

## OMB APPROVAL

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Page 1 of 20

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

File No. SR - 2007 - 140

Amendment No. 

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

Initial <input checked="" type="checkbox"/>	Amendment <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input checked="" type="checkbox"/>	Section 19(b)(3)(A) <input type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action <input type="checkbox"/>	Excluded <input type="text"/>
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Rule

<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)

☐ I am filing this form as a "Pre-Approval" document.  
☐ I am filing this form as a "Post-Approval" document.

**Description**

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

Proposed rule change to list and trade options on the iShares MSCI Mexico Index Fund.

**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 Jennifer Last Name Yeadon  
Title Senior Attorney  
E-mail yeadon@cboe.com  
Telephone (312) 786-7466 Fax (312) 786-7919

**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 11/23/2007

By Jennifer Yeadon

(Name)

Senior Attorney / Assistant Secretary

(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.

Jenny Klebes: klebes@cboe.com

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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Exhibit Sent As Paper Document

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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 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

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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 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 Proposed Rule Change

(a) Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") proposes to list and trade options on the iShares MSCI Mexico Index Fund.

(b) Not applicable.

(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 November 21, 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 Jennifer Yeadon, (312) 786-7466.

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

(a) Purpose

The purpose of the proposed rule change is to obtain approval to list for trading on the Exchange options on the iShares MSCI Mexico Index Fund ("Fund"). The Exchange currently has in place initial listing and maintenance standards set forth in CBOE Rules 5.3.06 and 5.4.08, respectively (the "Listing Standards"), that are designed to allow the Exchange to list options on funds structured as open-end investment companies, such as the Fund, without having to file for Commission approval to list for trading options on the Fund.<sup>1</sup> The Exchange submits that the Fund meets substantially all

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<sup>1</sup> CBOE Rules 5.3.06 and 5.4.08 set forth the initial listing and maintenance standards for registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trust or other

of the Listing Standard requirements. In particular, all of the requirements set forth in CBOE Rule 5.3.06 are met, except for the requirement concerning the existence of a comprehensive surveillance sharing agreement ("CSSA"). However, the Exchange submits that sufficient mechanisms exist that would provide the Exchange with adequate surveillance and regulatory information with respect to the Fund.

The Fund is registered pursuant to the Investment Company Act of 1940 as a management investment company designed to hold a portfolio of securities that track the MSCI Mexico Index ("Index").<sup>2</sup> The Index consists of stocks traded primarily on the Bolsa Mexicana de Valores (the "Bolsa"). The Fund employs a "representative sampling" methodology to track the Index, which means that the Fund invests in a representative sample of securities in the Index that have a similar investment profile as the Index.<sup>3</sup> Barclays Global Fund Advisors ("BGFA" or the "Adviser") expects the Fund to closely track the Index so that, over time, a tracking error of 5% or less is exhibited. Securities selected by the Fund have aggregate investment characteristics (based on market capitalization and industry weightings), fundamental characteristics (such as return variability, earnings valuation and yield) and liquidity measures similar to those of the Index. The Fund will not concentrate its investments (i.e., hold 25% or more of its

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similar entities traded on a national securities exchange or through the facilities of a national securities exchange.

<sup>2</sup> Morgan Stanley Capital International Inc. ("MSCI") created and maintains the Index.

<sup>3</sup> As of October 31, 2007, the Fund was comprised of 27 securities. America Movil SAB de CV- Series L had the greatest individual weight at 23.99%. The aggregate percentage weighting of the top five and ten securities in the Fund were 59.16% and 78.33%, respectively. More information may be accessed at the iShares MSCI Mexico Index Fund (EWW) website.

total assets in the stocks of a particular industry or group of industries), except, to the extent practicable, to reflect the concentration of the Index. The Fund will invest at least eighty percent (80%) of its assets in the securities comprising the Index and/or related American Depositary Receipts ("ADRs"). In addition, at least ninety percent (90%) of the Fund's assets will be invested in the securities comprising the Index or in other related Mexican securities or ADRs. The Fund may also invest its other assets in futures contracts, options on futures contracts, listed options, over-the-counter ("OTC") options and swaps related to the Index, as well as cash and cash equivalents. The Exchange believes that these requirements and policies prevent the Fund from being excessively weighted in any single security or small group of securities and significantly reduce concerns that trading in the Fund could become a surrogate for trading in unregistered securities.

