

Proposed Rule Change by NYSE Arca
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"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action <input type="checkbox"/>	Date Expires <input type="text"/>	<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)	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the proposed rule change (limit 250 characters).

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	<input type="text" value="Andrew"/>	Last Name	<input type="text" value="Stevens"/>
Title	<input type="text" value="Assistant General Counsel"/>		
E-mail	<input type="text" value="astevens@nyse.com"/>		
Telephone	<input type="text" value="(312) 442-7632"/>	Fax	<input type="text"/>

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.

Date	<input type="text" value="05/11/2007"/>	
By	<input type="text" value="Mary Yeager"/>	<input style="width: 80%; height: 30px;" type="text" value="Corporate Secretary"/>
	(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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Exhibit Sent As Paper Document

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

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 the Proposed Rule Change

- (a) NYSE Arca, Inc. (“NYSE Arca” or “Exchange”), through its wholly owned subsidiary NYSE Arca Equities, Inc. (“NYSE Arca Equities”), proposes to list shares (“Shares”) of the iShares®¹ COMEX®² Gold Trust (“Trust”) pursuant to NYSE Arca Equities Rule 8.201. The text of the proposed rule change is available on the Exchange’s Web site at <http://www.nyse.com>, at the Exchange’s principal office and at the Commission’s Public Reference Room.
- (b) The Exchange does not believe that the proposed rule change would have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.
- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization

- (a) The proposed rule is being submitted by Exchange staff to the Securities and Exchange Commission (“Commission” or “SEC”) pursuant to authority delegated by the Exchange’s Board of Directors and the NYSE Arca Equities Board of Directors.
- (b) Questions and comments regarding the proposed rule change may be directed to the following:

Andrew B. Stevens Assistant General Counsel NYSE Group, Inc. (312) 442-7632	Timothy J. Malinowski Director NYSE Group, Inc. (312) 442 7886
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3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

Under NYSE Arca Equities Rule 8.201, the Exchange may propose to list and/or trade pursuant to unlisted trading privileges (“UTP”) “Commodity-Based Trust Shares.”³ The Exchange currently trades the Shares pursuant to UTP.⁴ The

¹ “iShares” is a registered trademark of Barclays Global Investors, N.A.

² “COMEX” is a registered service mark of Commodity Exchange, Inc.

³ As defined in Rule 8.201, “Commodity-Based Trust Shares” are securities that:
 (a) are issued by a trust that holds a specified commodity deposited with the trust;
 (b) that are issued by such trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a

Exchange proposes to list the Shares.⁵ As outlined below, the Exchange represents that the Shares satisfy the requirements of NYSE Arca Equities Rule 8.201 and thereby qualify for listing on the Exchange. Since the Shares are trading at the Exchange pursuant to UTP, the Exchange requests accelerated approval to foster swift and orderly transfer of the Shares to the Exchange.

The Shares represent beneficial ownership interests in the net assets of the Trust, which holds gold bullion. The objective of the Trust is for the value of the Shares to reflect, at any given time, the price of gold owned by the Trust at that time, less the Trust's expenses and liabilities. The Trust is not actively managed. It does not engage in any activities designed to obtain a profit from, or to ameliorate losses caused by, changes in the price of gold.

Background and Operation of the Trust

The Trust was formed on January 21, 2005 when an initial deposit of gold was made in exchange for the issuance of 150,000 Shares. The Trust is not an investment company registered under the Investment Company Act of 1940.⁶ The Trust is not a commodity pool for purposes of the Commodity Exchange Act, and its sponsor is not subject to regulation by the Commodity Futures Trading Commission ("CFTC") as a commodity pool operator, or a commodity trading advisor.

Until February 26, 2007, the sponsor of the Trust was Barclays Global Investors, N.A., a national banking association chartered in the United States and a majority-owned subsidiary of Barclays Bank PLC. (Barclays Global Investors, N.A., in its capacity as the sponsor of the Trust until such date, is sometimes referred to herein as the "Initial Sponsor"). On February 26, 2007, Barclays Global Investors International Inc., a Delaware corporation and a subsidiary of Barclays Bank PLC, became the sponsor of the Trust ("Sponsor"). The Shares are not obligations of, and are not guaranteed by, the Initial Sponsor, Barclays Global Investors International Inc., or any of their respective subsidiaries or affiliates.

holder's request by such trust which would deliver to the redeeming holder the quantity of the underlying commodity.

⁴ See Securities Exchange Act Release No. 51067 (January 21, 2005), 70 FR 3952 (January 27, 2005) (SR-PCX-2005-132) (approving adoption of Rule 8.201 and the UTP trading of the Shares).

⁵ The Shares are currently listed at the American Stock Exchange LLC ("Amex"). See Securities Exchange Act Release No. 51058 (January 19, 2005), 70 FR 3749 (January 26, 2005) (SR-Amex-2004-38). See also Securities Exchange Act Release No. 50792 (December 3, 2004), 69 FR 71446 (December 9, 2004) (SR-Amex-2004-38).

⁶ See Prospectus filed pursuant to Rule 424(b)(3) dated March 1, 2007 (Registration Statement No. 333-140874) ("Prospectus").

The Trust is governed by the provisions of the First Amended and Restated Depositary Trust Agreement (“Trust Agreement”) executed on February 6, 2007 by the Initial Sponsor, Barclays Global Investors International Inc. and The Bank of New York (“Trustee”) to replace the Initial Sponsor with Barclays Global Investors International Inc. as the Trust’s sponsor.

The Trustee is responsible for the day-to-day administration of the Trust. The responsibilities of the Trustee include (1) processing orders for the creation and redemption of Baskets; (2) coordinating with The Bank of Nova Scotia (“Custodian”) the receipt and delivery of gold transferred to, or by, the Trust in connection with each issuance and redemption of Baskets; (3) calculating the net asset value and the adjusted net asset value of the Trust on each business day; and (4) selling the Trust’s gold as needed to cover the Trust’s expenses.

Generally, the assets of the Trust (e.g., gold bullion) are sold to pay Trust expenses and management fees. These expenses and fees reduce the value of an investor's share as gold bullion is sold to pay such costs. Ordinary operating expenses of the Trust include (1) fees paid to the Sponsor, (2) fees paid to the Trustee, (3) fees paid to the Custodian, and (4) various Trust administration fees, including printing and mailing costs, legal and audit fees, registration fees, and Exchange listing fees. The Trust's estimated ordinary operating expenses are accrued daily and reflected in the net asset value of the Trust.

The Custodian is responsible for safekeeping the gold owned by the Trust. The Custodian is appointed by the Trustee and is responsible to the Trustee only. The Custodian has no obligation to accept any additional delivery on behalf of the Trust if, after giving effect to such delivery, the total value of the Trust’s gold held by the Custodian exceeds \$2 billion. If this limit is exceeded, it is anticipated that the Trustee, with the consent of the Sponsor, would retain an additional Custodian.

The Sponsor, Trustee, and Custodian are not affiliated with one another or with the Exchange.

Operation of the Gold Market

The following information regarding the operation of the gold market is from the Prospectus. The gold market is a global marketplace consisting of both exchange-traded products and over-the-counter (“OTC”) transactions. Exchange-traded transactions consist of futures and options, while the OTC market generally consists of transactions in spot, forwards, options and other derivatives. A description of each of the exchange-traded and OTC markets for gold as well as the regulation is set forth below.

Futures Exchanges. The most significant gold futures exchanges are the COMEX, operated by Commodities Exchange, Inc., a subsidiary of New York Mercantile Exchange, Inc., and the Tokyo Commodity Exchange (TOCOM). The COMEX is the largest exchange in the world for trading metals futures and options and has been trading gold futures since December 31, 1974. The TOCOM has been trading gold futures since March 23, 1982.

COMEX. Future exchanges seek to provide a neutral, regulated marketplace for the trading of derivatives contracts for commodities. Future contracts are defined by the exchange for each commodity. For each commodity traded, this contract specifies the precise quality and quantity standards. The contract's terms and conditions also define the location and timing of physical delivery.

An exchange does not buy or sell those contracts, but seeks to offer a transparent forum where members, on their own behalf or on the behalf of customers, can trade the contracts in a safe, efficient and orderly manner. During regular trading hours at COMEX, the commodity contracts are traded through open outcry; a verbal auction in which all bids, offers and trades must be publicly announced to all members.⁷ The prices at which each commodity trades throughout the day serve as world benchmarks. They are immediately transmitted around the world by a wide variety of price-reporting services under arrangement with the exchange. Electronic trading is offered by the exchange after regular market hours.⁸ Except for brief breaks to switch between open outcry and electronic trading in the evening and the morning, gold futures trade almost 24 hours a day, five business days a week.⁹

In addition to the public nature of the pricing, futures exchanges in the United States are regulated at two levels, internal and external governmental supervision. The internal is performed through self-regulation and consists of regular monitoring of the following: the open-outcry process to insure that it is conducted in conformance with all exchange rules; the financial condition of all exchange member firms to insure that they continuously meet financial commitments; and the positions of commercial and non-commercial customers to insure that physical delivery and other commercial commitments can be met, and that pricing is not being improperly affected by the size of any particular customer positions. External governmental oversight is performed by the CFTC, which reviews all the rules and regulations of United States futures exchanges and monitors their enforcement.

