

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 Web site viewing and printing 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 the 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-C2-2010-006 and should be submitted on or before November 19, 2010.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63176; File No. SR-NYSEArca-2010-94]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Listing of the iShares® Taxable Municipal Bond Fund

October 25, 2010.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on October 21, 2010, NYSE Arca, Inc. ("NYSE Arca" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II 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 under NYSE Arca Equities Rule 5.2(j)(3), Commentary .02, the following series of the iShares® Trust: iShares® Taxable Municipal Bond Fund. The text of the proposed rule change is available at the Exchange, the Commission's Public Reference Room, and the Exchange's Web site at <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 self-regulatory organization 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 those 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 parts 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 shares ("Shares") of the following series of the iShares® Trust ("Trust") under NYSE Arca Equities Rule 5.2(j)(3), Commentary .02, which governs the listing and trading of Investment Company Units ("ICUs"): iShares® Taxable Municipal Bond Fund ("Fund").<sup>3</sup>

<sup>3</sup> The Commission has previously approved listing and trading of ICUs based on certain fixed income indexes. See, e.g., Securities Exchange Act Release No. 48662 (October 20, 2003), 68 FR 61535 (October 28, 2003) (SR-PCX-2003-41) (approving listing and trading pursuant to unlisted trading privileges ("UTP") of fixed income funds and the UTP trading of certain iShares® fixed income funds). In addition, the Commission has approved NYSE Arca generic listing rules for Investment Company Units based on a fixed income index in Securities Exchange Act Release No. 55783 (May 17, 2007), 72 FR 29194 (May 24, 2007) (SR-NYSEArca-2007-36). The Commission has approved pursuant to Section 19(b)(2) of the Exchange Act the listing on the American Stock Exchange of exchange traded funds based on fixed income indexes. See, e.g., Securities Exchange Act Release No. 48534 (September 24, 2003), 68 FR 56353 (September 30, 2003) (SR-Amex-2003-75) (order approving listing on Amex of eight series of iShares Lehman Bond Funds). In addition, the Commission recently has approved for listing on NYSE Arca under NYSE Arca Equities Rule 8.600 ("Managed Fund Shares") two actively managed ETFs of the PIMCO ETF Trust that hold municipal bonds. See Securities Exchange Act Release No.

The Trust is registered with the Commission as an investment company under the Investment Company Act of 1940 ("1940 Act") (15 U.S.C. 80a).<sup>4</sup> Blackrock Fund Advisors serves as the investment adviser ("Adviser") to the Fund.

##### Description of the Shares and the Fund

According to the Registration Statement, the Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of The BofA Merrill Lynch Broad U.S. Taxable Municipal Securities Index (the "Underlying Index").

The Underlying Index measures the performance of investment-grade taxable debt securities of the U.S. municipal bond market. As of October 1, 2010, there were 1,779 issues in the Underlying Index.

The Underlying Index includes fixed-rate municipal bonds issued publicly in the U.S. market by U.S. States and territories and their political subdivisions. The interest payments on the bonds in the Underlying Index are generally subject to U.S. Federal income taxes. Each bond must have an investment grade rating based on the average rating by Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Financial Services LLC (a subsidiary of The McGraw-Hill Companies, Inc.) ("S&P"), and Fitch, Inc. ("Fitch"). Each bond must be denominated in U.S. dollars.

The Exchange is submitting this proposed rule change because the Underlying Index for the Fund does not meet all of the "generic" listing requirements of Commentary .02(a) to NYSE Arca Equities Rule 5.2(j)(3) applicable to listing of ICUs based on fixed income indexes. The Underlying Index meets all such requirements except for those set forth in Commentary .02(a)(2).<sup>5</sup> Specifically, as of October 1, 2010, 70.85% of the weight of the Underlying Index

60981 (August 27 [sic], 2009) (SR-NYSEArca-2009-79) (order approving [sic] PIMCO Short-Term Municipal Bond Strategy Fund and PIMCO Intermediate Municipal Bond Strategy Fund, among others).

<sup>4</sup> See Registration Statement on Form N-1A for the Trust filed with the Securities and Exchange Commission on September 30, 2010 (File Nos. 333-92935 and 811-09729) (the "Registration Statement"). The descriptions of the Fund and the Shares contained herein are based on information in the Registration Statement.