Shares of the Fund ("Fund Shares") are issued and redeemed, on a continuous basis, at net asset value ("NAV") in aggregation size of 100,000 shares, or multiples thereof (a "Creation Unit"). Following issuance, Fund Shares are traded on an exchange like any other equity securities. The Fund Shares trade in the secondary markets in amounts less than a Creation Unit and the price per Fund Share may differ from its NAV, which is calculated once daily as of the regularly scheduled close of business of the New York Stock Exchange ("NYSE").<sup>4</sup>

State Street Bank and Trust Company, the administrator, custodian, and transfer agent for the Fund, calculates the Fund's NAV. Detailed information on the Fund can be found at [www.ishares.com](http://www.ishares.com).

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<sup>4</sup> The regularly scheduled close of trading in the NYSE is normally 4:00 p.m. Eastern Time ("ET").

The Exchange has reviewed the Fund and determined that the Fund Shares satisfy the Listing Standards, except for the requirement set forth in CBOE Rule 5.3.06(A), which requires the Fund to meet the following condition, "any non-U.S. component securities of an index or portfolio of securities on which the Units are based that are not subject to comprehensive surveillance agreements do not in the aggregate represent more than 50% of the weight of the index or portfolio[.]" The Exchange currently does not have in place a surveillance agreement with Bolsa.

The Exchange notes that the Commission, in the past, has been willing to allow a national securities exchange to rely on a memorandum of understanding entered into between regulators in the event the exchanges themselves cannot enter into a CSSA.

The Exchange previously made attempts to enter into a CSSA with Bolsa as part of seeking approval to list and trade options on: (1) the CBOE Mexico 30 Index; (2) the iShares MSCI Emerging Markets Index Fund ("EEM"); and (3) the Vanguard Emerging Markets Fund ("VWO"), each of which held non-U.S. component securities that traded on Bolsa.<sup>5</sup> The Exchange also understands that the American Stock Exchange ("Amex") previously attempted to enter into a CSSA with Bolsa as part of seeking approval to list and trade options on the Mexico Index.<sup>6</sup>

The Commission noted in the Approval Order regarding the CBOE Mexico 30 Index that, in cases where it would be impossible to secure a CSSA, the Commission has

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<sup>5</sup> See Securities Exchange Act Release Nos. 36415 (October 25, 1995), 60 FR 559620 (November 1, 1995) (SR-CBOE-95-45); 53621 (April 10, 2006), 71 FR 79568 (April 14, 2006) (SR-CBOE-2006-82); and 55491 (March 19, 2007), 72 FR 14145 (March 26, 2007) (SR-CBOE-2006-95).

<sup>6</sup> See Securities Exchange Act Release No. 34500 (August 8, 1994), 59 FR 41534 (August 12, 1994) (SR-Amex-94-20).

relied in the past on surveillance sharing agreements between the relevant regulators. The Commission further noted in the Approval Order that, pursuant to the terms of the memorandum of understanding executed by the Commission and the CNBV,<sup>7</sup> dated October 18, 1990 ("MOU"), it was the Commission's understanding that both the Commission and the CNBV could acquire information from and provide information to the other, similar to that which would be required in a CSSA between exchanges. Therefore, should CBOE need information on Mexican trading in the component securities of the CBOE Mexico 30 Index, the Commission could request such information from the CNBV under the MOU.

The practice of relying on surveillance agreements between regulators when a foreign exchange was unable or unwilling to provide a CSSA was affirmed by the Commission in the Commission's New Product Release ("New Product Release").<sup>8</sup> The Commission noted in the New Product Release that if securing a CSSA is not possible, an exchange should contact the Commission prior to listing a new derivative securities product. The Commission also noted that the Commission may determine instead that it is appropriate to rely on a memorandum of understanding between the Commission and the foreign regulator.

The Exchange requests that the Commission allow the listing and trading of the Fund Shares without a CSSA, upon reliance of the MOU entered into between the Commission and the CNBV, until the Exchange is able to secure a CSSA with Bolsa.

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<sup>7</sup> The National Commission for Banking and Securities, or "CNBV," is Mexico's regulatory body for financial markets and banking.

<sup>8</sup> See Securities Exchange Act Release No. 40761 (December 8, 1998), 63 FR 70952 (December 22, 1998), at note 101.

The Exchange believes this request is reasonable and notes that the Commission has provided similar relief in the past. For example, the Commission approved, on a pilot basis, two CBOE proposals to list and trade options on the EEM and on the VWO.<sup>9</sup>

The Commission's approval of this request to list and trade options on the Fund would otherwise render the Fund compliant with all of the Listing Standards.