⁷ Open outcry trading of gold futures is conducted from 8:20 a.m. until 1:30 p.m. ET.

⁸ In addition, electronic trading of gold futures is conducted from 6 p.m. until 5:15 p.m. ET via the CME Globex® trading platform, Sunday through Friday.

⁹ There is a 45-minute break each day between 5:15p.m. (current trade date) and 6 p.m. (next trade date).

The clearing system of NYMEX seeks to minimize credit risk exposure for NYMEX participants. The system binds all the members through both financial deposits and other commitments into a unitary system guaranteeing the performance of each other and their customers. The NYMEX clearinghouse operates this system by holding member firms' funds on deposit, who in turn hold their member and non-member customer funds. The clearinghouse acts as fiscal transfer agent moving funds from account to account on a daily basis as dictated by price changes. The clearinghouse also insures that trading is conducted in an orderly manner by matching trades and maintaining the delivery process.

The COMEX rules and procedures seek to insure the integrity of the trading process. They are complemented by a system designed to insure the quality of the physical gold used for delivery under the futures contracts. For gold to be eligible for delivery upon a COMEX contract, it must be deposited into an exchange-licensed depository from a source that is capable of guaranteeing the gold's quality. The three sources include: (1) a refiner approved for COMEX gold delivery, (2) an assayer approved to assay such gold, or (3) from another licensed depository, when it entered that depository via either (1) or (2). Gold can only be moved from any of these sources by a COMEX-approved deliverer. Throughout every step, the gold bar must be accompanied by a complete documentary history of its movement. If this chain of integrity is broken at any point, the bar is not eligible and either must be re-assayed to prove its quality or sent back to the refinery to be recast.

The trading unit of COMEX gold futures contracts is 100 troy ounces. Gold bars tendered for delivery can be cast in the form of either one bar or three one-kilogram bars. In either form, the gross weight of the bar or bars tendered for each contract must be within a five-percent tolerance. The bars must assay at not less than 995 fineness, i.e. 99.5% pure gold. The weight, fineness, bar number and identifying stamp of the refiner must be clearly incised on each bar by the approved refiner. The buyer taking delivery pays for the actual gold content, called the fine weight, in the bar. The fine weight is determined by multiplying the gross weight of the bar or bars tendered for each contract by their fineness. For example, a bar with a gross weight of 100 oz. with a fineness of 995, has a fine weight of 99.5 troy ounces. Delivery of COMEX gold is based on negotiable warehouse receipts, called warrants, for specific bars identified on the receipt which are stored in licensed depositories located in New York City.

All procedures described above are set forth in the COMEX rules and regulations as in effect as of March 1, 2007, according to the Prospectus. These rules and regulations are established by the Board of Directors of the NYMEX and subject to change by that body.

Exchange Regulation. In the United States, commodity futures trading, and the markets where it is conducted, are regulated under the federal Commodity

Exchange Act, which is administered by the CFTC, an independent agency of the federal government. The CFTC oversees the operation of the U.S. commodity futures markets, including COMEX. One of the principal public policy objectives of the Commodity Exchange Act is to insure the integrity of the markets it oversees and the reliability of the prices of trades on those markets. The Commodity Exchange Act and CFTC require markets, including COMEX, to have rules and procedures to prevent market manipulation, abusive trade practice and fraud and the CFTC conducts regular review of the markets' rule enforcement programs.

Over-the-Counter Market. The OTC gold market includes spot, forward, and option and other derivative transactions conducted on a principal-to-principal basis. While this is a global 24-hour per day market, its main centers are London, New York and Zurich.

Ten members of the London Bullion Market Association ("LBMA"), a trade association that acts as the coordinator for activities conducted on behalf of its members and other participants in the London bullion market, act as OTC market-makers and most OTC market trades are cleared through London. The LBMA plays an important role in setting OTC gold trading industry standards. The LBMA's "London Good Delivery Lists", identify approved refiners of gold. In the OTC market, gold that meets the specifications for weight, dimensions, fineness (or purity), identifying marks (including the assay stamp of an LBMA-acceptable refiner) and appearance set forth in "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA are "London Good Delivery Bars." A London Good Delivery Bar (typically called a "400 ounce bar") must contain between 350 and 430 fine troy ounces of gold (1 troy ounce = 31.1034768 grams), with a minimum fineness (or purity) of 995 parts per 1000 (99.5%), be of good appearance and be easy to handle and stack. The fine gold content of a gold bar is calculated by multiplying the gross weight of the bar (expressed in units of 0.025 troy ounces) by the fineness of the bar. A London Good Delivery Bar must also bear the stamp of one of refiners who are on the LBMA-approved list. A London Gold Delivery Bar, which is acceptable for settlement of any OTC transaction is acceptable for delivery to the Trust in connection with the issuance of Baskets of Shares.

London Market Regulation. Regulation of the London gold market's participants, including the major participating members of the LBMA is the responsibility of the Financial Services Authority ("FSA") pursuant to the Financial Services and Markets Act 2000 ("FSM Act"). This law makes all UK-based banks and investment firms, subject to certain fitness and properness, capital adequacy, liquidity, and systems and control requirements. Spot, commercial forwards, and deposits of gold not covered by the FSM Act is subject to The London Code of Conduct for Non-Investment Products, which was established by market participants in conjunction with the Bank of England.

Not a Regulated Commodity Pool. The Trust does not trade in gold futures contracts on COMEX or on any other futures exchange. The Trust takes delivery of physical gold that complies with the COMEX gold delivery rules or the LBMA gold delivery rules. Because the Trust does not trade in gold futures contracts on any futures exchange, the Trust is not regulated by the CFTC under the Commodity Exchange Act as a “commodity pool,” and is not operated by a CFTC-regulated commodity pool operator. Investors in the Trust do not receive the regulatory protections afforded to investors in regulated commodity pools, nor may COMEX or any futures exchange enforce its rules with respect to the Trust’s activities. In addition, investors in the Trust do not benefit from the protections afforded to investors in gold futures contracts on regulated futures exchanges.

Description of the Shares

Creation and Redemption of Trust Shares. Shares are issued only in baskets of 50,000 shares or multiples thereof (such aggregation referred to as the “Basket Aggregation” or “Basket”). The Trust issues and redeems the Shares on a continuous basis, by or through participants that have entered into participant agreements (each, an “Authorized Participant”)¹⁰ with the Sponsor and the Trustee, at the net asset value (“NAV”) per share next determined after an order to purchase or redeem Shares in a Basket Aggregation is received in proper form. Authorized Participants are the only persons that may place orders to create and redeem Baskets. Baskets are then separable upon issuance into Shares that would be listed and traded on the Exchange.¹¹

Basket Aggregations are issued in exchange for a corresponding amount of gold, measured in fine ounces (“Basket Gold Amount”). Similarly, the Trust redeems Basket Aggregations of Shares based on the Basket Gold Amount. The Basket Gold Amount is determined at or about 4 p.m. Eastern time each business day by the Trustee.¹² The Basket Gold Amount changes from day to day and decreases

¹⁰ An “Authorized Participant” is a person, who at the time of submitting to the Trustee an order to create or redeem one of more Baskets, (i) is a registered broker-dealer, (ii) is a DTC Participant or an Indirect Participant and (iii) has in effect a valid Authorized Participant Agreement.

¹¹ Shares are separate and distinct from the underlying gold comprising the portfolio of the Trust. The Exchange expects that the number of outstanding shares would increase and decrease as a result of in-kind deposits and withdrawals of the underlying gold.

¹² At the same time, the Trustee would also determine an “Indicative Basket Gold Amount” that Authorized Participants can use as an indicative amount of gold to be deposited for issuance of the Shares on the next business day. The Trustee would disseminate daily the Indicative Basket Gold Amount on the Trust Web site. Because the creation/redemption process is based entirely on the physical delivery of gold (and does not contemplate a cash component), the actual number of fine ounces required for the Indicative Basket Gold Amount would not change

over the life of the Trust due to the payment or accrual of fees and other expenses payable by the Trust. On each day that the Exchange is open for regular trading, the Trustee adjusts the quantity of gold constituting the Basket Gold Amount as appropriate to reflect sales of gold, any loss of gold that may occur, and accrued expenses.¹³ The Trustee determines the Basket Gold Amount for a given business day by multiplying the NAV, as described below, for each Share by the number of Shares in each Basket (50,000) and dividing the resulting product by that day's COMEX settlement price for the spot month gold futures contract. Authorized Participants that submitted an order prior to 4 p.m. Eastern time to purchase a Basket must transfer the Basket Gold Amount to the Trust in exchange for a Basket.

Shares are not individually redeemable, and Authorized Participants that wish to redeem a Basket (i.e., 50,000 Shares) receive the Basket Gold Amount in exchange for each Basket surrendered. Upon the surrender of the Shares and payment of the applicable Trustee's fee and any expenses, taxes or charges, the Trustee delivers to the redeeming Authorized Participant the amount of gold corresponding to the redeemed Baskets. Unless otherwise requested by the Authorized Participants, gold is then delivered to the redeeming Authorized Participants in the form of physical bars only.¹⁴ Thus, although Authorized Participants place orders to purchase or redeem Shares throughout the trading day, the actual Basket Gold Amount is determined at 4 p.m. or shortly thereafter.

