

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-58208; File No. SR-NYSEArca-2008-77)

July 22, 2008

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change to List and Trade the Barclays Middle East Equities (MSCI GCC) Non Exchange Traded Notes Due 2038

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 July 17, 2008, NYSE Arca, Inc. (“Exchange” or “NYSE Arca”), 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, II, and III below, which Items have been prepared by the Exchange. 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 list and trade shares of the Barclays Middle East Equities (MSCI GCC) Non Exchange Traded Notes due 2038 (“Notes”), which are linked to the MSCI Gulf Cooperation Council (GCC) Countries ex-Saudi Arabia Net Total Return IndexSM (U.S. dollar) (“Index”). The text of the proposed rule change is available at the Exchange, the Commission’s Public Reference Room, and 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 Exchange included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 Exchange proposes to list and trade the Notes, which are linked to the Index, under NYSE Arca Equities Rule 5.2(j)(6), which includes the Exchange's listing standards for Equity Index-Linked Securities.³ The Notes are senior unsecured debt obligations of Barclays Bank PLC ("Barclays"). The Index is comprised of all of the equity securities (each an "Index Component" and, collectively, the "Index Components") that are included in the following five individual country indices (each a "Country Index" and, collectively, the "Country Indices"): MSCI Bahrain IndexSM, MSCI Kuwait IndexSM, MSCI Oman IndexSM, MSCI Qatar IndexSM, and MSCI United Arab Emirates IndexSM. Each Country 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 equity securities in the country it represents. The Index and the Country Indices are calculated and maintained by MSCI, Inc. ("MSCI").

The Exchange is submitting this proposed rule change because the Index does not meet all of the "generic" listing requirements of NYSE Arca Equities Rule 5.2(j)(6) applicable to the listing of Equity Index-Linked Securities. The Index meets all such requirements except for

³ Equity Index-Linked Securities are securities that provide for the payment at maturity of a cash amount based on the performance of an underlying index or indexes of equity securities ("Equity Reference Asset").

those set forth in NYSE Arca Equities Rules 5.2(j)(6)(B)(I)(1)(b)(ii)⁴ and (vi).⁵ The Exchange represents that: (1) except for NYSE Arca Equities Rules 5.2(j)(6)(B)(I)(1)(b)(ii) and (vi), the Notes currently satisfy all of the generic listing standards under NYSE Arca Equities Rule 5.2(j)(6) applicable to Equity Index-Linked Securities; (2) the continued listing standards under NYSE Arca Equities Rules 5.2(j)(6) applicable to Equity Index-Linked Securities shall apply to the Notes; and (3) Barclays is required to comply with Rule 10A-3 under the Act⁶ for the initial and continued listing of the Notes. In addition, the Exchange represents that the Notes will comply with all other requirements applicable to Equity Index-Linked Securities including, but not limited to, requirements relating to the dissemination of key information such as the Equity Reference Asset value and Intraday Indicative Value, rules and policies governing the trading of equity securities, trading hours, trading halts, surveillance, firewalls, and Information Bulletin to

⁴ NYSE Arca Equities Rule 5.2(j)(6)(B)(I)(1)(b)(ii) provides that each component security of the underlying index shall have trading volume in each of the last six months of not less than 1,000,000 shares per month, except that for each of the lowest dollar weighted component securities in the index that, in the aggregate, account for no more than 10% of the dollar weight of the index, the trading volume shall be at least 500,000 shares per month in each of the last six months. In each of the last six months, 87.995% of the Index had a trading volume of 1,000,000 shares, and 8.79% of the bottom 10% of the Index had a trading volume of 500,000 shares.

⁵ NYSE Arca Equities Rule 5.2(j)(6)(B)(I)(1)(b)(vi) provides that all component securities of the underlying index shall be either (A) securities (other than foreign country securities and American Depositary Receipts (“ADRs”)) that are (x) issued by an Act reporting company or by an investment company registered under the Investment Company Act of 1940, which in each case is listed on a national securities exchange, and (y) an “NMS stock” (as defined in Rule 600 of Regulation NMS) or (B) foreign country securities or ADRs, provided that foreign country securities or foreign country securities underlying ADRs having their primary trading market outside the United States on foreign trading markets that are not members of the Intermarket Surveillance Group (“ISG”) or parties to comprehensive surveillance sharing agreements with the Exchange will not, in the aggregate, represent more than 20% of the dollar weight of the index. Subject to the pending approval of a separate rule filing (Securities Exchange Act Release No. 58142 (July 11, 2008), 73 FR 41147 (July 17, 2008) (SR-NYSEArca-2008-70)), this subsection will be renumbered as NYSE Arca Equities Rule 5.2(j)(6)(B)(I)(1)(b)(v).

⁶ 17 CFR 240.10A-3.