(b) Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934<sup>10</sup> (the "Act") in general and furthers the objectives of Section 6(b)(5)<sup>11</sup> in particular in that it is designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system, and, in general, protect investors and the public interest. Further, this proposed rule change is similar to a proposal that was submitted by Amex and recently approved by the Commission.<sup>12</sup>

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<sup>9</sup> See Securities Exchange Act Release Nos. 53621 (April 10, 2006), 71 FR 19568 (April 14, 2006) (SR-CBOE-2006-32); 53930 (June 1, 2006), 71 FR 33322 (June 8, 2006) (SR-CBOE-2006-56); 54347 (August 22, 2006), 71 FR 51242 (August 29, 2006) (SR-CBOE-2006-72); 54876 (December 5, 2006), 71 FR 74968 (December 13, 2006) (SR-CBOE-2006-103); and 55758 (May 14, 2007), 72 FR 28090 (May 18, 2007) (SR-CBOE-2007-43); and 55491 (March 19, 2007), 72 FR 14145 (March 26, 2007) (SR-CBOE-2006-95).

<sup>10</sup> 15 U.S.C. 78f(b).

<sup>11</sup> 15 U.S.C. 78f(b)(5).

<sup>12</sup> See Securities Exchange Act Release No. 56778 (November 9, 2007), 72 FR 65113 (November 19, 2007) (SR-Amex-2007-100); see also SR-ISE-2007-111 (pending rule filing proposing similar rule change).



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

The Exchange does not believe that the proposed rule change will impose a 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

No written comments were solicited or received with respect to the proposed rule change.

6. Extension of Time Period for Commission Action

The Exchange does not consent to an extension of the time period for Commission action specified in Section 19(b)(2) of the Act.<sup>13</sup>

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)

The Exchange requests accelerated effectiveness of the proposed rule change pursuant to Rule 19(b)(2) of the Act. The Commission recently approved a substantially similar filing submitted by Amex.<sup>14</sup> The Exchange believes that this proposed rule change, which is essential for competitive purposes and to promote a free and open market for the benefit of investors, does not raise any new, unique or substantive issues from those raised in the filing submitted by the Amex. As such, the Exchange requests that the Commission grant accelerated approval of this propose rule change.

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

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<sup>13</sup> 15 U.S.C. 78s(b)(2).

<sup>14</sup> See supra note 12.

This proposed rule change is similar to a proposal of the Amex.<sup>15</sup>

9. Exhibits

Exhibit 1. Form of Notice of Proposed Rule Change for Publication in the  
Federal Register.

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<sup>15</sup>

See id.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-CBOE-2007-140)

Dated: \_\_\_\_\_

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change to List and Trade Options on Shares of the iShares MSCI Mexico Index Fund

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 \_\_\_\_\_, 2007, the Chicago Board Options Exchange, Incorporated ( "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. The Commission is publishing this notice and order to solicit comments on the proposal from interested persons and to approve the proposed rule change on an accelerated basis.

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

CBOE proposes to list and trade options on the iShares MSCI Mexico Index Fund. The text of the proposed rule change is available on the Exchange's website ([www.cboe.org/Legal](http://www.cboe.org/Legal)), at the Exchange's Office of the Secretary and at the Commission's Public Reference Room.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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

The purpose of the proposed rule change is to obtain approval to list for trading on the Exchange options on the iShares MSCI Mexico Index Fund ("Fund"). The Exchange currently has in place initial listing and maintenance standards set forth in CBOE Rules 5.3.06 and 5.4.08, respectively (the "Listing Standards"), that are designed to allow the Exchange to list options on funds structured as open-end investment companies, such as the Fund, without having to file for Commission approval to list for trading options on the Fund.<sup>3</sup> The Exchange submits that the Fund meets substantially all of the Listing Standards requirements. In particular, all of the requirements set forth in CBOE Rule 5.3.06 are met, except for the requirement concerning the existence of a comprehensive surveillance sharing agreement ("CSSA"). However, the Exchange submits that sufficient mechanisms exist that

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<sup>3</sup> CBOE Rules 5.3.06 and 5.4.08 set forth the initial listing and maintenance standards for registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trust or other similar entities traded on a national securities exchange or through the facilities of a national securities exchange.

would provide the Exchange with adequate surveillance and regulatory information with respect to the Fund.