The Custodian is responsible for safekeeping the gold.¹⁵ Gold deposited with the Custodian must either (a) meet the requirements to be delivered in settlement of a COMEX gold futures contract pursuant to the rules adopted by the COMEX, or (b) meet the specifications for weight, dimensions, fineness (or purity), identifying marks and appearance of gold bars as set forth in "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA.

Shortly after 4 p.m. Eastern time each business day, the Trustee determines the NAV for the Trust. The Trustee calculates the NAV by multiplying the fine

intraday, even though the value of the Indicative Basket Gold Amount may change based on the market price of gold.

¹³ The Trust's expense ratio, in the absence of any extraordinary expenses and liabilities, is established at 0.40% of the net assets of the Trust. As a result, the amount of gold by which the Basket Gold Amount would decrease each day would be predictable (i.e. 1/365th of the net asset value of the Trust multiplied by 0.40%).

¹⁴ However, any amount of less than 430 ounces may be transferred to an unallocated account of, or as ordered by, the redeeming Authorized Participant.

¹⁵ If the total value of the Trust's gold held by the Custodian exceeds \$2 billion, then the Custodian would be under no obligation to accept additional gold deliveries. In such a case, the Trustee would retain an additional custodian.

ounces of gold held by the Trust (after gold has been sold for that day to pay that day's fees and expenses) by the daily settlement value of the COMEX spot month gold futures contract.¹⁶ At any point in time, the spot month contract is the futures contract then closest to maturity. If a COMEX settlement price for a spot month gold futures contract is not announced, the Trustee would use the most recently announced spot month COMEX settlement price, unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate. Once the value of the gold is determined, the Trustee would then subtract all accrued fees (other than the fees to be computed by reference to the value of the Trust or its assets), expenses and other liabilities of the Trust from the total value of gold and all other assets of the Trust. This adjusted NAV is then used to compute all fees (including the Trustee and Sponsor fees) that are calculated from the value of Trust assets. To determine the NAV, the Trustee subtracts from the adjusted NAV the amount of accrued fees from the value of Trust assets. The Trustee calculates the NAV per share by dividing the NAV by the number of Shares outstanding.

Liquidity. While the Shares would trade on the Exchange until 8 p.m. Eastern time, liquidity in the OTC market for gold generally decreases after 1:30 p.m. Eastern time when daily trading at COMEX and other world gold trading centers ends. Trading spreads and the resulting premium or discount on the Shares may widen as a result of reduced liquidity in the OTC gold market. The Exchange does not believe that the Shares would trade at a material discount or premium to the value of the underlying gold held by the Trust because of arbitrage opportunities.

¹⁶ The COMEX daily settlement price for each gold futures contract is established by a subcommittee of COMEX members shortly after the close of trading in New York. The daily settlement price for each contract (delivery month) is derived from the daily settlement price for the most active futures contract month that is not necessarily the spot month. This settlement price is the average of the highest and lowest priced trades reported during the last one (1) minute of trading during regular trading hours. For all other gold futures contract months (which may include the spot month), the settlement prices are determined by COMEX based upon differentials reflected in spread trades between adjacent months, such differentials being directly or indirectly related to the most active month. These differentials are the average of the highest and lowest spread trades (trades based upon the differential between the prices for two contract months) reported during the last fifteen (15) minutes of trading during regular trading hours. In the case that there were no such spread trades, the average of the bids and offers for spread transactions during that last fifteen (15) minute period are used. In the case where there are no bids and offers during that time, the contracts are settled at prices consistent with the differentials for other contract months that were settled by the first or second method. If the third method is used, the subcommittee of the COMEX members establishing those settlement prices provides a record of the differentials from other contract months that formed the basis for those settlements.

Certificates Evidencing the Shares. The Shares are evidenced by certificates executed and delivered by the Trustee on behalf of the Trust. DTC has accepted the Shares for settlement through its book-entry settlement system. So long as the Shares are eligible for DTC settlement, there is only one certificate evidencing shares that is registered in the name of a nominee of DTC. Investors are able to own Shares only in the form of book-entry security entitlements with DTC or direct or indirect participants in DTC. No investor is entitled to receive a separate certificate evidencing Shares. Because Shares can only be held in the form of book-entries through DTC and its participants, investors must rely on DTC, a DTC participant and any other financial intermediary through which they hold Shares to receive the benefits and exercise the rights described in this section. Investors should consult with their broker or financial institution to find out about the procedures and requirements for securities held in DTC book-entry form.

Cash and Other Distributions. If the Sponsor and Trustee determine that there is more cash being held in the Trust than is needed to pay the Trust's expenses for the next month, the Trustee would distribute the extra cash to DTC. If the Trust receives any property other than gold or cash, the Trustee would distribute that property to DTC by any means it thinks is lawful, equitable and feasible. If it cannot make the distribution in that way, the Trustee would sell the property and distribute the net proceeds, in the same way as it does with cash. Registered holders of Shares are entitled to receive these distributions in proportion to the number of Shares owned. Before making a distribution, the Trustee may deduct any applicable withholding taxes and any fees and expenses of the Trust that have not been paid.

Availability of Information Regarding Shares and Underlying Gold

The Web site for the Trust at <http://www.ishares.com>, which is publicly accessible at no charge, contains the following information about the Shares: (a) the prior business day's NAV, Basket Gold Amount, the reported closing price, and the present day's Indicative Basket Gold Amount; (b) the mid-point of the bid-ask price¹⁷ in relation to the NAV as of the time the NAV is calculated ("Bid-Ask Price"); (c) calculation of the premium or discount of such price against such NAV; (d) data in chart form displaying the frequency distribution of discounts and premiums of the Bid-Ask Price against the NAV, within appropriate ranges for each of the four (4) previous calendar quarters; (e) the Prospectus; and (f) other applicable quantitative information, such as expense ratios, trading volumes, and the total return of the Shares. The Exchange also provides a hyperlink on its Web site (<http://www.nyse.com>) to the Trust's Web site at <http://www.ishares.com>.

¹⁷ The bid-ask price of Shares is determined using the highest bid and lowest offer as of the time of calculation of the NAV.

The Exchange would make available, through the facilities of the Consolidated Tape Association (“CTA”), quotation information including the last sale price for Shares, the daily trading volume, closing prices, and the NAV from the previous day of Shares. In addition, the Exchange or a major market data vendor would disseminate each day the prior day’s NAV and Shares outstanding through the facilities of the CTA. The Exchange or a major market data vendor would also disseminate the Indicative Trust Value (“ITV”) on a per Share basis every 15 seconds through the facilities of the CTA from 9:30 a.m. to 4:15 p.m. Eastern time. Shortly after 4 p.m. each business day, the Trustee, the Exchange, and Barclays (Sponsor) would disseminate the NAV for the Shares, the Basket Gold Amount (for orders placed during the day), and the Indicative Basket Gold Amount (for use by Authorized Participants contemplating placing orders the following business day). The Basket Gold Amount, the Indicative Basket Gold Amount, and the NAV are communicated by the Trustee to all Authorized Participants via facsimile or electronic mail message and are available on the Trust's Web site at <http://www.ishares.com>.

There is a considerable amount of gold price and gold market information available on public Web sites and through professional and subscription services. In most instances, real-time information is only available for a fee, and information available free of charge is subject to delay (typically 20 minutes). The Exchange states that investors may obtain on a 24-hour basis gold pricing information based on the spot price for a troy ounce of gold from various financial information service providers, such as Reuters and Bloomberg. Reuters and Bloomberg provide at no charge on their Web sites delayed information regarding the spot price of gold and last sale prices of gold futures, as well as information about news and developments in the gold market. Reuters and Bloomberg also offer a professional service to subscribers for a fee that provides information on gold prices directly from market participants. In addition, an organization named EBS provides an electronic trading platform to institutions such as bullion banks and dealers for the trading of spot gold, as well as a feed of live streaming prices to Reuters and Moneyline Telerate subscribers.

As previously stated, the Exchange states that complete real-time data for gold futures and options prices traded on the COMEX is available by subscription from Reuters and Bloomberg. The closing price and settlement prices of the COMEX gold futures contracts are publicly available from the NYMEX at <http://www.nymex.com>, automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters. The NYMEX also provides delayed futures and options information on current and past trading sessions and market news free of charge on its Web site.

