

OMB APPROVAL

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. SR - 2007 - 48
Amendment No.

Proposed Rule Change by Chicago Board Options Exchange
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial ☒	Amendment ☐	Withdrawal ☐	Section 19(b)(2) ☒	Section 19(b)(3)(A) ☐	Section 19(b)(3)(B) ☐
Pilot ☐			Rule		
Extension of Time Period for Commission Action ☐			Date Expires 		
			☐ 19b-4(f)(1) ☐ 19b-4(f)(4) ☐ 19b-4(f)(2) ☐ 19b-4(f)(5) ☐ 19b-4(f)(3) ☐ 19b-4(f)(6)		

Exhibit 2 Sent As Paper Document
☐

Exhibit 3 Sent As Paper Document
☐

Description

Provide a brief description of the proposed rule change (limit 250 characters).

Filing to trade EWC on CBSX via UTP.

Contact Information

Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name Last Name
Title
E-mail
Telephone Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date

By
(Name)

(Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3).

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

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Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

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Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) The Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") proposes to trade on its stock trading facility, the CBOE Stock Exchange ("CBSX"), the iShares MSCI Canada Index Fund ("Fund," ticker: EWC) pursuant to unlisted trading privileges ("UTP"):

(b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any Exchange rule in effect at the time of this filing.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

(a) CBOE's Office of the Chairman, pursuant to delegated authority, approved the proposed rule change on April 2, 2007. No further action is required.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, General Counsel, CBOE, 400 South LaSalle, Chicago, IL 60605, (312) 786-7462 or Angelo Evangelou, (312) 786-7464.

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

(a) Purpose

The Exchange is proposing to trade the iShares MSCI Canada Index Fund pursuant to unlisted trading privileges ("UTP"). The Fund seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the Canadian market, as measured by the MSCI

Canada Index ("Index"). The Commission previously approved the original listing and trading of the Fund on the American Stock Exchange ("Amex").¹ Subsequently, the Commission approved the listing and trading of the Fund on the Pacific Exchange, which is now known as NYSE Arca.²

The Exchange deems the Fund to be an equity security, thus rendering trading in the Fund subject to the Exchange's existing rules governing the trading of equity securities. The trading hours for the Fund on CBSX would be 8:15 a.m. until 3:15 p.m. Central Time (unless the intraday indicative value ("IIV") of the Fund is not being calculated and widely disseminated before 8:30 a.m., in which case trading will begin at 8:30 a.m.; and unless the Amex closes trading at 3:00 p.m., in which case trading will end at 3:00 p.m.).

Quotations for and last sale information regarding the Fund are disseminated through the Consolidated Quotation System. The value of the Index is updated intraday on a real-time basis as individual component securities of the Index change in price. The intraday value of the Index is disseminated every 15 seconds throughout the trading day. In addition, a value for the Index is disseminated once each trading day, based on closing prices in the relevant exchange markets.

¹ See Exchange Act Release No. 36947 (March 8, 1996), 61 FR 10606 (March 14, 1996).

² See Exchange Act Release No. 53230 (February 6, 2006), 71 FR 7594 (February 13, 2006)(approving SR-2005-116, which permitted the listing and trading on the Pacific Exchange of the Fund, as well as other iShares MSCI international index funds). See also Exchange Act Release No. 53615 (April 7, 2006), 71 FR 19226 (April 13, 2006)(approving SR-PCX-2006-24, which changed the name of the Pacific Exchange to NYSE Arca, and made other related name changes).

To provide updated information relating to the Shares for use by investors, professionals, and persons wishing to create or redeem them, Amex disseminates through the facilities of the Consolidated Tape Association the IIV for the Fund as calculated by a securities information provider. The IIV is disseminated on a per-share basis every 15 seconds during regular Amex trading hours. CBOE Rule 52.3 provides that, if the IIV ceases to be widely available, CBSX would cease trading the Fund.³

In connection with the trading of the Fund, the Exchange would inform members and member organizations in an Information Circular of the special characteristics and risks associated with trading the Fund, including how they are created and redeemed, the prospectus or product description delivery requirements applicable to the Fund, applicable Exchange rules, how information about the value of the underlying Index is disseminated, and trading information. In addition, before a member recommends a transaction in the Fund, the member must determine that the Fund is suitable for the customer as required by CBOE Rule 53.6.

