Hogs	CME	5.47%
Cotton	Cotton	NYCE	4.08%
Soybean Oil	Soybean Oil	CBOT	4.00%
Silver	Silver	NYMEX	3.43%
Coffee	Coffee "C"	CSCE	3.36%
Sugar	World Sugar No. 11	CSCE	3.27%

Dow Jones–AIG ExEnergy Total Return Sub-Index<sup>SM</sup>

The index includes those contracts in the Dow Jones - AIG Commodity Index<sup>SM</sup> that relate to commodities other than energy: aluminum, coffee, copper, corn, cotton, gold, hogs, live cattle, nickel, silver, soybeans, soybean oil, sugar, wheat and zinc. The relative weighting of each contract in the index as of August 15, 2006 was as follows:

<u>Commodity</u>	<u>Designated Contract</u>	<u>Exchange</u>	<u>Weighting</u>
Copper	Copper	NYMEX	12.63%
Aluminum	High Grade Primary Aluminum	LME	9.52%
Gold	Gold	NYMEX	9.34%
Soybeans	Soybeans	CBOT	9.29%
Corn	Corn	CBOT	8.39%
Live Cattle	Live Cattle	CME	7.47%
Wheat	Wheat	CBOT	7.36%
Nickel	Primary Nickel	LME	6.54%
Zinc	Zinc	LME	5.85%
Hogs	Lean Hogs	CME	5.47%
Cotton	Cotton	NYCE	4.08%
Soybean Oil	Soybean Oil	CBOT	4.00%
Silver	Silver	NYMEX	3.43%

<u>Commodity</u>	<u>Designated Contract</u>	<u>Exchange</u>	<u>Weighting</u>
Coffee	Coffee "C"	CSCE	3.36%
Sugar	World Sugar No. 11	CSCE	3.27%

Dow Jones–AIG Industrial Metals Total Return Sub-Index<sup>SM</sup>

The index includes those contracts in the Dow Jones - AIG Commodity Index<sup>SM</sup> that relate to industrial metals: aluminum, copper, nickel and zinc. The relative weighting of each contract in the index as of August 15, 2006 was as follows:

<u>Commodity</u>	<u>Designated Contract</u>	<u>Exchange</u>	<u>Weighting</u>
Copper	Copper	NYMEX	36.56%
Aluminum	High Grade Primary Aluminum	LME	27.56%
Nickel	Primary Nickel	LME	18.95%
Zinc	Zinc	LME	16.93%

Dow Jones–AIG Softs Total Return Sub-Index<sup>SM</sup>

The index includes those contracts in the Dow Jones - AIG Commodity Index<sup>SM</sup> that relate to soft commodities: coffee, cotton and sugar. The relative weighting of each contract in the index as of August 15, 2006 was as follows:

<u>Commodity</u>	<u>Designated Contract</u>	<u>Exchange</u>	<u>Weighting</u>
Cotton	Cotton	NYCE	38.09%
Coffee	Coffee "C"	CSCE	31.38%
Sugar	World Sugar No. 11	CSCE	30.53%

Continued Listing Criteria

The Exchange prohibits the initial and/or continued listing of any security that is not in compliance with Rule 10A-3 under the Exchange Act.<sup>11</sup>

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<sup>11</sup> 17 CFR 240.10A-3.

The Exchange will delist any series of the Notes:

- (i) If, following the initial twelve month period from the date of commencement of trading of the Notes, the Notes have more than 60 days remaining until maturity and there are fewer than 50 beneficial holders of the Notes for 30 or more consecutive trading days; (ii) if fewer than 100,000 Notes remain issued and outstanding; or (iii) if the market value of all outstanding Notes is less than \$1,000,000.
- If the Index value ceases to be calculated or available during the time the Notes trade on the Exchange on at least a 15 second basis through one or more major market data vendors or the sponsors of the Index.
- If, during the time the Notes trade on the Exchange, the Indicative Value ceases to be available on a 15 second delayed basis.
- If such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

The Exchange will also delist any series of the Notes if:

- Dow Jones and AIG-FP substantially change either the Index component selection methodology or the weighting methodology.
- If a new component is added to the Index (or pricing information is used for a new or existing component) that constitutes more than 10% of the weight of the Index with whose principal trading market the Exchange does not have a comprehensive surveillance sharing agreement.<sup>12</sup>

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The Exchange will contact the Commission staff whenever Dow Jones and AIG-FP add a new component to the Index using pricing information from a market with which the Exchange does not have a previously existing information sharing agreement or switches to using pricing information from such a market with respect to an existing component.

- If a successor or substitute index is used in connection with the Notes. The filing will address, among other things the listing and trading characteristics of the successor or substitute index and the Exchange's surveillance procedures applicable thereto.

Notwithstanding the foregoing, the Exchange may continue the listing of a series of the Notes if, prior to the implementation of any of the foregoing changes, the Exchange files a proposed rule change pursuant to Rule 19b-4 under the Exchange Act and the Commission approves such filing.