Termination Events

According to the Prospectus, the Trustee would be terminated if any of the following circumstances occur:

- the Trustee is notified that the Shares are delisted from the Exchange and are not approved for listing on another national securities exchange within five business days of their delisting;
- holders of at least 75% of the outstanding Shares notify the Trustee that they elect to terminate the Trust;
- 60 days have elapsed since the Trustee notified the Sponsor of the Trustee's election to resign and a successor trustee has not been appointed and accepted its appointment;
- the SEC determines that the Trust is an investment company under the Investment Company Act of 1940, as amended, and the Trustee has actual knowledge of that determination;
- the aggregate market capitalization of the Trust, based on the closing price for the Shares, was less than \$350 million for five consecutive trading days and the Trustee receives, within six months from the last of those trading days, notice that the Sponsor has decided to terminate the Trust;
- the CFTC determines that the Trust is a commodity pool under the Commodity Exchange Act and the Trustee has actual knowledge of that determination; or
- the Trust fails to qualify for treatment, or ceases to be treated, as a grantor trust for United States federal income tax purposes and the Trustee receives notice that the Sponsor has determined that the termination of the Trust is advisable.

If not terminated earlier by the Trustee, the Trust would terminate on January 19, 2045. After termination of the Trust, the Trustee would deliver Trust property upon surrender and cancellation of Shares and, 90 days after termination, may sell any remaining Trust property in a private or public sale, and hold the proceeds, uninvested and in a non-interest bearing account, for the benefit of the holders who have not surrendered their Shares for cancellation.

Criteria for Initial and Continued Listing

The Shares are subject to the criteria for initial and continued listing of Commodity-Based Trust Shares under Rule 8.201. As indicated above, the Shares are currently trading on the Exchange pursuant to UTP. A minimum of 100,000 Shares would be required to be outstanding when the Shares are listed. This minimum number of Shares required to be outstanding is comparable to requirements that have been applied to previously listed series of exchange-traded funds. The Exchange believes that the proposed minimum number of Shares

outstanding at the start of trading is sufficient to provide market liquidity. The Exchange would obtain a representation from the Trust, prior to listing, that the NAV per Share would be calculated daily and made available to all market participants at the same time.

In addition, the Trust would be subject to the criteria in Rule 8.201(e)(2) for continued listing of the Shares. The continued listing criteria provides for the consideration of suspension of trading in or removal from listing of the Shares under any of the following circumstances:

- Following the initial twelve (12) month period from the date of commencement of trading of the Shares: (i) if the Trust has more than sixty (60) days remaining until termination and there are fewer than fifty (50) record and/or beneficial holders of the Shares for thirty (30) or more consecutive trading days; (ii) if the Trust has fewer than 50,000 Shares issued and outstanding; or (iii) if the market value of all Shares is less than \$1,000,000;
- If the value of the underlying gold is no longer calculated or available on at least a 15-second delayed basis from a source unaffiliated with the Sponsor, Trust, Custodian or the Exchange or the Exchange stops providing a hyperlink on its Web site to any such unaffiliated gold value;
- If the ITV is no longer made available on at least a 15-second delayed basis from 9:30 a.m. to 4:15 p.m. Eastern time; or
- If such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

In addition, the Exchange would remove the Shares from listing upon termination of the Trust.

If the ITV or the value of the underlying gold is not being calculated or widely disseminated as required, the Exchange may halt trading during the day in which the interruption to the calculation or wide dissemination of the ITV or the value of the underlying gold occurs. If the interruption to the calculation or wide dissemination of the ITV or the value of the underlying gold persists past the trading day in which it occurred, the Exchange would halt trading no later than the beginning of the trading day following the interruption.

The Exchange represents the Trust is required to comply with Rule 10A-3 under the Act for the initial and continued listing of the Shares.

Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. The trading hours for the Shares on the Exchange are the same as those set forth in Rule 7.34 (4 a.m. to 8 p.m. Eastern time). The minimum trading increment for Shares on the Exchange is \$0.01.

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares. Trading may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. These may include: (1) the extent to which trading is not occurring in the underlying COMEX gold futures contract, 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 Shares could be halted pursuant to the Exchange's "circuit breaker" rule¹⁸ or by the halt or suspension of trading of the underlying securities.

The Shares are subject to Rules 8.201(g) - (i), which set forth certain restrictions on ETP Holders acting as registered Market Makers in the Shares to facilitate surveillance. See "Surveillance" below.

The Commission has granted exemptions from, or interpretive or no-action advice regarding, Section 11(d)(1) of the Act, Rules 10a-1 and 11d-2 under the Act, Rule 200(g) of Regulation SHO, and Rules 101 and 102 of Regulation M in respect of trading of the Shares.¹⁹ The Exchange would detail the terms of the exemption or relief in an Information Bulletin.

Surveillance

The Exchange intends to utilize its existing surveillance procedures applicable to derivative products to monitor trading in the Shares. The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules.

The Exchange's current trading surveillance focuses on detecting when securities

¹⁸ See NYSE Arca Equities Rule 7.12.

¹⁹ See Letter from James A. Brigagliano of the Division of Market Regulation at the Commission to Mr. David Yeres, Esq. at Clifford Chance US LLP re: iShares COMEX Gold Trust, File No. TP 04-77, dated January 27, 2005. See also Letter from Brian A. Bussey, Assistant Chief Counsel at the Division of Market Regulation at the Commission to Mr. David Yeres, Esq. at Clifford Chance US LLP re: Modification of Prior No-Action Relief with respect to iShares COMEX Gold Trust dated December 12, 2005.

trade outside their normal patterns. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange may obtain information via the Intermarket Surveillance Group (“ISG”) from other exchanges who are members or affiliates of the ISG.²⁰ In addition, the Exchange has an Information Sharing Agreement with NYMEX for the purpose of providing information in connection with trading in or related to COMEX gold futures contracts.

Further, the Shares are subject to Rules 8.201(g) - (i), which set forth certain restrictions on ETP Holders acting as registered Market Makers in the Shares to facilitate surveillance. Rule 8.201(g) prohibits an ETP Holder acting as a registered Market Maker in the Shares from being affiliated with a Market Maker in physical gold, gold futures, options on gold futures, or any other gold derivatives unless adequate information barriers are in place, as provided in Rule 7.26. Rule 8.201(h) requires that an ETP Holder acting as a registered Market Maker in the Shares provide the Exchange with information relating to its trading in physical gold, gold futures contracts, options on gold futures, or any other gold derivative. Rule 8.201(i) prohibits an ETP Holder acting as a registered Market Maker in the Shares from using any material nonpublic information received from any person associated with an ETP Holder or employee of such person regarding trading by such person or employee in physical gold, gold futures contracts, options on gold futures, or any other gold derivatives (including the Shares).

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

Information Bulletin

Prior to the commencement of trading, the Exchange would inform its ETP Holders in an Information Bulletin (“Bulletin”) of the special characteristics and risks associated with trading the Shares. Specifically, the Bulletin would discuss the following: (i) What the Shares are; (ii) the procedures for purchases and redemptions of Shares in Baskets (and that Shares are not individually redeemable); (iii) Rule 9.2(a),²¹ which imposes a duty of due diligence on its ETP

²⁰ For a list of the current members and affiliate members of ISG, *see* <http://www.isgportal.com>.

²¹ Rule 9.2(a) provides that an ETP Holder, before recommending a transaction, must have reasonable grounds to believe that the recommendation is suitable for its customer based on any facts disclosed by the customer as to his other security holdings and as to his financial situation and needs. Further, the rule provides, with a limited exception, that prior to the execution of a transaction recommended to a non-institutional customer, the ETP Holder shall make reasonable efforts to obtain information concerning the customer’s financial status, tax status, investment objectives, and any other information that it believes would be useful

Holders to learn the essential facts relating to every customer prior to trading the Shares; (iv) how information regarding the ITV is disseminated; (v) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (vi) trading information.

The Bulletin would also explain that the Trust is subject to various fees and expenses described in the Registration Statement and that the number of ounces of gold required to create a Basket or to be delivered upon redemption of a Basket would gradually decrease over time because the Shares comprising a Basket would represent a decreasing amount of gold due to the sale of the Trust's gold to pay Trust expenses. The Bulletin would also reference the fact that there is no regulated source of last sale information regarding physical gold, that the Commission has no jurisdiction over the trading of gold as a physical commodity, and that the CFTC has regulatory jurisdiction over the trading of gold futures contracts and options on gold futures contracts.

The Bulletin would also discuss exemptive, no-action and interpretive relief granted by the Commission from Section 11(d)(1) of the Act²² and certain rules under the Act.²³

The Bulletin would also disclose that the NAV for the Shares would be calculated after 4 p.m. Eastern time each trading day, based on the COMEX daily settlement value, which is disseminated shortly after 1:30 p.m. Eastern time each trading day.

(b) Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,²⁴ in general, and furthers the objectives of Section 6(b)(5),²⁵ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

to make a recommendation. *See* Securities Exchange Act Release No. 34-54045 (June 26, 2006), 71 FR 37971 (July 3, 2006) (SR-PCX-2005-115).

²² 15 U.S.C. 78k(d)(1).

²³ *See supra* note 19 and accompanying text.

²⁴ 15 U.S.C. 78f(b).

²⁵ 15 U.S.C. 78f(b)(5).

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

The Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Act.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

6. Extension of Time Period for Commission Action

The Exchange does not consent at this time to an extension of any 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)

The Exchange requests that the Commission find good cause pursuant to Section 19(b)(2)²⁶ of the Act for approving the proposed rule change prior to the 30th day after publication of the proposed rule change in the Federal Register. The Shares are currently trading pursuant to UTP on the Exchange. Accelerated approval would enable the Exchange to accommodate the timetable for listing the Shares on the Exchange.

