Proposed Rule Change by Philadelphia Stock Exchange

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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<th>Initial</th>
<th>Amendment</th>
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<th>Section 19(b)(2)</th>
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Pilot Extension of Time Period for Commission Action Date Expires

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Description

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

Phlx proposes an amendment to Phlx Rule 101 relating to restricted trading session for selected ETFs.

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: John
Last Name: Dayton
Title: Director
E-mail: john.dayton@phlx.com
Telephone: (435) 783-6415
Fax: (215) 496-6729

Signature

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

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

Date: 11/19/2007
By: Cynthia Hoekstra
Vice President

(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.)
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**

The Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² proposes to update the list in Phlx Rule 101 of securities eligible to trade in one or more, but not all three, of the Exchange’s trading sessions. The securities to be added are: (1) iShares® MSCI Canada Index Fund; (2) iShares® MSCI EAFE Index Fund; (3) iShares® MSCI EAFE Value Index Fund; (4) iShares® MSCI Emerging Markets Index Fund; (5) iShares® MSCI S&P Europe 350 Index Fund; (6) SPDR® DJ Global Titans ETF; and (7) Vanguard Emerging Markets ETF.³

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and the text of the amended Phlx Rule 101 is set forth below: Underlining indicates additions; brackets indicate deletions.

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³ Recently, NYSEArca, Inc. ("NYSEArca") filed and received approval for a proposed rule change to expand the trading hours of the securities of certain Exchange-Traded Funds ("ETFs") traded on the NYSE Arca Marketplace to include all three trading sessions. See Securities Exchange Act Release No. 56627 (October 5, 2007), 72 FR 58145 (October 12, 2007) (SR-NYSEArca-2007-75). Phlx is not proposing to adopt these changes at this time. Prior to this, NYSEArca restricted the trading of certain ETFs, including those referred to in this proposed rule change, to one or two, but not all three, of its trading sessions. In this proposed rule change, Phlx is proposing to adopt the same restricted sessions that NYSEArca had for the named ETFs prior to the approval of SR-NYSEArca-2007-75. See Securities Exchange Act Release Nos. 55708 (May 4, 2007), 72 FR 26667 (May 10, 2007) (SR-NYSEArca-2007-39, adopting restricted sessions for the iShares® MSCI EAFE Value Index Fund); 55085 (January 11, 2007), 72 FR 2717 (January 22, 2007) (SR-NYSEArca-2006-37, adopting restricted session for the SPDR® DJ Global Titans ETF f/k/a StreetTRACKS Dow Jones Global Titans Index Fund); 55083 (January 10, 2007), 72 FR 2322 (January 18, 2007) (SR-NYSEArca-2006-39, adopting restricted sessions for the iShares® MSCI Emerging Markets Index Fund); 55053 (January 5, 2007), 72 FR 1794 (January 16, 2007) (SR-NYSEArca-2006-38, adopting restricted sessions for the iShares® MSCI EAFE Index Fund); 55004 (December 22, 2006), 72 FR 173 (January 3, 2007) (SR-NYSEArca-2006-33, adopting restricted sessions for the iShares® MSCI S&P Europe 350 Index Fund); 53230 (February 6, 2006), 71 FR 7594 (February 13, 2006) (SR-PCX-2005-116, adopting restricted sessions for the iShares® MSCI Canada Index Fund); and 52927 (December 8, 2005), 70 FR 74397 (December 15, 2005) (SR-PCX-2005-128, clarifying the restricted sessions for the Vanguard Emerging Markets ETF).
Rule 101. Hours of Business

No Change

Supplementary Material:

.01 No Change

.02(1)-(3) No Change

(4) Securities qualified for trading will be eligible to trade during all three trading sessions identified in paragraphs (1)-(3) above, except for securities of the following issuers, which are eligible to trade in the Core Session and in the below designated trading session, but not all three trading sessions:

- iShares® MSCI Australia Index Fund  Core, Post Market
- iShares® MSCI Brazil Index Fund  Core, Post Market
- iShares® MSCI Canada Index Fund  Core, Post Market
- iShares® MSCI EAFE Index Fund  Core, Post Market
- iShares® MSCI EAFE Value Index Fund  Core, Post Market
- iShares® MSCI Emerging Markets Index Fund  Core, Post Market
- iShares® MSCI Germany Index Fund  Core, Post Market
- iShares® MSCI Mexico Index Fund  Core, Post Market
- iShares® MSCI S&P Europe 350 Index Fund  Core, Post Market
- iShares® MSCI United Kingdom Index Fund  Core, Post Market
- iShares® S&P Latin America 40 Index Fund  Core, Post Market
- SPDR® DJ Global Titans ETF  Core, Post Market
- Vanguard Emerging Markets ETF  Core, Post Market

(5) No Change

2. Procedures of the Self-Regulatory Organization

Senior Management of the Exchange, pursuant to delegated authority, approved the proposal for filing with the Securities and Exchange Commission ("SEC" or "Commission") on November 8, 2007.

