

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

Written comments were neither solicited nor received.

**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 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2007-110 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-2007-110. 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 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of 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-2007-110 and should be submitted on or before January 17, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>5</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-56975; File No. SR-NYSEArca-2007-87]

**Self-Regulatory Organizations; NYSE Arca, Inc.; Order Approving a Proposed Rule Change, as Modified by Amendment No. 2 Thereto, To Amend Listing Fees for Structured Products**

December 17, 2007.

On August 16, 2007, NYSE Arca, Inc. ("NYSE Arca" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend its Schedule of Fees and Charges ("Fee Schedule") to revise the listing fees applicable to Structured Products<sup>3</sup> listed on NYSE Arca, LLC ("NYSE Arca Marketplace"), the equities facility of NYSE Arca Equities, Inc. ("NYSE Arca Equities"). The

<sup>5</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> For purposes of this proposal, Structured Products include securities qualified for listing and trading on NYSE Arca under the following NYSE Arca Equities Rules: Rule 5.2(j)(1) (Other Securities), 5.2(j)(2) (Equity Linked Notes), Rule 5.2(j)(4) (Index-Linked Exchangeable Notes), Rule 5.2(j)(6) (Equity Index-Linked Securities, Commodity-Linked Securities and Currency-Linked Securities) and Rule 8.3 (Currency and Index Warrants), as these rules may be amended from time to time.

proposed revisions would apply retroactively as of October 3, 2007. On October 30, 2007, the Exchange filed Amendment No. 1 to the proposed rule change. On November 7, 2007, the Exchange filed Amendment No. 2 to the proposed rule change.<sup>4</sup> The proposed rule change and Amendment Nos. 1 and 2 thereto was published for comment in the **Federal Register** on November 15, 2007.<sup>5</sup> No comments regarding the proposed rule change have been received. This order approves the proposed rule change, as modified by Amendment No. 2.

NYSE Arca proposes to revise its schedules for listing and annual fees for Structured Products to harmonize its fees with those of the New York Stock Exchange LLC ("NYSE").<sup>6</sup> The fees for each Structured Product would depend on the number of shares outstanding for such product.<sup>7</sup> The proposed rule change also clarifies the types of products defined as "Structured Products." The proposed revisions would apply retroactively as of October 3, 2007.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>8</sup> In particular, the Commission believes that the proposal is consistent with section 6(b)(4) of the Act,<sup>9</sup> which requires, among other things, that the rules of a national securities exchange be designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities. The Commission notes that no comments have been received regarding the proposed rule change, and that the proposed fees are similar to those it approved for other national securities exchanges.<sup>10</sup>

IT IS THEREFORE ORDERED, pursuant to section 19(b)(2) of the Act,<sup>11</sup> that the proposed rule change (File No.

<sup>4</sup> Amendment No. 2 replaced and superseded Amendment No. 1 in its entirety.

<sup>5</sup> Securities Exchange Act Release No. 56767 (November 7, 2007), 72 FR 64265 ("Notice").

<sup>6</sup> See Securities Exchange Act Release No. 56842 (November 27, 2007), 72 FR 67990 (December 3, 2007) (approving retroactively as of October 3, 2007 identical listing and annual fees for structured products listed on the NYSE).

<sup>7</sup> For a detailed description of the revised fees, see Notice, *supra* at note 5.

<sup>8</sup> 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).

<sup>9</sup> 15 U.S.C. 78f(b)(4).

<sup>10</sup> See *supra* at note 6.

<sup>11</sup> 15 U.S.C. 78s(b)(2).