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

This proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. Exhibits

Exhibit 1 - Form of Notice of Proposed Rule Change for Federal Register.

²⁶ 15 U.S.C. 78s (b)(2).

SECURITIES AND EXCHANGE COMMISSION
 (Release No. 34- ; File No. SR-NYSEArca-2007-XX)

[DATE]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change to List and Trade Shares of the iShares COMEX Gold Trust

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 11, 2007, NYSE Arca, Inc. (“NYSE Arca” or “Exchange”), through its wholly owned subsidiary NYSE Arca Equities, Inc. (“NYSE Arca Equities”), filed with the Securities and Exchange Commission (“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 and order to solicit comments on the proposed rule change 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

The Exchange proposes to list shares (“Shares”) of the iShares^{®3} COMEX^{®4} Gold Trust (“Trust”) pursuant to NYSE Arca Equities Rule 8.201. The text of the proposed rule change is available on the Exchange’s Web site at <http://www.nyse.com>, at the Exchange’s principal office 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ “iShares” is a registered trademark of Barclays Global Investors, N.A.

⁴ “COMEX” is a registered service mark of Commodity Exchange, Inc.

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 received on the proposed rule change. The text of these 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 aspects of such statements.

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

1. Purpose

Under NYSE Arca Equities Rule 8.201, the Exchange may propose to list and/or trade pursuant to unlisted trading privileges (“UTP”) “Commodity-Based Trust Shares.”⁵ The Exchange currently trades the Shares pursuant to UTP.⁶ The Exchange proposes to list the Shares.⁷ As outlined below, the Exchange represents that the Shares satisfy the requirements of NYSE Arca Equities Rule 8.201 and thereby qualify for listing on the Exchange. Since the Shares are trading at the Exchange pursuant to UTP, the Exchange

⁵ As defined in Rule 8.201, “Commodity-Based Trust Shares” are securities that: (a) are issued by a trust that holds a specified commodity deposited with the trust; (b) that are issued by such trust in a specified aggregate minimum number in return for a deposit of a quantity of the underlying commodity; and (c) that, when aggregated in the same specified minimum number, may be redeemed at a holder’s request by such trust which would deliver to the redeeming holder the quantity of the underlying commodity.

⁶ See Securities Exchange Act Release No. 51067 (January 21, 2005), 70 FR 3952 (January 27, 2005) (SR-PCX-2005-132) (approving adoption of Rule 8.201 and the UTP trading of the Shares).

⁷ The Shares are currently listed at the American Stock Exchange LLC (“Amex”). See Securities Exchange Act Release No. 51058 (January 19, 2005), 70 FR 3749 (January 26, 2005) (SR-Amex-2004-38). See also Securities Exchange Act Release No. 50792 (December 3, 2004), 69 FR 71446 (December 9, 2004) (SR-Amex-2004-38).

requests accelerated approval to foster swift and orderly transfer of the Shares to the Exchange.

The Shares represent beneficial ownership interests in the net assets of the Trust, which holds gold bullion. The objective of the Trust is for the value of the Shares to reflect, at any given time, the price of gold owned by the Trust at that time, less the Trust's expenses and liabilities. The Trust is not actively managed. It does not engage in any activities designed to obtain a profit from, or to ameliorate losses caused by, changes in the price of gold.

Background and Operation of the Trust

The Trust was formed on January 21, 2005 when an initial deposit of gold was made in exchange for the issuance of 150,000 Shares. The Trust is not an investment company registered under the Investment Company Act of 1940.⁸ The Trust is not a commodity pool for purposes of the Commodity Exchange Act, and its sponsor is not subject to regulation by the Commodity Futures Trading Commission ("CFTC") as a commodity pool operator, or a commodity trading advisor.

Until February 26, 2007, the sponsor of the Trust was Barclays Global Investors, N.A., a national banking association chartered in the United States and a majority-owned subsidiary of Barclays Bank PLC. (Barclays Global Investors, N.A., in its capacity as the sponsor of the Trust until such date, is sometimes referred to herein as the "Initial Sponsor"). On February 26, 2007, Barclays Global Investors International Inc., a Delaware corporation and a subsidiary of Barclays Bank PLC, became the sponsor of the Trust ("Sponsor"). The Shares are not obligations of, and are not guaranteed by, the

⁸ See Prospectus filed pursuant to Rule 424(b)(3) dated March 1, 2007 (Registration Statement No. 333-140874) ("Prospectus").

Initial Sponsor, Barclays Global Investors International Inc., or any of their respective subsidiaries or affiliates.

The Trust is governed by the provisions of the First Amended and Restated Depositary Trust Agreement (“Trust Agreement”) executed on February 6, 2007 by the Initial Sponsor, Barclays Global Investors International Inc. and The Bank of New York (“Trustee”) to replace the Initial Sponsor with Barclays Global Investors International Inc. as the Trust’s sponsor.

The Trustee is responsible for the day-to-day administration of the Trust. The responsibilities of the Trustee include (1) processing orders for the creation and redemption of Baskets; (2) coordinating with The Bank of Nova Scotia (“Custodian”) the receipt and delivery of gold transferred to, or by, the Trust in connection with each issuance and redemption of Baskets; (3) calculating the net asset value and the adjusted net asset value of the Trust on each business day; and (4) selling the Trust’s gold as needed to cover the Trust’s expenses.

Generally, the assets of the Trust (e.g., gold bullion) are sold to pay Trust expenses and management fees. These expenses and fees reduce the value of an investor’s share as gold bullion is sold to pay such costs. Ordinary operating expenses of the Trust include (1) fees paid to the Sponsor, (2) fees paid to the Trustee, (3) fees paid to the Custodian, and (4) various Trust administration fees, including printing and mailing costs, legal and audit fees, registration fees, and Exchange listing fees. The Trust’s estimated ordinary operating expenses are accrued daily and reflected in the net asset value of the Trust.

The Custodian is responsible for safekeeping the gold owned by the Trust. The Custodian is appointed by the Trustee and is responsible to the Trustee only. The Custodian has no obligation to accept any additional delivery on behalf of the Trust if, after giving effect to such delivery, the total value of the Trust's gold held by the Custodian exceeds \$2 billion. If this limit is exceeded, it is anticipated that the Trustee, with the consent of the Sponsor, would retain an additional Custodian.

The Sponsor, Trustee, and Custodian are not affiliated with one another or with the Exchange.

Operation of the Gold Market

The following information regarding the operation of the gold market is from the Prospectus. The gold market is a global marketplace consisting of both exchange-traded products and over-the-counter ("OTC") transactions. Exchange-traded transactions consist of futures and options, while the OTC market generally consists of transactions in spot, forwards, options and other derivatives. A description of each of the exchange-traded and OTC markets for gold as well as the regulation is set forth below.

Futures Exchanges. The most significant gold futures exchanges are the COMEX, operated by Commodities Exchange, Inc., a subsidiary of New York Mercantile Exchange, Inc., and the Tokyo Commodity Exchange (TOCOM). The COMEX is the largest exchange in the world for trading metals futures and options and has been trading gold futures since December 31, 1974. The TOCOM has been trading gold futures since March 23, 1982.

COMEX. Future exchanges seek to provide a neutral, regulated marketplace for the trading of derivatives contracts for commodities. Future contracts are defined by the

exchange for each commodity. For each commodity traded, this contract specifies the precise quality and quantity standards. The contract's terms and conditions also define the location and timing of physical delivery.

An exchange does not buy or sell those contracts, but seeks to offer a transparent forum where members, on their own behalf or on the behalf of customers, can trade the contracts in a safe, efficient and orderly manner. During regular trading hours at COMEX, the commodity contracts are traded through open outcry; a verbal auction in which all bids, offers and trades must be publicly announced to all members.⁹ The prices at which each commodity trades throughout the day serve as world benchmarks. They are immediately transmitted around the world by a wide variety of price-reporting services under arrangement with the exchange. Electronic trading is offered by the exchange after regular market hours.¹⁰ Except for brief breaks to switch between open outcry and electronic trading in the evening and the morning, gold futures trade almost 24 hours a day, five business days a week.¹¹

In addition to the public nature of the pricing, futures exchanges in the United States are regulated at two levels, internal and external governmental supervision. The internal is performed through self-regulation and consists of regular monitoring of the following: the open-outcry process to insure that it is conducted in conformance with all exchange rules; the financial condition of all exchange member firms to insure that they

⁹ Open outcry trading of gold futures is conducted from 8:20 a.m. until 1:30 p.m. ET.

¹⁰ In addition, electronic trading of gold futures is conducted from 6 p.m. until 5:15 p.m. ET via the CME Globex® trading platform, Sunday through Friday.

¹¹ There is a 45-minute break each day between 5:15p.m. (current trade date) and 6 p.m. (next trade date).

continuously meet financial commitments; and the positions of commercial and non-commercial customers to insure that physical delivery and other commercial commitments can be met, and that pricing is not being improperly affected by the size of any particular customer positions. External governmental oversight is performed by the CFTC, which reviews all the rules and regulations of United States futures exchanges and monitors their enforcement.