The Fund is registered pursuant to the Investment Company Act of 1940 as a management investment company designed to hold a portfolio of securities that track the MSCI Mexico Index ("Index").<sup>4</sup> The Index consists of stocks traded primarily on the Bolsa Mexicana de Valores (the "Bolsa"). The Fund employs a "representative sampling" methodology to track the Index, which means that the Fund invests in a representative sample of securities in the Index that have a similar investment profile as the Index.<sup>5</sup> Barclays Global Fund Advisors ("BGFA" or the "Adviser") expects the Fund to closely track the Index so that, over time, a tracking error of 5% or less is exhibited. Securities selected by the Fund have aggregate investment characteristics (based on market capitalization and industry weightings), fundamental characteristics (such as return variability, earnings valuation and yield) and liquidity measures similar to those of the Index. The Fund will not concentrate its investments (i.e., hold 25% or more of its total assets in the stocks of a particular industry or group of industries), except, to the extent practicable, to reflect the concentration of the Index. The Fund will invest at least eighty percent (80%) of its assets in the securities comprising the Index and/or related American Depositary Receipts ("ADRs"). In addition, at least ninety percent (90%) of the Fund's assets will be invested in the securities comprising the Index or in other related Mexican securities or ADRs. The Fund may also

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<sup>4</sup> Morgan Stanley Capital International Inc. ("MSCI") created and maintains the Index.

<sup>5</sup> As of October 31, 2007, the Fund was comprised of 27 securities. America Movil SAB de CV- Series L had the greatest individual weight at 23.99%. The aggregate percentage weighting of the top five and ten securities in the Fund were 59.16% and 78.33%, respectively. More information may be accessed at the iShares MSCI Mexico Index Fund (EWW) [website](#).

invest its other assets in futures contracts, options on futures contracts, listed options, over-the-counter ("OTC") options and swaps related to the Index, as well as cash and cash equivalents. The Exchange believes that these requirements and policies prevent the Fund from being excessively weighted in any single security or small group of securities and significantly reduce concerns that trading in the Fund could become a surrogate for trading in unregistered securities.

Shares of the Fund ("Fund Shares") are issued and redeemed, on a continuous basis, at net asset value ("NAV") in aggregation size of 100,000 shares, or multiples thereof (a "Creation Unit"). Following issuance, Fund Shares are traded on an exchange like any other equity securities. The Fund Shares trade in the secondary markets in amounts less than a Creation Unit and the price per Fund Share may differ from its NAV, which is calculated once daily as of the regularly scheduled close of business of the New York Stock Exchange ("NYSE").<sup>6</sup>

State Street Bank and Trust Company, the administrator, custodian, and transfer agent for the Fund, calculates the Fund's NAV. Detailed information on the Fund can be found at [www.ishares.com](http://www.ishares.com).

The Exchange has reviewed the Fund and determined that the Fund Shares satisfy the Listing Standards, except for the requirement set forth in CBOE Rule 5.3.06(A), which requires the Fund to meet the following condition, "any non-U.S. component securities of an index or portfolio of securities on which the Units are based that are not subject to comprehensive surveillance agreements do not in the aggregate represent more than 50% of

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<sup>6</sup> The regularly scheduled close of trading in the NYSE is normally 4:00 p.m. Eastern Time ("ET").

the weight of the index or portfolio[.]" The Exchange currently does not have in place a surveillance agreement with Bolsa.

The Exchange notes that the Commission, in the past, has been willing to allow a national securities exchange to rely on a memorandum of understanding entered into between regulators in the event the exchanges themselves cannot enter into a CSSA.

The Exchange previously made attempts to enter into a CSSA with Bolsa as part of seeking approval to list and trade options on: (1) the CBOE Mexico 30 Index; (2) the iShares MSCI Emerging Markets Index Fund ("EEM"); and (3) the Vanguard Emerging Markets Fund ("VWO"), each of which held non-U.S. component securities that traded on Bolsa.<sup>7</sup> The Exchange also understands that the American Stock Exchange ("Amex") previously attempted to enter into a CSSA with Bolsa as part of seeking approval to list and trade options on the Mexico Index.<sup>8</sup>

The Commission noted in the Approval Order regarding the CBOE Mexico 30 Index that, in cases where it would be impossible to secure a CSSA, the Commission has relied in the past on surveillance sharing agreements between the relevant regulators. The Commission further noted in the Approval Order that, pursuant to the terms of the memorandum of understanding executed by the Commission and the CNBV,<sup>9</sup> dated October

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<sup>7</sup> See Securities Exchange Act Release Nos. 36415 (October 25, 1995), 60 FR 559620 (November 1, 1995) (SR-CBOE-95-45); 53621 (April 10, 2006), 71 FR 79568 (April 14, 2006) (SR-CBOE-2006-82); and 55491 (March 19, 2007), 72 FR 14145 (March 26, 2007) (SR-CBOE-2006-95).