The Exchange intends to utilize its existing surveillance procedures applicable to derivative products to monitor trading in the Fund. The Exchange represents that these procedures are adequate to monitor Exchange trading of the Fund.

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Fund. Trading may be halted

³ See Securities Exchange Act Release No. 55736 (May 10, 2007) (Approving the addition of provisions to CBOE Rule 52.3, which provisions relate to trading halts for exchange-traded funds trading pursuant to unlisted trading privileges on CBSX).

because of market conditions or for reasons that, in the view of the Exchange, make trading in the Fund inadvisable. These may include: (1) the extent to which trading is not occurring in the securities comprising the Index and/or the financial instruments of the Fund, or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. In addition, trading in the Fund would be subject to trading halts caused by extraordinary market volatility pursuant to the Exchange's "circuit breaker" rule.⁴

Moreover, the Exchange represents that it would cease trading the Fund if the listing market stopped trading the Fund because of a regulatory halt similar to a halt based on CBOE Rule 6.3. UTP trading in the Fund is also governed by the trading halts provisions of CBOE Rule 52.3 relating to temporary interruptions in the calculation or wide dissemination of the IIV or the value of the underlying index.

(b) Statutory Basis

CBOE believes that the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act")⁵ and the rules and regulations under the Act applicable to a national securities exchange and, in particular, the requirements of Section 6(b) of the Act.⁶ Specifically, the Exchange believes the proposed rule change is consistent with

⁴ CBOE Rule 6.3B.

⁵ 15 U.S.C. 78a et seq.

⁶ 15 U.S.C. 78(f)(b).

the Section 6(b)(5)⁷ requirements that an exchange have rules that are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and to protect investors and the public interest. In addition, CBOE believes that the proposal is consistent with Rule 12f-5 under the Act⁸ because it deems the Fund to be an equity security, thus rendering trading in the Fund subject to the Exchange's existing rules governing the trading of equity securities.

4. Self-Regulatory Organization's Statement on Burden on Competition

CBOE 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.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposal.

6. Extension of Time Period for Commission Action

CBOE does not consent to an extension of the time-period for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

CBOE requests that the Commission grant accelerated approval of this proposed rule change pursuant to Section 19(b)(2) of the Act. The Exchange believes that accelerated approval is appropriate because the proposed rule change does not raise any

⁷ 15 U.S.C. 78(f)(b)(5).

⁸ 17 CFR 240.12f-5.

new regulatory issues for the Commission to consider and does not disturb the protection of investors or the public interest.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Exhibits

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-CBOE-2007-48)

[date]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Chicago Board Options Exchange to Trade the iShares MSCI Canada Index Fund Pursuant to Unlisted Trading Privileges

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on May 10, 2007, the Chicago Board Options Exchange, Incorporated ("CBOE" 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 and order to solicit comments on the proposal from interested persons and to approve the proposal on an accelerated basis.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Chicago Board Options Exchange is proposing to trade, on the CBOE Stock Exchange ("CBSX"), the iShares MSCI Canada Index Fund ("Fund," ticker: EWC) pursuant to unlisted trading privileges ("UTP"). The text of the proposed rule change is available from the Exchange's website (<http://www.cboe.org/Legal>), at the principal office of the Exchange, 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 Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

received on the proposed rule change. The text of these statements may be examined at the places specified in Item III below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects 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 is proposing to trade the iShares MSCI Canada Index Fund pursuant to unlisted trading privileges ("UTP"). The Fund seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the Canadian market, as measured by the MSCI Canada Index ("Index"). The Commission previously approved the original listing and trading of the Fund on the American Stock Exchange ("Amex").³ Subsequently, the Commission approved the listing and trading of the Fund on the Pacific Exchange, which is now known as NYSE Arca.⁴

The Exchange deems the Fund to be an equity security, thus rendering trading in the Fund subject to the Exchange's existing rules governing the trading of equity securities. The trading hours for the Fund on CBSX would be 8:15 a.m. until 3:15 p.m. Central Time (unless the intraday indicative value ("IIV") of the Fund is not being calculated and widely disseminated before 8:30 a.m., in which case trading will begin at

³ See Exchange Act Release No. 36947 (March 8, 1996), 61 FR 10606 (March 14, 1996).