The clearing system of NYMEX seeks to minimize credit risk exposure for NYMEX participants. The system binds all the members through both financial deposits and other commitments into a unitary system guaranteeing the performance of each other and their customers. The NYMEX clearinghouse operates this system by holding member firms' funds on deposit, who in turn hold their member and non-member customer funds. The clearinghouse acts as fiscal transfer agent moving funds from account to account on a daily basis as dictated by price changes. The clearinghouse also insures that trading is conducted in an orderly manner by matching trades and maintaining the delivery process.

The COMEX rules and procedures seek to insure the integrity of the trading process. They are complemented by a system designed to insure the quality of the physical gold used for delivery under the futures contracts. For gold to be eligible for delivery upon a COMEX contract, it must be deposited into an exchange-licensed depository from a source that is capable of guaranteeing the gold's quality. The three sources include: (1) a refiner approved for COMEX gold delivery, (2) an assayer approved to assay such gold, or (3) from another licensed depository, when it entered that depository via either (1) or (2). Gold can only be moved from any of these sources by a COMEX-approved deliverer. Throughout every step, the gold bar must be accompanied

by a complete documentary history of its movement. If this chain of integrity is broken at any point, the bar is not eligible and either must be re-assayed to prove its quality or sent back to the refinery to be recast.

The trading unit of COMEX gold futures contracts is 100 troy ounces. Gold bars tendered for delivery can be cast in the form of either one bar or three one-kilogram bars. In either form, the gross weight of the bar or bars tendered for each contract must be within a five-percent tolerance. The bars must assay at not less than 995 fineness, i.e. 99.5% pure gold. The weight, fineness, bar number and identifying stamp of the refiner must be clearly incised on each bar by the approved refiner. The buyer taking delivery pays for the actual gold content, called the fine weight, in the bar. The fine weight is determined by multiplying the gross weight of the bar or bars tendered for each contract by their fineness. For example, a bar with a gross weight of 100 oz. with a fineness of 995, has a fine weight of 99.5 troy ounces. Delivery of COMEX gold is based on negotiable warehouse receipts, called warrants, for specific bars identified on the receipt which are stored in licensed depositories located in New York City.

All procedures described above are set forth in the COMEX rules and regulations as in effect as of March 1, 2007, according to the Prospectus. These rules and regulations are established by the Board of Directors of the NYMEX and subject to change by that body.

Exchange Regulation. In the United States, commodity futures trading, and the markets where it is conducted, are regulated under the federal Commodity Exchange Act, which is administered by the CFTC, an independent agency of the federal government. The CFTC oversees the operation of the U.S. commodity futures markets, including

COMEX. One of the principal public policy objectives of the Commodity Exchange Act is to insure the integrity of the markets it oversees and the reliability of the prices of trades on those markets. The Commodity Exchange Act and CFTC require markets, including COMEX, to have rules and procedures to prevent market manipulation, abusive trade practice and fraud and the CFTC conducts regular review of the markets' rule enforcement programs.

Over-the-Counter Market. The OTC gold market includes spot, forward, and option and other derivative transactions conducted on a principal-to-principal basis. While this is a global 24-hour per day market, its main centers are London, New York and Zurich.

Ten members of the London Bullion Market Association ("LBMA"), a trade association that acts as the coordinator for activities conducted on behalf of its members and other participants in the London bullion market, act as OTC market-makers and most OTC market trades are cleared through London. The LBMA plays an important role in setting OTC gold trading industry standards. The LBMA's "London Good Delivery Lists", identify approved refiners of gold. In the OTC market, gold that meets the specifications for weight, dimensions, fineness (or purity), identifying marks (including the assay stamp of an LBMA-acceptable refiner) and appearance set forth in "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA are "London Good Delivery Bars." A London Good Delivery Bar (typically called a "400 ounce bar") must contain between 350 and 430 fine troy ounces of gold (1 troy ounce = 31.1034768 grams), with a minimum fineness (or purity) of 995 parts per 1000 (99.5%), be of good appearance and be easy to handle and stack. The fine gold content of a gold bar is

calculated by multiplying the gross weight of the bar (expressed in units of 0.025 troy ounces) by the fineness of the bar. A London Good Delivery Bar must also bear the stamp of one of refiners who are on the LBMA-approved list. A London Gold Delivery Bar, which is acceptable for settlement of any OTC transaction is acceptable for delivery to the Trust in connection with the issuance of Baskets of Shares.

London Market Regulation. Regulation of the London gold market's participants, including the major participating members of the LBMA is the responsibility of the Financial Services Authority ("FSA") pursuant to the Financial Services and Markets Act 2000 ("FSM Act"). This law makes all UK-based banks and investment firms, subject to certain fitness and properness, capital adequacy, liquidity, and systems and control requirements. Spot, commercial forwards, and deposits of gold not covered by the FSM Act is subject to The London Code of Conduct for Non-Investment Products, which was established by market participants in conjunction with the Bank of England.

Not a Regulated Commodity Pool. The Trust does not trade in gold futures contracts on COMEX or on any other futures exchange. The Trust takes delivery of physical gold that complies with the COMEX gold delivery rules or the LBMA gold delivery rules. Because the Trust does not trade in gold futures contracts on any futures exchange, the Trust is not regulated by the CFTC under the Commodity Exchange Act as a "commodity pool," and is not operated by a CFTC-regulated commodity pool operator. Investors in the Trust do not receive the regulatory protections afforded to investors in regulated commodity pools, nor may COMEX or any futures exchange enforce its rules with respect to the Trust's activities. In addition, investors in the Trust do not benefit

from the protections afforded to investors in gold futures contracts on regulated futures exchanges.

Description of the Shares

Creation and Redemption of Trust Shares. Shares are issued only in baskets of 50,000 shares or multiples thereof (such aggregation referred to as the “Basket Aggregation” or “Basket”). The Trust issues and redeems the Shares on a continuous basis, by or through participants that have entered into participant agreements (each, an “Authorized Participant”)¹² with the Sponsor and the Trustee, at the net asset value (“NAV”) per share next determined after an order to purchase or redeem Shares in a Basket Aggregation is received in proper form. Authorized Participants are the only persons that may place orders to create and redeem Baskets. Baskets are then separable upon issuance into Shares that would be listed and traded on the Exchange.¹³

Basket Aggregations are issued in exchange for a corresponding amount of gold, measured in fine ounces (“Basket Gold Amount”). Similarly, the Trust redeems Basket Aggregations of Shares based on the Basket Gold Amount. The Basket Gold Amount is determined at or about 4 p.m. Eastern time each business day by the Trustee.¹⁴ The

¹² An “Authorized Participant” is a person, who at the time of submitting to the Trustee an order to create or redeem one or more Baskets, (i) is a registered broker-dealer, (ii) is a DTC Participant or an Indirect Participant and (iii) has in effect a valid Authorized Participant Agreement.

¹³ Shares are separate and distinct from the underlying gold comprising the portfolio of the Trust. The Exchange expects that the number of outstanding shares would increase and decrease as a result of in-kind deposits and withdrawals of the underlying gold.

¹⁴ At the same time, the Trustee would also determine an “Indicative Basket Gold Amount” that Authorized Participants can use as an indicative amount of gold to be deposited for issuance of the Shares on the next business day. The Trustee would disseminate daily the Indicative Basket Gold Amount on the Trust Web site. Because the creation/redemption process is based entirely on the physical

Basket Gold Amount changes from day to day and decreases over the life of the Trust due to the payment or accrual of fees and other expenses payable by the Trust. On each day that the Exchange is open for regular trading, the Trustee adjusts the quantity of gold constituting the Basket Gold Amount as appropriate to reflect sales of gold, any loss of gold that may occur, and accrued expenses.¹⁵ The Trustee determines the Basket Gold Amount for a given business day by multiplying the NAV, as described below, for each Share by the number of Shares in each Basket (50,000) and dividing the resulting product by that day's COMEX settlement price for the spot month gold futures contract.

Authorized Participants that submitted an order prior to 4 p.m. Eastern time to purchase a Basket must transfer the Basket Gold Amount to the Trust in exchange for a Basket.

Shares are not individually redeemable, and Authorized Participants that wish to redeem a Basket (i.e., 50,000 Shares) receive the Basket Gold Amount in exchange for each Basket surrendered. Upon the surrender of the Shares and payment of the applicable Trustee's fee and any expenses, taxes or charges, the Trustee delivers to the redeeming Authorized Participant the amount of gold corresponding to the redeemed Baskets. Unless otherwise requested by the Authorized Participants, gold is then delivered to the redeeming Authorized Participants in the form of physical bars only.¹⁶ Thus, although

delivery of gold (and does not contemplate a cash component), the actual number of fine ounces required for the Indicative Basket Gold Amount would not change intraday, even though the value of the Indicative Basket Gold Amount may change based on the market price of gold.

