



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
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**Subject: Barclays ETN+ Inverse S&P 500 VIX Short Term Futures™ ETN**

### **Background Information on the Securities**

As more fully explained in the Registration Statement (No. 333-145845) for The Barclays ETN+ Inverse S&P 500® VIX Short-Term Futures™ Exchange Traded Notes (the “ETNs”) that Barclays Bank PLC may issue from time to time are linked to the inverse performance of the S&P 500® VIX Short-Term Futures™ Index Excess Return (the “Index”). The ETNs do not pay any interest during their term and do not guarantee any return of principal at maturity or upon redemption. Investor will receive a cash payment at maturity or upon redemption based on a participation in the **inverse performance** of the Index, *plus* accrued interest, *less* accrued fees (and, in the case of optional redemption, a redemption charge) applied by Barclays Bank PLC.

The Index is designed to reflect the returns that are potentially available through an unleveraged investment in one-month and two-month futures contracts (“VIX futures”) on the CBOE Volatility Index® (the “VIX Index”) that targets a constant weighted average futures maturity of one month. The calculation of the spot level of the VIX Index is based on prices of put and call options on the S&P 500® Index. VIX futures reflect the implied volatility of the S&P 500® Index at various points along the volatility forward curve and provide investors the ability to invest in forward volatility based on their view of the future direction of movement of the VIX Index.

### **Payment at Maturity**

If investors hold their ETNs to maturity, investors will receive a cash payment per ETN equal to the closing indicative note value on the final valuation date.

### **Optional Redemption**

Subject to the notification requirements set forth under “Specific Terms of the ETNs—Optional Redemption Procedures” of the pricing supplement, investors may redeem their ETNs on any optional redemption date during the term of the ETNs, subject to an intervening automatic termination event. If investors redeem their ETNs, investors will receive a cash payment per ETN equal to the closing indicative note value on the applicable valuation date *minus* the redemption charge. Investors must redeem at least 50,000 ETNs at one time in order to exercise their right to redeem their ETNs on any optional redemption date.

### **Redemption Charge**

The redemption charge is a one-time charge imposed upon optional redemption and is equal to 0.05% *times* the closing indicative note value on the applicable valuation date. The redemption

charge is intended to allow Issuer to recoup the brokerage and other transaction costs that it will incur in connection with redeeming the ETNs. The proceeds Issuer receives from the redemption charge may be greater or less than such costs.

The ETNs will initially be issued in denominations of \$20.

For a more complete description of the Securities and the payment at maturity, early repurchase provisions, early repurchase mechanics, valuation, fees and risk factors, and consult the prospectus ("Prospectus").

### **Publication of Index Values**

The value of the Index at the close of trading on each index business day will be published by Bloomberg under the ticker symbol: SPVXSP

### **Intraday Indicative Note Value**

The intraday indicative note value for each ETN on any valuation date will equal (a) the principal amount per ETN *plus* (b) the intraday inverse index performance amount *plus* (c) the accrued interest on the immediately preceding calendar day *minus* (d) the accrued fees on the immediately preceding calendar day; *provided* that if such calculation results in a negative value, the intraday indicative note value will be \$0. The intraday indicative note value will be published by NYSE Arca every 15 seconds on each valuation date under the ticker symbol "XXV.IV". As the intraday indicative note value is calculated using the accrued fees and the accrued interest on the immediately preceding calendar day, the intraday indicative note value published at any time during trading day.

### **Investment Risks**

The ETNs are unsecured indebtedness of Barclays Bank PLC and are not secured debt. The ETNs are riskier than ordinary unsecured debt securities. The return on the ETNs is linked to the inverse performance of the Index. Investing in the ETNs is not equivalent to directly taking short positions in the futures included in the Index or the Index itself.

If periods of high market volatility occur during the term of the ETNs, in particular in connection with rapid market downturns and stress events, the level of the Index may increase at a precipitous rate, which may result in triggering an automatic termination event. If the historical frequency of precipitous increases in market volatility persist, it is highly likely that an automatic termination event will occur. Other risks include changing prices of the VIX futures contracts, index risk, hedging activity risk, stock market risk and interest rate risk. See the Prospectus, available at [www.barx-is.com](http://www.barx-is.com), for additional risk information.

### **Prospectus Delivery**

Members are advised to consult the "Supplemental Plan of Distribution" in the Prospectus regarding prospectus delivery requirements.

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

The ETNs are considered equity securities, thus rendering trading in the Securities 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 iPath Exchange Traded Notes (SEC Letter dated July 27, 2006) and iPath Exchange- Traded Notes (SEC Letter dated May 30, 2006) 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, available at [www.sec.gov](http://www.sec.gov), 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 affected 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 offerings 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>	<b>Cusip</b>
XXV	Barclays ETN+ Inverse S&P 500 VIX Short-Term Futures ETN	06740L592