ETP Holders, as set forth in prior Commission orders approving the generic listing rules applicable to the listing and trading of Index-Linked Securities, generally, and Equity Index-Linked Securities, in particular.⁷

The Index Components are all components of the Country Indices, as described below. As of April 25, 2008, there were 103 stocks in the Index of which: 5 were included in the MSCI Bahrain IndexSM, 47 were included in the MSCI Kuwait IndexSM, 9 were included in the MSCI Oman IndexSM, 16 were included in the MSCI Qatar IndexSM, and 26 were included in the MSCI United Arab Emirates IndexSM. Each Index Component is included in the Index at a weight that reflects the ratio of its free float-adjusted market capitalization (i.e., free public float multiplied by price) to the free float-adjusted market capitalization of all the Index Components.

As of April 25, 2008, the market capitalization of the Index was approximately \$125.176 billion of which: 1.28% was represented by components of the MSCI Bahrain IndexSM, 49.23% was represented by components of the MSCI Kuwait IndexSM, 3.56% was represented by components of the MSCI Oman IndexSM, 15.00% was represented by components of the MSCI Qatar IndexSM, and 30.94% was represented by components of the MSCI United Arab Emirates IndexSM, traded on the Bahrain Stock Exchange, Kuwait Stock Exchange, Muscat Securities Market, Doha Securities Market, and the Dubai Financial Market or Abu Dhabi Securities Market (collectively, “Middle East Exchanges”), respectively.

With respect to NYSE Arca Equities Rule 5.2(j)(6)(B)(I)(1)(b)(vi), which requires that at least 80% of the component stock trade on markets that are members of ISG or parties to

⁷ See e.g., Securities Exchange Act Release Nos. 56637 (October 10, 2007), 72 FR 58704 (October 16, 2007) (SR-NYSEArca-2007-92); 57132 (January 11, 2008), 73 FR 3300 (January 17, 2008) (SR-NYSEArca-2007-125); 56838 (November 26, 2007), 72 FR 67774 (November 30, 2007) (SR-NYSEArca-2007-118); 56879 (December 3, 2007) 72 FR 69271 (December 7, 2007) (SR-NYSEArca-2007-110); 52204 (August 3, 2005), 70 FR 46559 (August 10, 2005) (SR-PCX-2005-63).

comprehensive surveillance sharing agreements with the Exchange, the Exchange has attempted to, but to date has not been able to, enter into comprehensive surveillance sharing agreements with the Middle East Exchanges. Currently, the Middle East Exchanges are not members of ISG. Accordingly, the Exchange may not be able to obtain surveillance information from the Middle East Exchanges regarding the component stocks.

The Exchange intends to utilize its existing surveillance procedures applicable to derivative products to monitor trading in the Notes. The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Notes in all trading sessions and to deter and detect violations of Exchange rules. The Exchange's 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. The Exchange may obtain information via ISG from other exchanges who are members of ISG.⁸

Notwithstanding the Notes' inability to meet the requirements of NYSE Arca Equities Rules 5.2(j)(6)(B)(I)(1)(b)(ii) and (vi),⁹ the Exchange believes that the Index is sufficiently broad-based in scope and, as such, is less susceptible to potential manipulation: the Index contains 105 companies, listed in five countries with no one Middle East Exchange listing greater than 50% of the Index Components. The Exchange further believes that no one Index

⁸ For a list of the current members and affiliate members of ISG, see www.isgportal.com.

⁹ E-mail from Timothy J. Malinowski, Director, NYSE Euronext, to Edward Cho, Special Counsel, Division of Trading and Markets, Commission, dated July 21, 2008 (confirming the requirements of NYSE Arca Equities Rule 5.2(j)(6) applicable to Equity Index-Linked Securities that the Notes do not satisfy).

Component dominates the underlying Index, thereby serving to protect the public interest and promote capital formation.

Detailed descriptions of the Notes, the Index (including the methodology used to determine the composition of the Index), fees, redemption procedures and payment at redemption, payment at maturity, taxes, and risk factors relating to the Notes will be available in the Prospectus¹⁰ or on the Web site for the Notes (www.barclays.com), as applicable.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹¹ in general, and Section 6(b)(5),¹² in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system. The Exchange believes that it has developed adequate trading rules, procedures, surveillance programs, and listing standards for the initial and continued listing and trading of the Notes, which promote investor protection in the public interest.¹³ In addition, the Notes satisfy all of the requirements of NYSE Arca Equities Rule 5.2(j)(6), with the two exceptions noted above.¹⁴

¹⁰ See Barclay's Prospectus, as amended, filed pursuant to Rule 424(b)(2) under the Act (File No. 333-145845).

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ E-mail from Timothy J. Malinowski, Director, NYSE Euronext, to Edward Cho, Special Counsel, Division of Trading and Markets, Commission, dated July 21, 2008 (confirming the Exchange's statutory basis for the proposed rule change).

¹⁴ See id.

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

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

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 Exchange consents, the Commission will:

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

disapproved.

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 No. SR-NYSEArca-2008-77 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NYSEArca-2008-77. 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 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office 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-2008-77 and should be submitted on or before [insert date 21 days from the date of publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Florence E. Harmon
Acting Secretary

¹⁵ 17 CFR 200.30-3(a)(12).