Questions and comments on the proposed rule change may be directed to John Dayton, Director and Counsel, at (435) 783-6415, or Edith Hallahan, Senior Vice President and Deputy General Counsel, at (215) 496-5179.
3. **Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

   a. **Purpose**

   The purpose of the proposed rule change is to accommodate the trading of various securities that may not trade during all three trading sessions on XLE. Phlx Rule 101 provides that XLE shall have three trading sessions each day: a Pre Market Session (8:00 a.m. Eastern Time (“ET”) to 9:30 a.m. ET), a Core Session (9:30 a.m. ET to 4:00 p.m. or 4:15 p.m. ET) and a Post Market Session (end of Core Session to 6:00 p.m. ET).

   Phlx Rule 101 includes a list of those securities that are eligible to trade in one or more, but not all three, of XLE’s trading sessions. The Exchange maintains on its Internet Web site (www.phlx.com) a list that identifies all securities traded on XLE that do not trade for the duration of each of the three sessions specified in Phlx Rule 101. The Exchange proposes to add the following securities to this list: (1) iShares® MSCI Canada Index Fund; (2) iShares® MSCI EAFE Index Fund; (3) iShares® MSCI EAFE Value Index Fund; (4) iShares® MSCI Emerging Markets Index Fund; (5) iShares® MSCI S&P Europe 350 Index Fund; (6) SPDR® DJ Global Titans ETF; and (7) Vanguard Emerging Markets ETF. These securities are traded on the Exchange pursuant to unlisted trading privileges and are Index Fund Shares, described in Phlx Rule 803(l).

   b. **Statutory Basis**

   The Exchange believes that its proposal is consistent with Section 6(b) of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to

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and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

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

   The Phlx does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

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

   No written comments were either solicited or received.

6. **Extension of Time Period for Commission Action**

   The Exchange does not consent to an extension of the time period for Commission action.

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

   Because the foregoing proposed rule change does not:

   (i) Significantly affect the protection of investors or the public interest;

   (ii) Impose any significant burden on competition; and

   (iii) Become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act\(^6\) and Rule 19b-4(f)(6) thereunder.\(^7\) Phlx requests that the Commission waive the 30-day operative delay and make the proposed rule change operative upon filing in order to permit the Exchange to immediately update the list in

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Phlx Rule 101 of those securities eligible to trade in one or more, but not all three, of
XLE trading sessions.

   or of the Commission

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

9. Exhibits

   1. Notice of proposed rule for publication in the Federal Register.
SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-Phlx-2007-87)

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to the Trading Sessions for Selected ETFs

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")\(^1\), and Rule 19b-4\(^2\) thereunder, notice is hereby given that on _________________ 2007, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Phlx. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Phlx, pursuant to Section 19(b)(1) of the Act\(^3\) and Rule 19b-4 thereunder,\(^4\) proposes to update the list in Phlx Rule 101 of securities eligible to trade in one or more, but not all three, of the Exchange’s trading sessions. The securities to be added are: (1) iShares® MSCI Canada Index Fund; (2) iShares® MSCI EAFE Index Fund; (3) iShares® MSCI EAFE Value Index Fund; (4) iShares® MSCI Emerging Markets Index

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Fund; (5) iShares® MSCI S&P Europe 350 Index Fund; (6) SPDR® DJ Global Titans ETF; and (7) Vanguard Emerging Markets ETF.\(^5\)

The text of the amended Phlx Rule 101 is set forth below:

Underlining indicates additions; brackets indicate deletions.

**Rule 101. Hours of Business**

No Change

Supplementary Material:

.01 No Change

.02(1)-(3) No Change

(4) Securities qualified for trading will be eligible to trade during all three trading sessions identified in paragraphs (1)-(3) above, except for securities of the following issuers, which are eligible to trade in the Core Session and in the below designated trading session, but not all three trading sessions:

- iShares® MSCI Australia Index Fund Core, Post Market
- iShares® MSCI Brazil Index Fund Core, Post Market
- iShares® MSCI Canada Index Fund Core, Post Market
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- iShares® MSCI EAFE Value Index Fund Core, Post Market