SR-NYSEArca-2007-87), as modified by Amendment No. 2 thereto, be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

[FR Doc. E7-24986 Filed 12-26-07; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56983; File No. SR-NYSEArca-2007-128]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To List and Trade Shares of the iShares MSCI Japan Small Cap Index Fund

December 18, 2007.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on December 13, 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. On December 18, 2007, the Exchange filed Amendment No. 1 to the proposed rule change. This order provides notice of the proposed rule change, as amended, and approves the proposed rule change, as modified by Amendment No. 1 thereto, 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 MSCI Japan Small Cap Index Fund (“Fund”).<sup>3</sup> The text of the proposed rule change is available at the Exchange’s principal office, 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 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 and trade the Shares of the Fund under NYSE Arca Equities Rule 5.2(j)(3), the Exchange’s listing standards for Investment Company Units (“ICUs”).<sup>4</sup> The Fund seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the aggregate in the Japanese market, as represented by the MSCI Japan Small Cap Index (the “Index”). The Index, which is designed to measure the small capitalization equity market performance in the Japanese market, consists of small capitalization stocks traded primarily on the Tokyo Stock Exchange.

NYSE Arca represents that the Shares meet each 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 equity securities comprising international or global indexes, except for the requirement set forth in Commentary .01(a)(B)(2) to NYSE Arca Equities Rule 5.2(j)(3), which states that component stocks that, in the aggregate, account for at least 90% of the weight of the index each must have a minimum worldwide monthly trading volume during each of the last six months of at least 250,000 shares. The Exchange represents that, as of December 10, 2007, the component stocks comprising 88% of the weight of the Index traded

at least 250,000 shares in each of the previous six months. Because the component stocks of the Index fall below the required minimum percentage in Commentary .01(a)(B)(2) to NYSE Arca Equities Rule 5.2(j)(3), the Exchange has filed the proposed rule change to obtain Commission approval to list and trade the Shares. The Exchange represents that, except for Commentary .01(a)(B)(2) to NYSE Arca Equities Rule 5.2(j)(3), the Shares currently satisfy all of the generic listing standards under NYSE Arca Equities Rule 5.2(j)(3) and further represents that the continued listing standards under NYSE Arca Equities Rule 5.5(g)(2) applicable to Investment Company Units shall apply to the Shares.

Detailed descriptions of the Fund, the Index (including the methodology used to determine the composition of the Index), investment objective of the Fund, management and structure of the Fund, procedures and payment requirements for creating and redeeming Shares, transaction fees and expenses, dividends, distributions, taxes, reports to be distributed to beneficial owners of the Shares, availability of information regarding the Shares, and calculation and dissemination of key values can be found in the Registration Statement<sup>5</sup> or on the Web site for the Fund (<http://www.ishares.com>).

*Availability of Information.* The Exchange states that quotations and last-sale information regarding the Shares will be disseminated through the facilities of the Consolidated Tape Association (“CTA”). The Index value is calculated by Morgan Stanley Capital International, Inc. (“MSCI”), the Index provider, for each trading day in the applicable foreign exchange markets based on official closing prices in such exchange markets and publicly disseminates the Index values for the previous day’s close.<sup>6</sup> MSCI or third-party major market data vendors will make available at least every 60 seconds

<sup>5</sup> See iShares, Inc.’s Registration Statement on Form N-1A, as amended through July 19, 2007 (File Nos. 33-97598 and 811-09102) (“Registration Statement”).

<sup>6</sup> The Exchange notes that, when a broker-dealer or a broker-dealer’s affiliate, such as MSCI, is involved in the development and maintenance of a stock index upon which a product such as iShares is based, the broker-dealer or its affiliate should have procedures designed specifically to address the improper sharing of information. See Securities Exchange Act Release No. 52178 (July 29, 2005), 70 FR 46244 n.18 (August 9, 2005) (SR-NYSE-2005-41) (describing the procedures which must be in place to prevent the improper sharing of information). The Exchange represents that MSCI has implemented procedures to prevent the misuse of material, non-public information regarding changes to component stocks in the MSCI, in accordance with the requirements of Commentary .01(b)(1) to NYSE Arca Equities Rule 5.2(j)(3).

<sup>4</sup> An Investment Company Unit is a security that represents an interest 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)(A).

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

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

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

<sup>3</sup> The Shares will be issued by iShares, Inc., an open-ended management investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a).