<sup>5</sup> Commentary .02(a)(2) to NYSE Arca Equities Rule 5.2(j)(3) provides components of an index or portfolio underlying a series of ICUs that in the aggregate account for at least 75% of the weight of the index or portfolio each must have a minimum original principal amount outstanding of \$100 million or more.

<sup>9</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.

components have a minimum original principal amount outstanding of \$100 million or more.

The Exchange represents that: (1) Except for Commentary .02(a)(2) to NYSE Arca Equities Rule 5.2(j)(3), 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 shall apply to the Shares; and (3) the Trust is required to comply with Rule 10A-3 under the Exchange Act<sup>6</sup> 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 such as the value of the Underlying Index and Intraday Indicative Value, rules governing the trading of equity securities, trading hours, trading halts, surveillance, information barriers and Information Bulletin to ETP Holders, as set forth in Exchange rules applicable to ICUs and prior Commission orders approving the generic listing rules applicable to the listing and trading of ICUs.<sup>7</sup>

Detailed descriptions of the Fund, the Underlying Index, procedures for creating and redeeming Shares, transaction fees and expenses, dividends, distributions, taxes, risks, and reports to be distributed to beneficial owners of the Shares can be found in the Registration Statement or on the Web site for the Fund (<http://www.ishares.com>), as applicable.

## 2. Statutory Basis

The basis under the Exchange Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>8</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. The Exchange believes that the proposed rule change will facilitate the listing and trading of additional types of exchange-

traded products that will enhance competition among market participants, to the benefit of investors and the marketplace. In addition, the listing and trading criteria set forth in NYSE Arca Equities Rule 5.2(j)(3) and Commentary .02 thereto and continued listing criteria in NYSE Arca Equities Rule 5.5(g)(2) are intended to protect investors and the public interest.

### *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

Because the proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>9</sup> and Rule 19b-4(f)(6) thereunder.<sup>10</sup>

The Exchange has requested that the Commission waive the 30-day operative delay. The Exchange states that the proposed rule change does not significantly affect the protection of investors or the public interest and does not impose any significant burden on competition. In addition, the Exchange believes that it has developed adequate trading rules, procedures, surveillance programs, and listing standards for the continued listing and trading of the Shares.

The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest. The Commission notes that the Underlying Index for the Fund

fails to meet the requirements set forth in Commentary .02(a)(2) to NYSE Arca Equities Rule 5.2(j)(3) by only a small amount (4.15%) and that the Exchange represents that the Shares of the Fund currently satisfy all of the other generic listing standards under NYSE Arca Equities Rule 5.2(j)(3) and all other requirements applicable to ICUs, as set forth in Exchange rules and prior Commission orders approving the generic listing rules applicable to the listing and trading of ICUs. The Commission also notes that there are approximately 1,779 issues in the Underlying Index as of October 1, 2010. The Commission believes that the listing and trading of the Shares do not present any novel or significant issues or impose any significant burden on competition, and that waiving the 30-day operative delay would benefit the market and investors by providing market participants with additional investing choices. For these reasons, the Commission designates the proposal operative upon filing.<sup>11</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

## 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-NYSEArca-2010-94 on the subject line.

### *Paper Comments*

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

All submissions should refer to File Number SR-NYSEArca-2010-94. This file number should be included on the

<sup>11</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>6</sup> 17 CFR 240.10A-3.

<sup>7</sup> See, e.g., Securities Exchange Act Release No. 44551 (July 12, 2001), 66 FR 37716 (July 19, 2001) (SR-PCX-2001-14) (order approving generic listing standards for ICUs and Portfolio Depositary Receipts); Securities Exchange Act Release No. 41983 (October 6, 1999), 64 FR 56008 (October 15, 1999) (SR-PCX-98-29) (order approving rules for listing and trading of ICUs).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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 Web site viewing and printing 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 the 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-2010-94 and should be submitted on or before November 19, 2010.

