



**BZX Information Circular 11-083**  
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**Date:** July 11, 2011

**Re:** iPath® Long Enhanced S&P 500 VIX Mid-Term Futures ETN

Pursuant to Rule 14.1(c)(2) of the Rules of BATS Exchange, Inc. and BATS Y-Exchange, Inc. (the "Exchange"), this Information Circular is being issued to advise you that the following securities have been approved for trading on the Exchange as UTP Derivative Securities pursuant to Chapter XIV of the Exchange's Rules.

<u>Security ("Notes")</u>	<u>Symbol</u>
iPath® Long Enhanced S&P 500 VIX Mid-Term Futures TM ETN(II)	VZZB

**Commencement of Trading on the Exchange:** July 12, 2011

**Issuer/Trust:** Barclays Bank PLC

**Issuer Website:** [www.ipathetn.com](http://www.ipathetn.com)

**Primary Listing Exchange:** NYSE Arca

**Primary Exchange Circular:** RB-11-92 (July 11, 2011)

**Registration Statement:** No. 333-169119

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in this new product on the Exchange, as well as to provide certain characteristics and features of the Notes.

**Background Information on the Notes**

Barclays Bank PLC (the "Issuer") has issued iPath Exchange Traded Notes ("ETNs" or "Notes") linked to the leveraged performance of the S&P 500 VIX Mid-Term Futures Index (the "Index"). The Notes were priced at \$30. The ETNs do not pay any interest during their term and do not guarantee any return of principal at maturity or upon redemption.

The return on the ETNs is linked to a leveraged participation in the performance of the Index. The Index is designed to reflect the returns that are potentially available through an unleveraged investment in four-, five-, six- and seven-month futures contracts ("VIX futures") on the CBOE Volatility Index (the "VIX Index") that targets a constant weighted average futures maturity of five months. 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.

If an investor holds his ETNs to maturity, he will receive a cash payment per ETN equal to the closing indicative note value of the ETNs on the final valuation date for his ETNs.

The closing indicative note value for each ETN on the initial valuation date will equal \$30. On any subsequent calendar day until maturity or redemption of the ETNs, the closing indicative note value for each ETN will equal (a) the long index amount on such calendar day minus (b) the financing level on such calendar day; provided that if such calculation results in a negative value, the closing indicative note value will be \$0.

On the initial valuation date, the long index amount for each ETN will equal \$60, or two times the principal amount per ETN. On any subsequent calendar day until maturity or redemption of the ETNs, the long index amount for each ETN will equal the product of (a) the long index amount on the initial valuation date times (b) the index performance factor on such calendar day.

The index performance factor on the initial valuation date will equal 1. On any subsequent calendar day until maturity or redemption of the ETNs, the index performance factor will equal (a) the closing level of the Index on such calendar day (or, if such calendar day is not an index business day, the closing level of the Index on the immediately preceding index business day) divided by (b) the closing level of the Index on the initial valuation date.

On the initial valuation date, the financing level for each ETN will equal \$30. On any subsequent calendar day until maturity or redemption of the ETNs, the financing level for each ETN will equal the sum of (a) the financing level on the immediately preceding calendar day plus (b) the daily financing charge plus (c) the daily investor fee.

On the initial valuation date, the daily financing charge for each ETN will equal \$0. On any subsequent calendar day until maturity or redemption of the ETNs, the daily financing charge for each ETN will equal the product of (a) the financing level on the immediately preceding calendar day times (b) the financing rate divided by (c) 360. Because the daily investor fee accrues as part of the financing level and the daily financing charge is calculated on the basis of the financing level, a portion of the daily financing charge will reflect the incremental increase of the financing level attributable to the accrued daily investor fee.

On the initial valuation date, the daily financing charge for each ETN will equal \$0. On any subsequent calendar day until maturity or redemption of the ETNs, the daily financing charge for each ETN will equal the product of (a) the financing level on the immediately preceding calendar day times (b) the financing rate divided by (c) 360. Because the daily investor fee accrues as part of the financing level and the daily financing charge is calculated on the basis of the financing level, a portion of the daily financing charge will reflect the incremental increase of the financing level attributable to the accrued daily investor fee.

The financing rate will equal the sum of (a) 0.89% plus (b) the most recent 3-month London InterBank Offered Rate (LIBOR) fixing for U.S. dollars effective on the immediately preceding business day, as published by the British Bankers' Association (the "3-month LIBOR rate"). The fixing is conducted each day at 11:00 a.m. (London time) and published on Bloomberg page "US0003M Index."

On the initial valuation date, the daily investor fee for each ETN will equal \$0. On any subsequent calendar day until maturity or redemption of the ETNs, the daily investor fee for each ETN will equal the product of (a) the closing indicative note value on the immediately preceding calendar day times (b) the fee rate divided by (c) 365. Because the daily investor fee is calculated as part of the financing level, through which it is subtracted from the closing indicative note value on a daily basis, the net effect of the daily investor fee accumulates over time and is subtracted at a rate per year equal to 0.89%. In addition, as described above, a portion of the daily financing charge will reflect the incremental increase of the financing level attributable to the accrued daily investor fee.

The fee rate for the ETNs is 0.89%.

Please see the prospectus for the Notes for more details regarding the calculations and details regarding the Index.

It is expected that the market value of the Notes will depend substantially on the value of the Index and may be affected by a number of other interrelated factors including, among other things: the general level of interest rates, the volatility of the Index, the time remaining to maturity, the dividend yield of the stocks comprising the Index, and the credit ratings of the Issuer.

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

Trading in the Notes on BATS is subject to BATS equity trading rules.

### **Trading Hours**

The Notes will trade on BATS between 8:00 a.m. and 5:00 p.m. ET.

Please note that trading in the Notes during the Exchange's Pre-Opening and After Hours Trading Sessions may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Pre-Opening and After Hours Trading Sessions, (2) lower liquidity in the Pre-Opening and After Hours Trading Sessions may impact pricing, (3) higher volatility in the Pre-Opening and After Hours Trading Sessions may impact pricing, (4) wider spreads may occur in the Pre-Opening and After Hours Trading Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Pre-Opening or After Hours Trading Sessions, an investor who is unable to calculate an implied value for the Shares in those sessions may be at a disadvantage to market professionals.

### **Suitability**

Trading in the securities on BATS will be subject to the provisions of Exchange Rule 3.7. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer. Members should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

### **Trading Halts**

BATS will halt trading in the shares of a security in accordance with BATS Rule 14.1(c)(4). The grounds for a halt under BATS Rule 14.1(c)(4) include a halt by the primary market because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, BATS will stop trading the shares of a security if the primary market de-lists the security.

**This Information Circular is not a statutory prospectus. BATS Members should consult the prospectus for a security and the security's website for relevant information.**

Please contact Membership Services at 913.815.7002 with any inquiries regarding this Information Circular.