⁴ See Exchange Act Release No. 53230 (February 6, 2006), 71 FR 7594 (February 13, 2006)(approving SR-2005-116, which permitted the listing and trading on the Pacific Exchange of the Fund, as well as other iShares MSCI international index funds). See also Exchange Act Release No. 53615 (April 7, 2006), 71 FR 19226 (April 13, 2006)(approving SR-PCX-2006-24, which changed the name of the Pacific Exchange to NYSE Arca, and made other related name changes).

8:30 a.m.; and unless the Amex closes trading at 3:00 p.m., in which case trading will end at 3:00 p.m.).

Quotations for and last sale information regarding the Fund are disseminated through the Consolidated Quotation System. The value of the Index is updated intraday on a real-time basis as individual component securities of the Index change in price. The intraday value of the Index is disseminated every 15 seconds throughout the trading day. In addition, a value for the Index is disseminated once each trading day, based on closing prices in the relevant exchange markets.

To provide updated information relating to the Shares for use by investors, professionals, and persons wishing to create or redeem them, Amex disseminates through the facilities of the Consolidated Tape Association the IIV for the Fund as calculated by a securities information provider. The IIV is disseminated on a per-share basis every 15 seconds during regular Amex trading hours. CBOE Rule 52.3 provides that, if the IIV ceases to be widely available, CBSX would cease trading the Fund.⁵

In connection with the trading of the Fund, the Exchange would inform members and member organizations in an Information Circular of the special characteristics and risks associated with trading the Fund, including how they are created and redeemed, the prospectus or product description delivery requirements applicable to the Fund, applicable Exchange rules, how information about the value of the underlying Index is disseminated, and trading information. In addition, before a member recommends a transaction in the Fund, the member must determine that the Fund is suitable for the

⁵ See Securities Exchange Act Release No. 55736 (May 10, 2007) (Approving the addition of provisions to CBOE Rule 52.3, which provisions relate to trading halts for exchange-traded funds trading pursuant to unlisted trading privileges on CBSX).

customer as required by CBOE Rule 53.6.

The Exchange intends to utilize its existing surveillance procedures applicable to derivative products to monitor trading in the Fund. The Exchange represents that these procedures are adequate to monitor Exchange trading of the Fund.

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Fund. Trading may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Fund inadvisable. These may include: (1) the extent to which trading is not occurring in the securities comprising the Index and/or the financial instruments of the Fund, or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. In addition, trading in the Fund would be subject to trading halts caused by extraordinary market volatility pursuant to the Exchange's "circuit breaker" rule.⁶

Moreover, the Exchange represents that it would cease trading the Fund if the listing market stopped trading the Fund because of a regulatory halt similar to a halt based on CBOE Rule 6.3. UTP trading in the Fund is also governed by the trading halts provisions of CBOE Rule 52.3 relating to temporary interruptions in the calculation or wide dissemination of the IIV or the value of the underlying index.

2. Statutory Basis

CBOE believes that the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act")⁷ and the rules and regulations under the Act applicable

⁶ CBOE Rule 6.3B.

⁷ 15 U.S.C. 78a et seq.

to a national securities exchange and, in particular, the requirements of Section 6(b) of the Act.⁸ Specifically, the Exchange believes that the proposed rule change is consistent with the Section 6(b)(5)⁹ requirements that an exchange have rules designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and to protect investors and the public interest. In addition, CBOE believes that the proposal is consistent with Rule 12f-5 under the Act¹⁰ because it deems the Fund to be an equity security, thus rendering trading in the Fund subject to the Exchange's existing rules governing the trading of equity securities.

B. Self-Regulatory Organization's Statement on Burden on Competition

CBOE does not believe that the proposed rule change will impose any burden on competition 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

The Exchange neither solicited nor received comments on the proposal.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

⁸ 15 U.S.C. 78(f)(b).

⁹ 15 U.S.C. 78(f)(b)(5).

¹⁰ 17 CFR 240.12f-5.

(A) by order approve such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

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. Please include File Number SR-CBOE-2007-48 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2007-48. This file number should be included on the 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 website (<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 inspection and copying in the Commission's Public Reference Room, Station Place, 100 F Street NE, Washington, DC 20549-1090. Copies of such filing also will be available for inspection and copying at the principal office of the Chicago Board Options Exchange, Incorporated. 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-CBOE-2007-48 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Secretary

¹¹ 17 CFR 200.30-3(a)(12).