



RAN-06-34
July 27, 2006

To: ETP Holders and Sponsored Participants

From: Department of Regulatory Policy

**Subject: iPathSM Exchange-Traded Notes
Indexed-Linked Securities
(File No. SR-NYSEArca-2006-17).**

On May 16, 2006, NYSE Arca, Inc., through its wholly owned subsidiary NYSE Arca Equities, Inc., filed a proposed rule change to adopt Commentary to Rule 5.2(j)(6) (Index-Linked Securities) to accommodate trading of iPathSM Exchange-Traded Notes of Barclays Bank PLC pursuant to unlisted trading privileges. On July 20, 2006, the Exchange filed Amendment No. 1 to the proposed rule change. The Securities and Exchange Commission approved the proposed rule change and released the notice on July 21, 2006.

The following is the text of the proposed rule change. Questions regarding this bulletin may be directed to Tim Malinowski at (312) 442-7886.

Rules of NYSE Arca Equities, Inc.

Text of the Proposed Rule Change

(New text is underscored.)

Rule 5.2(j)(6)

Index-Linked Securities

[Introductory Paragraph and Sections (a) - (k) - No changes.]

Commentary:

.01 The provisions of this Commentary apply only to Index-Linked Securities listed and/or traded under this Rule where the price of such Index-Linked Securities is based in whole or part on the price of (i) a commodity or commodities; (ii) any futures contracts or other derivatives based on a commodity or commodities; or (iii) any index based on

either (i) or (ii) above (an “Index”) (“Commodity Index-Linked Securities”). Commodity Index-Linked Securities listed and/or traded under this Rule may have a term of up to 30 years.

(a) An ETP Holder acting as a registered Market Maker in Commodity Index-Linked Securities is obligated to comply with Rule 7.26 pertaining to limitations on dealings when such Market Maker, or affiliate of such Market Maker, engages in Other Business Activities. For purposes of Commodity Index-Linked Securities, Other Business Activities shall include acting as a Market Maker or functioning in any capacity involving market-making responsibilities in the Index components, the commodities underlying the Index components, or options, futures or options on futures on the Index, or any other derivatives (collectively, “derivative instruments”) based on the Index or based on any Index component or any physical commodity underlying an Index component. However, an approved person of an ETP Holder acting as a registered Market Maker in Commodity Index-Linked Securities that has established and obtained Corporation approval of procedures restricting the flow of material, non-public market information between itself and the ETP Holder pursuant to Rule 7.26, and any member, officer or employee associated therewith, may act in a market making capacity, other than as a Market Maker in the Commodity Index-Linked Securities on another market center, in the Index components, the commodities underlying the Index components, or any derivative instruments based on the Index or based on any Index component or any physical commodity underlying an Index component.

(b) The ETP Holder acting as a registered Market Maker in Commodity Index-Linked Securities must file with the Corporation, in a manner prescribed by the Corporation, and keep current a list identifying all accounts for trading in the Index components, the commodities underlying the Index components, or any derivative instruments based on the Index or based on any Index component or any physical commodity underlying an Index component, which the ETP Holder acting as registered Market Maker may have or over which it may exercise investment discretion. No ETP Holder acting as registered Market Maker in the Commodity Index-Linked Securities shall trade in the Index components, the commodities underlying the Index components, or any derivative instruments based on the Index or based on any Index component or any physical commodity underlying an Index component, in an account in which an ETP Holder acting as a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to the Corporation as required by this Rule.

(c) In addition to the existing obligations under Corporation rules regarding the production of books and records (See, e.g. Rule 4.4), the ETP Holder acting as a registered Market Maker in Commodity Index-Linked Securities shall make available to the Corporation such books, records or other information pertaining to transactions by such entity or any limited partner, officer or approved person thereof, registered or nonregistered employee affiliated with such entity for its or their own accounts in the Index components, the commodities underlying the Index components, or any derivative instruments based on the Index or based on any Index component or any physical

commodity underlying an Index component, as may be requested by the Corporation.

(d) In connection with trading in the Index components, the commodities underlying the Index components, or any derivative instruments based on the Index or based on any Index component or any physical commodity underlying an Index component (including the Commodity Index-Linked Securities), the ETP Holder acting as a registered Market Maker in Commodity Index-Linked Securities shall not use any material nonpublic information received from any person associated with an ETP Holder or employee of such person regarding trading by such person or employee in the Index components, the commodities underlying the Index components, or any derivative instruments based on the Index or based on any Index component or any physical commodity underlying an Index component.