¹⁵ The Trust's expense ratio, in the absence of any extraordinary expenses and liabilities, is established at 0.40% of the net assets of the Trust. As a result, the amount of gold by which the Basket Gold Amount would decrease each day would be predictable (i.e. 1/365th of the net asset value of the Trust multiplied by 0.40%).

¹⁶ However, any amount of less than 430 ounces may be transferred to an unallocated account of, or as ordered by, the redeeming Authorized Participant.

Authorized Participants place orders to purchase or redeem Shares throughout the trading day, the actual Basket Gold Amount is determined at 4 p.m. or shortly thereafter.

The Custodian is responsible for safekeeping the gold.¹⁷ Gold deposited with the Custodian must either (a) meet the requirements to be delivered in settlement of a COMEX gold futures contract pursuant to the rules adopted by the COMEX, or (b) meet the specifications for weight, dimensions, fineness (or purity), identifying marks and appearance of gold bars as set forth in “The Good Delivery Rules for Gold and Silver Bars” published by the LBMA.

Shortly after 4 p.m. Eastern time each business day, the Trustee determines the NAV for the Trust. The Trustee calculates the NAV by multiplying the fine ounces of gold held by the Trust (after gold has been sold for that day to pay that day's fees and expenses) by the daily settlement value of the COMEX spot month gold futures contract.¹⁸ At any point in time, the spot month contract is the futures contract then

¹⁷ If the total value of the Trust's gold held by the Custodian exceeds \$2 billion, then the Custodian would be under no obligation to accept additional gold deliveries. In such a case, the Trustee would retain an additional custodian.

¹⁸ The COMEX daily settlement price for each gold futures contract is established by a subcommittee of COMEX members shortly after the close of trading in New York. The daily settlement price for each contract (delivery month) is derived from the daily settlement price for the most active futures contract month that is not necessarily the spot month. This settlement price is the average of the highest and lowest priced trades reported during the last one (1) minute of trading during regular trading hours. For all other gold futures contract months (which may include the spot month), the settlement prices are determined by COMEX based upon differentials reflected in spread trades between adjacent months, such differentials being directly or indirectly related to the most active month. These differentials are the average of the highest and lowest spread trades (trades based upon the differential between the prices for two contract months) reported during the last fifteen (15) minutes of trading during regular trading hours. In the case that there were no such spread trades, the average of the bids and offers for spread transactions during that last fifteen (15) minute period are used. In the case where there are no bids and offers during that time, the contracts are settled at prices

closest to maturity. If a COMEX settlement price for a spot month gold futures contract is not announced, the Trustee would use the most recently announced spot month COMEX settlement price, unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate. Once the value of the gold is determined, the Trustee would then subtract all accrued fees (other than the fees to be computed by reference to the value of the Trust or its assets), expenses and other liabilities of the Trust from the total value of gold and all other assets of the Trust. This adjusted NAV is then used to compute all fees (including the Trustee and Sponsor fees) that are calculated from the value of Trust assets. To determine the NAV, the Trustee subtracts from the adjusted NAV the amount of accrued fees from the value of Trust assets. The Trustee calculates the NAV per share by dividing the NAV by the number of Shares outstanding.

Liquidity. While the Shares would trade on the Exchange until 8 p.m. Eastern time, liquidity in the OTC market for gold generally decreases after 1:30 p.m. Eastern time when daily trading at COMEX and other world gold trading centers ends. Trading spreads and the resulting premium or discount on the Shares may widen as a result of reduced liquidity in the OTC gold market. The Exchange does not believe that the Shares would trade at a material discount or premium to the value of the underlying gold held by the Trust because of arbitrage opportunities.

Certificates Evidencing the Shares. The Shares are evidenced by certificates executed and delivered by the Trustee on behalf of the Trust. DTC has accepted the

consistent with the differentials for other contract months that were settled by the first or second method. If the third method is used, the subcommittee of the COMEX members establishing those settlement prices provides a record of the differentials from other contract months that formed the basis for those settlements.

Shares for settlement through its book-entry settlement system. So long as the Shares are eligible for DTC settlement, there is only one certificate evidencing shares that is registered in the name of a nominee of DTC. Investors are able to own Shares only in the form of book-entry security entitlements with DTC or direct or indirect participants in DTC. No investor is entitled to receive a separate certificate evidencing Shares. Because Shares can only be held in the form of book-entries through DTC and its participants, investors must rely on DTC, a DTC participant and any other financial intermediary through which they hold Shares to receive the benefits and exercise the rights described in this section. Investors should consult with their broker or financial institution to find out about the procedures and requirements for securities held in DTC book-entry form.

Cash and Other Distributions. If the Sponsor and Trustee determine that there is more cash being held in the Trust than is needed to pay the Trust's expenses for the next month, the Trustee would distribute the extra cash to DTC. If the Trust receives any property other than gold or cash, the Trustee would distribute that property to DTC by any means it thinks is lawful, equitable and feasible. If it cannot make the distribution in that way, the Trustee would sell the property and distribute the net proceeds, in the same way as it does with cash. Registered holders of Shares are entitled to receive these distributions in proportion to the number of Shares owned. Before making a distribution, the Trustee may deduct any applicable withholding taxes and any fees and expenses of the Trust that have not been paid.

Availability of Information Regarding Shares and Underlying Gold

The Web site for the Trust at <http://www.ishares.com>, which is publicly accessible at no charge, contains the following information about the Shares: (a) the prior

business day's NAV, Basket Gold Amount, the reported closing price, and the present day's Indicative Basket Gold Amount; (b) the mid-point of the bid-ask price¹⁹ in relation to the NAV as of the time the NAV is calculated ("Bid-Ask Price"); (c) calculation of the premium or discount of such price against such NAV; (d) data in chart form displaying the frequency distribution of discounts and premiums of the Bid-Ask Price against the NAV, within appropriate ranges for each of the four (4) previous calendar quarters; (e) the Prospectus; and (f) other applicable quantitative information, such as expense ratios, trading volumes, and the total return of the Shares. The Exchange also provides a hyperlink on its Web site (<http://www.nyse.com>) to the Trust's Web site at <http://www.ishares.com>.

The Exchange would make available, through the facilities of the Consolidated Tape Association ("CTA"), quotation information including the last sale price for Shares, the daily trading volume, closing prices, and the NAV from the previous day of Shares. In addition, the Exchange or a major market data vendor would disseminate each day the prior day's NAV and Shares outstanding through the facilities of the CTA. The Exchange or a major market data vendor would also disseminate the Indicative Trust Value ("ITV") on a per Share basis every 15 seconds through the facilities of the CTA from 9:30 a.m. to 4:15 p.m. Eastern time. Shortly after 4 p.m. each business day, the Trustee, the Exchange, and Barclays (Sponsor) would disseminate the NAV for the Shares, the Basket Gold Amount (for orders placed during the day), and the Indicative Basket Gold Amount (for use by Authorized Participants contemplating placing orders the following business day). The Basket Gold Amount, the Indicative Basket Gold Amount, and the NAV are

¹⁹ The bid-ask price of Shares is determined using the highest bid and lowest offer as of the time of calculation of the NAV.

communicated by the Trustee to all Authorized Participants via facsimile or electronic mail message and are available on the Trust's Web site at <http://www.ishares.com>.

There is a considerable amount of gold price and gold market information available on public Web sites and through professional and subscription services. In most instances, real-time information is only available for a fee, and information available free of charge is subject to delay (typically 20 minutes). The Exchange states that investors may obtain on a 24-hour basis gold pricing information based on the spot price for a troy ounce of gold from various financial information service providers, such as Reuters and Bloomberg. Reuters and Bloomberg provide at no charge on their Web sites delayed information regarding the spot price of gold and last sale prices of gold futures, as well as information about news and developments in the gold market. Reuters and Bloomberg also offer a professional service to subscribers for a fee that provides information on gold prices directly from market participants. In addition, an organization named EBS provides an electronic trading platform to institutions such as bullion banks and dealers for the trading of spot gold, as well as a feed of live streaming prices to Reuters and Moneyline Telerate subscribers.

As previously stated, the Exchange states that complete real-time data for gold futures and options prices traded on the COMEX is available by subscription from Reuters and Bloomberg. The closing price and settlement prices of the COMEX gold futures contracts are publicly available from the NYMEX at <http://www.nymex.com>, automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters. The NYMEX also provides delayed futures and

options information on current and past trading sessions and market news free of charge on its Web site.

Termination Events

According to the Prospectus, the Trustee would be terminated if any of the following circumstances occur:

- the Trustee is notified that the Shares are delisted from the Exchange and are not approved for listing on another national securities exchange within five business days of their delisting;
- holders of at least 75% of the outstanding Shares notify the Trustee that they elect to terminate the Trust;
- 60 days have elapsed since the Trustee notified the Sponsor of the Trustee's election to resign and a successor trustee has not been appointed and accepted its appointment;
- the SEC determines that the Trust is an investment company under the Investment Company Act of 1940, as amended, and the Trustee has actual knowledge of that determination;
- the aggregate market capitalization of the Trust, based on the closing price for the Shares, was less than \$350 million for five consecutive trading days and the Trustee receives, within six months from the last of those trading days, notice that the Sponsor has decided to terminate the Trust;
- the CFTC determines that the Trust is a commodity pool under the Commodity Exchange Act and the Trustee has actual knowledge of that determination; or
- the Trust fails to qualify for treatment, or ceases to be treated, as a grantor trust for United States federal income tax purposes and the Trustee receives notice that the Sponsor has determined that the termination of the Trust is advisable.