\(^5\) Recently, NYSEArca, Inc. ("NYSEArca") filed and received approval for a proposed rule change to expand the trading hours of the securities of certain Exchange-Traded Funds ("ETFs") traded on the NYSE Arca Marketplace to include all three trading sessions. See Securities Exchange Act Release No. 56627 (October 5, 2007), 72 FR 58145 (October 12, 2007) (SR-NYSEArca-2007-75). Phlx is not proposing to adopt these changes at this time. Prior to this, NYSEArca restricted the trading of certain ETFs, including those referred to in this proposed rule change, to one or two, but not all three, of its trading sessions. In this proposed rule change, Phlx is proposing to adopt the same restricted sessions that NYSEArca had for the named ETFs prior to the approval of SR-NYSEArca-2007-75. See Securities Exchange Act Release Nos. 55708 (May 4, 2007), 72 FR 26667 (May 10, 2007) (SR-NYSEArca-2007-39, adopting restricted sessions for the iShares® MSCI EAFE Value Index Fund); 55085 (January 11, 2007), 72 FR 2717 (January 22, 2007) (SR-NYSEArca-2006-37, adopting restricted session for the SPDR® DJ Global Titans ETF f/k/a StreetTRACKS Dow Jones Global Titans Index Fund); 55083 (January 10, 2007), 72 FR 2322 (January 18, 2007) (SR-NYSEArca-2006-39, adopting restricted sessions for the iShares® MSCI Emerging Markets Index Fund); 55053 (January 5, 2007), 72 FR 1794 (January 16, 2007) (SR-NYSEArca-2006-38, adopting restricted sessions for the iShares® MSCI EAFE Index Fund); 55004 (December 22, 2006), 72 FR 173 (January 3, 2007) (SR-NYSEArca-2006-33, adopting restricted sessions for the iShares® MSCI S&P Europe 350 Index Fund); 53230 (February 6, 2006), 71 FR 7594 (February 13, 2006) (SR-PCX-2005-116, adopting restricted sessions for the iShares® MSCI Canada Index Fund); and 52927 (December 8, 2005), 70 FR 74397 (December 15, 2005) (SR-PCX-2005-128, clarifying the restricted sessions for the Vanguard Emerging Markets ETF).
II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Phlx 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 Phlx has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The purpose of the proposed rule change is to accommodate the trading of various securities that may not trade during all three trading sessions on XLE. Phlx Rule 101 provides that XLE shall have three trading sessions each day: a Pre Market Session (8:00 a.m. Eastern Time (“ET”) to 9:30 a.m. ET), a Core Session (9:30 a.m. ET to 4:00 p.m. or 4:15 p.m. ET) and a Post Market Session (end of Core Session to 6:00 p.m. ET).

Phlx Rule 101 includes a list of those securities that are eligible to trade in one or more, but not all three, of XLE’s trading sessions. The Exchange maintains on its Internet Web site (www.phlx.com) a list that identifies all securities traded on XLE that do not trade for the duration of each of the three sessions specified in Phlx Rule 101. The Exchange proposes to add the following securities to this list: (1) iShares® MSCI Canada Emerging Markets Index Fund Core, Post Market, (2) iShares® MSCI Germany Index Fund Core, Post Market, (3) iShares® MSCI Mexico Index Fund Core, Post Market, (4) iShares® MSCI S&P Europe 350 Index Fund Core, Post Market, (5) iShares® MSCI United Kingdom Index Fund Core, Post Market, (6) iShares® S&P Latin America 40 Index Fund Core, Post Market, (7) SPDR® DJ Global Titans ETF Core, Post Market, and (8) Vanguard Emerging Markets ETF Core, Post Market.
Index Fund; (2) iShares® MSCI EAFE Index Fund; (3) iShares® MSCI EAFE Value Index Fund; (4) iShares® MSCI Emerging Markets Index Fund; (5) iShares® MSCI S&P Europe 350 Index Fund; (6) SPDR® DJ Global Titans ETF; and (7) Vanguard Emerging Markets ETF. These securities are traded on the Exchange pursuant to unlisted trading privileges and are Index Fund Shares, described in Phlx Rule 803(l).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

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

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

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

No written comments were either solicited or received.

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

Because the foregoing proposed rule change does not:

(i) Significantly affect the protection of investors or the public interest;

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(ii) Impose any significant burden on competition; and

(iii) Become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act\(^8\) and Rule 19b-4(f)(6) thereunder.\(^9\) Phlx requests that the Commission waive the 30-day operative delay and make the proposed rule change operative upon filing in order to permit the Exchange to immediately update the list in Phlx Rule 101 of those securities eligible to trade in one or more, but not all three, of XLE trading sessions.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission’s Internet comment form (http://www.sec.gov/rules/sro.shtml); or

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-Phlx-2007-87 on the subject line.

Paper comments:

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

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All submissions should refer to File Number SR-Phlx-2007-87. 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 the filing also will be available for inspection and copying at the principal office of the Phlx. 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-Phlx-2007-87 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.¹⁰

Nancy M. Morris
Secretary