<sup>8</sup> See Securities Exchange Act Release No. 34500 (August 8, 1994), 59 FR 41534 (August 12, 1994) (SR-Amex-94-20).

<sup>9</sup> The National Commission for Banking and Securities, or "CNBV," is Mexico's regulatory body for financial markets and banking.

18, 1990 ("MOU"), it was the Commission's understanding that both the Commission and the CNBV could acquire information from and provide information to the other, similar to that which would be required in a CSSA between exchanges. Therefore, should CBOE need information on Mexican trading in the component securities of the CBOE Mexico 30 Index, the Commission could request such information from the CNBV under the MOU.

The practice of relying on surveillance agreements between regulators when a foreign exchange was unable or unwilling to provide a CSSA was affirmed by the Commission in the Commission's New Product Release ("New Product Release").<sup>10</sup> The Commission noted in the New Product Release that if securing a CSSA is not possible, an exchange should contact the Commission prior to listing a new derivative securities product. The Commission also noted that the Commission may determine instead that it is appropriate to rely on a memorandum of understanding between the Commission and the foreign regulator.

The Exchange requests that the Commission allow the listing and trading of the Fund Shares without a CSSA, upon reliance of the MOU entered into between the Commission and the CNBV, until the Exchange is able to secure a CSSA with Bolsa. The Exchange believes this request is reasonable and notes that the Commission has provided similar relief in the past. For example, the Commission approved, on a pilot basis, two CBOE proposals to list and trade options on the EEM and on the VWO.<sup>11</sup>

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<sup>10</sup> See Securities Exchange Act Release No. 40761 (December 8, 1998), 63 FR 70952 (December 22, 1998), at note 101.

<sup>11</sup> See Securities Exchange Act Release Nos. 53621 (April 10, 2006), 71 FR 19568 (April 14, 2006) (SR-CBOE-2006-32); 53930 (June 1, 2006), 71 FR 33322 (June 8, 2006) (SR-CBOE-2006-56); 54347 (August 22, 2006), 71 FR 51242 (August 29, 2006) (SR-CBOE-2006-72); 54876 (December 5, 2006), 71 FR 74968 (December 13, 2006) (SR-CBOE-2006-103); and 55758 (May 14, 2007), 72 FR 28090 (May 18, 2007) (SR-CBOE-2007-43); and 55491 (March 19, 2007), 72 FR 14145 (March 26,



The Commission's approval of this request to list and trade options on the Fund would otherwise render the Fund compliant with all of the Listing Standards.

## 2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934<sup>12</sup> (the "Act") in general and furthers the objectives of Section 6(b)(5)<sup>13</sup> in particular in that it is designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system, and, in general, protect investors and the public interest. Further, this proposed rule change is similar to a proposal that was submitted by Amex and recently approved by the Commission.<sup>14</sup>

### 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.

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2007) (SR-CBOE-2006-95).

<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(5).

<sup>14</sup> See Securities Exchange Act Release No. 56778 (November 9, 2007), 72 FR 65113 (November 19, 2007) (SR-Amex-2007-100); see also SR-ISE-2007-111 (pending rule filing proposing similar rule change).

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

The Exchange has requested that this proposed rule change be given accelerated effectiveness pursuant to Rule 19(b)(2) of the Act. In that regard, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular the requirements of Section 6(b)(5) thereunder. Specifically, this proposed rule filing does not raise any new, unique or substantive issues from those raised in a similar filing previously that was submitted by Amex and recently approved by the Commission.<sup>15</sup>

As such, the Commission finds good cause for approving this proposed rule change prior to the thirtieth day after the date of publication thereof in the Federal Register. Specifically, the Commission believes that accelerating the effectiveness of this proposed rule change is necessary and appropriate in order to promote a fair, orderly and competitive options market. Therefore, the Commission believes it is consistent with Sections 6(b)(5) and 19(b)(2) of the Act to approve CBOE's proposal on an accelerated basis.

### 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

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<sup>15</sup> See id.

- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2007-140 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-CBOE-2007-140. 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 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 inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing also will be available for inspection and copying at the principal office of the CBOE. 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-2007-140 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.<sup>16</sup>

Florence E. Harmon,  
Deputy Secretary.

Dated: \_\_\_\_\_

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<sup>16</sup> 17 CFR 200.30-3(a)(12).