



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
Circular Number:	2010-540	Contact:	Jeff Rosenstock
Date:	July 16, 2010	Telephone:	(201) 942-8295

**Subject: Barclays GEMS Asia 8 Exchange Traded Notes due April 8, 2038**

### **Background on the Notes**

As more fully explained in the Registration Statement (No. 333-145845) for Barclays GEMS Asia 8 Exchange Traded Notes due April 8, 2038 (the "Securities") are linked to the Barclays Global Emerging Markets Strategy (GEMS) Asia 8 Index ("Index") and do not guarantee any return of principal at maturity. For a more complete description of the Securities and the payment at maturity, early repurchase provisions, early repurchase mechanics, valuation, fees and risk factors, consult the prospectus ("Prospectus").

The return on the Securities is linked to the performance of the Index (Bloomberg page BXIIGMA8). The goal of the Index is to provide investors with exposure to local currencies in specified Asian markets through short-term, liquid and diversified instruments. The Index is intended to replicate a diversified, multi-national money markets strategy in the eight Asian market currencies—the Indonesian rupiah, the Indian rupee, the Philippine peso, the South Korean won, the Thai baht, the Malaysian ringgit, the Taiwanese dollar and the Chinese yuan—that the Index comprises, by reflecting the total return (including both exchange rate movements and implied deposit rates) of U.S. dollar investments in the index constituent currencies. The ETNs will initially be issued in denominations of \$50.

### **Valuation of the Securities**

According to the Prospectuses, an intraday "Indicative Value" meant to approximate the intrinsic economic value of the ETNs will be published under the Bloomberg, as noted below:

*Exchange-Traded Note Indicative Value*  
Barclays GEMS Asia 8 ETN

*Indicative Value*  
ETNAYT.IV

The actual trading price of the Securities may vary significantly from their Indicative Value.

### **Early Redemption**

According to the Prospectus, the Securities may be redeemed prior to maturity. Offers to repurchase at least 50,000 Securities (or an integral multiple of 50,000 securities in excess thereof) on any redemption date through April 1, 2038. For a complete description of the

redemption procedures and the payment upon redemption, see the Prospectus.

### **Investment Risks**

The Notes are unsecured promises of Barclays Bank PLC and are not secured debt. The Notes are riskier than ordinary unsecured debt securities. As stated in the Prospectus, an investment in the Securities includes, but are not limited to, the following risks:

- Even If the Level of the Index at Maturity or Upon Redemption Is Greater than It Was on the Inception Date, an investor Receive Less than the Principal Amount;
- Even if the value of the Index at maturity or upon redemption exceeds the initial Index level, holders may receive less than the principal amount of their Securities. Holders will not benefit from any increase in the value of the Index if such increase is not reflected in the value of the Index on the applicable valuation date;
- There are restrictions on the minimum number of Securities a holder may redeem and on the dates on which a holder may redeem them;
- The market value of the Securities may be influenced by many unpredictable factors, including the volatility of exchange rates between the index constituent currencies and the U.S. dollar, supply and demand for the Securities, interest rates, economic, political, regulatory, geographical or judicial events that effect exchange rates or implied interest rates;
- Some of the Index constituent Currencies float freely;
- Changes in Barclays' credit ratings may affect the market value of the Securities;
- The Liquidity, Trading Value and Amounts Payable Under the Securities Could be Affected by the Actions of Sovereign Governments;
- To the Extent That the Index Constituent Currencies Float Against the U.S. Dollar, the Exchange Rates Between the Index Constituent Currencies and the U.S. Dollar Will be Influenced by Unpredictable Factors;
- Information About Index Constituent Countries May Not Be Readily Available;
- Investing in a Security Linked to an Index that Includes Emerging Market Currencies Bears Special Risks;
- Even Though the Index Constituent Currencies and the U.S. Dollar Are Traded Around-the-Clock, the Securities Will Trade Only During Regular Trading Hours in the United States, if at all;
- There may not be an active trading market in the Securities; sales in the secondary market may result in significant losses;
- Trading and other transactions by Barclays Bank PLC or its affiliates in instruments linked to the Index or Index components may impair the market value of the Notes;
- The liquidity of the market for the Securities may vary materially over time;
- Barclays' business activities may create conflicts of interest;
- The policies of the index sponsor and changes that affect the composition and valuation of the Index or the index constituent currencies could affect the amount payable on the Securities and their market value;
- If a market disruption event has occurred or exists on a valuation date, the calculation agent can postpone the determination of the value of the Index or the maturity date or a redemption date; and
- The U.S. Federal Tax Consequences of Your Investment in the Securities are Highly