If not terminated earlier by the Trustee, the Trust would terminate on January 19, 2045. After termination of the Trust, the Trustee would deliver Trust property upon surrender and cancellation of Shares and, 90 days after termination, may sell any remaining Trust property in a private or public sale, and hold the proceeds, uninvested

and in a non-interest bearing account, for the benefit of the holders who have not surrendered their Shares for cancellation.

Criteria for Initial and Continued Listing

The Shares are subject to the criteria for initial and continued listing of Commodity-Based Trust Shares under Rule 8.201. As indicated above, the Shares are currently trading on the Exchange pursuant to UTP. A minimum of 100,000 Shares would be required to be outstanding when the Shares are listed. This minimum number of Shares required to be outstanding is comparable to requirements that have been applied to previously listed series of exchange-traded funds. The Exchange believes that the proposed minimum number of Shares outstanding at the start of trading is sufficient to provide market liquidity. The Exchange would obtain a representation from the Trust, prior to listing, that the NAV per Share would be calculated daily and made available to all market participants at the same time.

In addition, the Trust would be subject to the criteria in Rule 8.201(e)(2) for continued listing of the Shares. The continued listing criteria provides for the consideration of suspension of trading in or removal from listing of the Shares under any of the following circumstances:

- Following the initial twelve (12) month period from the date of commencement of trading of the Shares: (i) if the Trust has more than sixty (60) days remaining until termination and there are fewer than fifty (50) record and/or beneficial holders of the Shares for thirty (30) or more consecutive trading days; (ii) if the Trust has fewer than 50,000 Shares issued and outstanding; or (iii) if the market value of all Shares is less than \$1,000,000;
- If the value of the underlying gold is no longer calculated or available on at least a 15-second delayed basis from a source unaffiliated with the Sponsor, Trust, Custodian or the Exchange or the Exchange stops providing a hyperlink on its Web site to any such unaffiliated gold value;

- If the ITV is no longer made available on at least a 15-second delayed basis from 9:30 a.m. to 4:15 p.m. Eastern time; or
- If such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

In addition, the Exchange would remove the Shares from listing upon termination of the Trust.

If the ITV or the value of the underlying gold is not being calculated or widely disseminated as required, the Exchange may halt trading during the day in which the interruption to the calculation or wide dissemination of the ITV or the value of the underlying gold occurs. If the interruption to the calculation or wide dissemination of the ITV or the value of the underlying gold persists past the trading day in which it occurred, the Exchange would halt trading no later than the beginning of the trading day following the interruption.

The Exchange represents the Trust is required to comply with Rule 10A-3 under the Act for the initial and continued listing of the Shares.

Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. The trading hours for the Shares on the Exchange are the same as those set forth in Rule 7.34 (4 a.m. to 8 p.m. Eastern time). The minimum trading increment for Shares on the Exchange is \$0.01.

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares. Trading may be halted because of market conditions or for reasons that, in the view of the Exchange, make

trading in the Shares inadvisable. These may include: (1) the extent to which trading is not occurring in the underlying COMEX gold futures contract, 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 Shares could be halted pursuant to the Exchange's "circuit breaker" rule²⁰ or by the halt or suspension of trading of the underlying securities.

The Shares are subject to Rules 8.201(g) - (i), which set forth certain restrictions on ETP Holders acting as registered Market Makers in the Shares to facilitate surveillance. See "Surveillance" below.

The Commission has granted exemptions from, or interpretive or no-action advice regarding, Section 11(d)(1) of the Act, Rules 10a-1 and 11d-2 under the Act, Rule 200(g) of Regulation SHO, and Rules 101 and 102 of Regulation M in respect of trading of the Shares.²¹ The Exchange would detail the terms of the exemption or relief in an Information Bulletin.

Surveillance

The Exchange intends to utilize its existing surveillance procedures applicable to derivative products to monitor trading in the Shares. The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules.

²⁰ See NYSE Arca Equities Rule 7.12.

²¹ See Letter from James A. Brigagliano of the Division of Market Regulation at the Commission to Mr. David Yeres, Esq. at Clifford Chance US LLP re: iShares COMEX Gold Trust, File No. TP 04-77, dated January 27, 2005. See also Letter from Brian A. Bussey, Assistant Chief Counsel at the Division of Market Regulation at the Commission to Mr. David Yeres, Esq. at Clifford Chance US LLP re: Modification of Prior No-Action Relief with respect to iShares COMEX Gold Trust dated December 12, 2005.

The Exchange's current trading surveillance focuses on detecting when securities trade outside their normal patterns. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange may obtain information via the Intermarket Surveillance Group ("ISG") from other exchanges who are members or affiliates of the ISG.²² In addition, the Exchange has an Information Sharing Agreement with NYMEX for the purpose of providing information in connection with trading in or related to COMEX gold futures contracts.

Further, the Shares are subject to Rules 8.201(g) - (i), which set forth certain restrictions on ETP Holders acting as registered Market Makers in the Shares to facilitate surveillance. Rule 8.201(g) prohibits an ETP Holder acting as a registered Market Maker in the Shares from being affiliated with a Market Maker in physical gold, gold futures, options on gold futures, or any other gold derivatives unless adequate information barriers are in place, as provided in Rule 7.26. Rule 8.201(h) requires that an ETP Holder acting as a registered Market Maker in the Shares provide the Exchange with information relating to its trading in physical gold, gold futures contracts, options on gold futures, or any other gold derivative. Rule 8.201(i) prohibits an ETP Holder acting as a registered Market Maker in the Shares from using any material nonpublic information received from any person associated with an ETP Holder or employee of such person regarding trading by such person or employee in physical gold, gold futures contracts, options on gold futures, or any other gold derivatives (including the Shares).

²² For a list of the current members and affiliate members of ISG, *see* <http://www.isgportal.com>.

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

Information Bulletin

Prior to the commencement of trading, the Exchange would inform its ETP Holders in an Information Bulletin (“Bulletin”) of the special characteristics and risks associated with trading the Shares. Specifically, the Bulletin would discuss the following: (i) What the Shares are; (ii) the procedures for purchases and redemptions of Shares in Baskets (and that Shares are not individually redeemable); (iii) Rule 9.2(a),²³ which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Shares; (iv) how information regarding the ITV is disseminated; (v) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (vi) trading information.

The Bulletin would also explain that the Trust is subject to various fees and expenses described in the Registration Statement and that the number of ounces of gold required to create a Basket or to be delivered upon redemption of a Basket would gradually decrease over time because the Shares comprising a Basket would represent a decreasing amount of gold due to the sale of the Trust’s gold to pay Trust expenses. The

²³ Rule 9.2(a) provides that an ETP Holder, before recommending a transaction, must have reasonable grounds to believe that the recommendation is suitable for its customer based on any facts disclosed by the customer as to his other security holdings and as to his financial situation and needs. Further, the rule provides, with a limited exception, that prior to the execution of a transaction recommended to a non-institutional customer, the ETP Holder shall make reasonable efforts to obtain information concerning the customer’s financial status, tax status, investment objectives, and any other information that it believes would be useful to make a recommendation. *See* Securities Exchange Act Release No. 34-54045 (June 26, 2006), 71 FR 37971 (July 3, 2006) (SR-PCX-2005-115).

Bulletin would also reference the fact that there is no regulated source of last sale information regarding physical gold, that the Commission has no jurisdiction over the trading of gold as a physical commodity, and that the CFTC has regulatory jurisdiction over the trading of gold futures contracts and options on gold futures contracts.

The Bulletin would also discuss exemptive, no-action and interpretive relief granted by the Commission from Section 11(d)(1) of the Act²⁴ and certain rules under the Act.²⁵

The Bulletin would also disclose that the NAV for the Shares would be calculated after 4 p.m. Eastern time each trading day, based on the COMEX daily settlement value, which is disseminated shortly after 1:30 p.m. Eastern time each trading day.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,²⁶ in general, and furthers the objectives of Section 6(b)(5),²⁷ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

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

²⁴ 15 U.S.C. 78k(d)(1).

²⁵ See *supra* note 21 and accompanying text.

²⁶ 15 U.S.C. 78f(b).

²⁷ 15 U.S.C. 78f(b)(5).

The Exchange does not believe that the proposed rule change would impose any burden on competition that is 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

Written comments on the proposed rule change were neither solicited nor received.

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

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of the notice of filing thereof in the Federal Register. The Shares are currently trading pursuant to UTP on the Exchange. Accelerated approval would enable the Exchange to accommodate the timetable for listing the Shares on the Exchange.

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 No. SR-NYSEArca-2007-43 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.

All submissions should refer to File Number SR-NYSEArca-2007-43. 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. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. 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-NYSEArca-2007-43 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.²⁸

Florence E. Harmon
Deputy Secretary

²⁸ 17 CFR 200.30-3(a)(12).