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

**Florence E. Harmon,**  
Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63160; File No. SR-CBOE-2010-093]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Modify the Fee Schedule for the CBOE Stock Exchange

October 22, 2010.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October

15, 2010, the Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") filed with the Securities and Exchange Commission (the "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

CBOE proposes to amend the Fee Schedule of the CBOE Stock Exchange ("CBSX") to modify certain transaction fees. The text of the proposed rule change is available on the Exchange's Web site (<http://www.cboe.org/legal>), at the Exchange's principal office, and at the Commission's Public Reference Room.

#### 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 self-regulatory organization 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 those 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 parts of such statements.

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

###### 1. Purpose

On August 23, 2010, the Commission published an immediately effective rule filing to modify the transaction fees for 24 securities traded on CBSX (the following symbols: BAC, C, DXD, EMC, EWJ, F, FAX, FAZ, GE, INTC, MOT, MSFT, MU, NOK, Q, QID, S, SIRI, SKF, T, TWM, UNG, UWM, XLF).<sup>3</sup> On September 9, 2010, the Commission published an immediately effective rule filing to modify the transaction fees for 51 more securities traded on CBSX (the following symbols: AA, AMAT, AMD, BGZ, BP, BSX, CMCSA, COCO, CSCO, CX, DELL, DUK, EBAY, EEM, EWT, FAS, FLEX, HBAN, IYR, MDT, MGM, IYR, MDT, MGM, NLY, NVDA, NWSA, ORCL, PFE, QCOM, QQQQ, SBUX, SH,

SLV, SMH, SSO, SYMC, TBT, TSM, TXN, UCO, USO, VALE, VWO, WFC, XHB, XLB, XLK, XLP, XLU, XLV, XLY, XRX, YHOO).<sup>4</sup> On September 28, 2010, the Commission published an immediately effective rule filing to modify the transaction fees for 51 more securities traded on CBSX (the following symbols: ARNA, ATML, BKC, BRCD, CIM, DOW, DRY, EFA, EWZ, FITB, FXI, GBG, GDX, GLD, GLW, HPQ, IDIX, IWM, JPM, KEY, LVL, LVS, MFE, MO, MRVL, ONNN, PBR, PCBC, QLD, RF, RFMD, RIMM, RRI, RSCR, SDS, SNDK, SPLS, SPY, TEVA, TLT, TNA, TZA, UYG, VXX, VZ, X, XLE, XLI, XOM, XRT).<sup>5</sup>

CBSX now proposes to modify its transaction fees so that all securities are subject to the Maker and Taker fees and rebates to which the aforementioned securities became subject. The Taker rebate shall be \$0.0014 per share for transactions in all securities traded on CBSX that are priced \$1 or greater. The Maker fee shall be \$0.0018 per share for transactions in all securities traded on CBSX that are priced \$1 or greater.

Additionally, CBSX proposes to modify the Maker and Taker fees and rebates for transactions in securities priced less than \$1. The Taker fee for such transactions shall be 0.05% of the dollar value of the transaction. The Maker rebate for such transaction shall be 0.01% of the dollar value of the transaction.

Consistent with the new fees set forth above, CBSX also proposes to amend the fee and rebate for NBBO Step-Up Trades. For stocks priced \$1 and over, the order that is flashed will receive a \$0.0014 per share rebate and the responder will be charged \$0.0018 per share. For stocks priced under \$1, the maker/taker fees will correspond to those in place for non-flashed executions (*i.e.*, the Taker fee for such transactions shall be 0.05% of the dollar value of the transaction, and the Maker rebate for such transaction shall be 0.01% of the dollar value of the transaction).

The fee changes will become effective on October 18, 2010.

###### 2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of

<sup>4</sup> See Securities Exchange Act Release No. 34-62878 (September 9, 2010), 75 FR 56627 (September 16, 2010) (SR-CBOE-2010-079).

<sup>5</sup> See Securities Exchange Act Release No. 34-63000 (September 28, 2010), 75 FR 61549 (October 5, 2010) (SR-CBOE-2010-089).

<sup>6</sup> 15 U.S.C. 78f(b).

<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> See Securities Exchange Act Release No. 34-62758 (August 23, 2010), 75 FR 52792 (August 27, 2010) (SR-CBOE-2010-075).