Uncertain.

### **Exchange Rules Applicable to Trading in the Notes**

The Notes are considered equity securities, thus rendering trading in the Notes subject to the Exchange's existing rules governing the trading of equity securities.

### **Trading Hours**

Trading in the shares on EDGA and EDGX Exchanges (the "Exchanges") is on a UTP basis and is subject to the Exchanges equity trading rules. The shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the shares during the Extended Market Sessions (Pre-opening and Post-closing sessions) are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

### **Trading Halts**

The Exchanges will halt trading in the Shares of a Trust in accordance with Exchange Rules 14.1(c)(4). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Shares and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, the Exchanges will stop trading the Shares of a Trust if the primary market de-lists the Shares.

### **Suitability**

Trading in the Shares on the Exchanges will be subject to the provisions of EDGA and EDGX Exchange Rules 3.7. Members recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in Exchange Rules 3.7.

Members also should review FINRA Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

### **Delivery of a Prospectus**

Pursuant to federal securities laws, investors purchasing Shares must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Shares directly from the Fund (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Distributor or on the Fund's website. The Prospectus does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to the Trust's registration statement.

### **No-Action Relief Under Federal Securities Regulations**

The Securities and Exchange Commission has issued no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 (the "Exchange Act"), regarding trading in Barclays iPath Exchange Traded Notes (SEC Letter dated July 27, 2006) and Deutsche Bank AG Exchange-Traded Notes (SEC Letter dated October 17, 2007) for securities with structures similar to that of the securities described herein (the "Letters"). As what follows is only a summary of the relief outlined in the Letters, the Exchange also advises interested members to consult the Letters, for more complete information regarding the matters covered therein.

### **Regulation M Exemptions**

Generally, Rules 101 and 102 of Regulation M is an anti-manipulation regulation that, subject to certain exemptions, prohibits a "distribution participant" and the issuer or selling security holder, in connection with a distribution of securities, from bidding for, purchasing, or attempting to induce any person to bid for or purchase, any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities, and affiliated purchasers of such persons.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 101 of Regulation M against persons who may be deemed to be participating in a distribution of the notes to bid for or purchase the notes during their participation in such distribution.

Rule 102 of Regulation M prohibits issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder. Rule 100 of Regulation M defines "distribution" to mean any offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 102 of Regulation M against Barclays and its affiliated purchasers who bid for or purchase or redeem notes during the continuous offering of the notes.

### **Section 11(d)(1) of the Exchange Act; Exchange Act Rule 11d1-2**

Section 11(d)(1) of the Exchange Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on

any security which was part of a new issue in the distribution of which he or she participated as a member of a selling syndicate or group within thirty days prior to such transaction.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Section 11(d)(1) of the Exchange Act against broker-dealers who treat the notes, for purposes of Rule 11d1-2, as “securities issued by a registered . . . open-end investment company as defined in the Investment Company Act” and thereby, extend credit or maintain or arrange for the extension or maintenance of credit on the notes that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

**This Regulatory Information Circular is not a statutory Prospectus. Members should consult the Trust’s Registration Statement, SAI, Prospectus and the Fund’s website for relevant information.**

## Appendix A

<b>Ticker</b>	<b>Fund Name</b>
AYT	Barclays GEMS Asia 8 Exchange Traded Notes due April 8, 2038