#### Trading Halts

If the Index value or the Indicative Value is not being disseminated as required, the Exchange may halt trading during the day on which the interruption to the dissemination of the Index value or the Indicative Value first occurs. If the interruption to the dissemination of the Index value or the Indicative Value persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption.

#### Surveillance

The Exchange's surveillance procedures will incorporate and rely upon existing Exchange surveillance procedures governing equities with respect to surveillance of the Notes. The Exchange believes that these procedures are adequate to monitor Exchange trading of the Notes and to detect violations of Exchange rules, thereby deterring manipulation. In this regard, the Exchange currently has the authority under NYSE Rule 476 to request the Exchange specialist in the Notes to provide NYSE Regulation with information that the specialist uses in

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In such circumstances, the Exchange will discuss with the Commission staff whether a filing under Rule 19b-4 is necessary.

connection with pricing the Notes on the Exchange, including specialist proprietary or other information regarding securities, commodities, futures, options on futures or other derivative instruments. The Exchange believes it also has authority to request any other information from its members – including floor brokers, specialists and “upstairs” firms – to fulfill its regulatory obligations.

The Exchange’s current trading surveillances focus on detecting securities trading outside 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.

With regard to the Index components, the Exchange can obtain market surveillance information with respect to transactions occurring on the London Metal Exchange (“LME”), including customer identity information, pursuant to a memorandum of understanding with the LME. The Exchange has access to transaction information, including customer identity information with respect to all contracts traded on the New York Mercantile Exchange (the “NYMEX”) pursuant to the Exchange’s information sharing agreement with NYMEX. All of the other trading venues on which current Index components are traded are members of the Intermarket Surveillance Group and the Exchange therefore has access to all relevant trading information with respect to those contracts without any further action being required on the part of the Exchange.

### Trading Rules

The Exchange's existing trading rules will apply to trading of the Notes. The Notes will trade between the hours of 9:30 a.m. and 4:00 p.m. ET and will be subject to the equity margin rules of the Exchange. The Notes will be subject to the equity margin rules of the Exchange.<sup>13</sup>

### Suitability

Pursuant to Exchange Rule 405, the Exchange will impose a duty of due diligence on its members and member firms to learn the essential facts relating to every customer prior to trading the Notes.<sup>14</sup> With respect to suitability recommendations and risks, the Exchange will require members, member organizations and employees thereof recommending a transaction in the Notes: (1) to determine that such transaction is suitable for the customer, and (2) to have a reasonable basis for believing that the customer can evaluate the special characteristics of, and is able to bear the financial risks of, such transaction.

### Information Memorandum

The Exchange will, prior to trading the Notes, distribute an information memorandum to the membership providing guidance with regard to member firm compliance responsibilities (including suitability recommendations) when handling transactions in the Notes. The information memorandum will note to members language in the prospectus used by Barclays in connection with the sale of the Notes regarding prospectus delivery requirements for the Notes. Specifically, in the initial distribution of the Notes,<sup>15</sup> and during any subsequent distribution of

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<sup>13</sup> See NYSE Rule 431.

<sup>14</sup> NYSE Rule 405 requires that every member, member firm or member corporation use due diligence to learn the essential facts relative to every customer and to every order or account accepted.

<sup>15</sup> The Registration Statement reserves the right to make subsequent distributions of these Notes.

the Notes, NYSE member organizations will deliver a prospectus to investors purchasing from such distributors.

The information memorandum will discuss the special characteristics and risks of trading this type of security. Specifically, the information memorandum, among other things, will discuss what the Notes are, how the Notes are redeemed, applicable Exchange rules, dissemination of information regarding the Indicative Value, dissemination of information regarding the Index value and the Indicative Value, trading information and applicable suitability rules.

The information memorandum will also notify members and member organizations about the procedures for redemptions of Notes and that Notes are not individually redeemable but are redeemable only in aggregations of at least 50,000 Notes. The information memorandum will also discuss any relief, if granted, by the Commission or the staff from any rules under the Act. The information memorandum will also reference the fact that there is no regulated source of last sale information regarding physical commodities and that the SEC has no jurisdiction over the trading of physical commodities such as aluminum, gold, crude oil, heating oil, corn and wheat, or the futures contracts on which the value of the Notes is based.

## 2. Statutory Basis

The Exchange states that the basis under the Exchange Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>16</sup> that an exchange have rules that are 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.

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<sup>16</sup> 15 U.S.C. 78f(b)(5).

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

The Exchange has requested accelerated approval of this proposed rule change prior to the 30<sup>th</sup> day after the date of publication of the notice of the filing thereof. The Commission has determined that a 15-day comment period is appropriate in this case.

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 Exchange Act.

Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form ([www.sec.gov/rules/sro.shtml](http://www.sec.gov/rules/sro.shtml)); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2006-71 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-2006-71. 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 ([www.sec.gov/rules/sro.shtml](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-2006-71 and should be submitted on or before [insert date 15 days from date of publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>17</sup>

Nancy M. Morris  
Secretary

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<sup>17</sup> 17 CFR 200.30-3(a)(12).