

STOCK EXCHANGE			
Regulatory Information Circular			
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Subject: Barclays iPath VIX Futures ETN's

Background Information on the Securities

As more fully explained in the Registration Statement (No. 333-145845) for Barclays iPath VIX Futures Exchange Traded Notes due January 30, 2019 (the “Securities”), an investment in iPath ETNs is linked to the performance of the S&P 500 VIX Short-Term Futures™ Index TR or the S&P 500 VIX Mid-Term Futures Index TR, as described below. Because the performance of each index is linked to the CBOE Volatility Index (the “VIX Index”), the performance of each index will depend on many factors including, the level of the S&P 500 Index, the prices of options on the S&P 500 Index, and the level of the VIX Index which may change unpredictably, affecting the value of futures contracts on the VIX Index and, consequently, the level of each index. Additional factors that may contribute to fluctuations in the level of each index include prevailing market prices and forward volatility levels of the U.S. stock markets and the equity securities.

The S&P 500 VIX Short-Term Futures Index TR and the S&P 500 VIX Mid-Term Futures Index TR are indices composed of futures contracts on the VIX Index with a daily rolling long position in contracts of specified maturities and are intended to reflect the returns that are potentially available through (1) an unleveraged investment in those contracts plus (2) the rate of interest that could be earned on the return on the notional value of the Index at the specified Treasury Bills rate, which is then reinvested in the Index.

The Indices are rolling Indices, each of which rolls on a daily basis. One of the effects of daily rolling is to maintain a constant weighted average maturity for the underlying futures contracts. The Indices are composed of futures contracts on the VIX Index. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, futures contracts normally specify a certain date for the delivery of the underlying asset or financial instrument or, in the case of futures contracts relating to indices such as the VIX Index, a certain date for payment in cash of an amount determined by the level of the underlying index. The Indices operate by selling futures contracts on the VIX Index on a daily basis, specifying cash settlement on a nearby date and purchasing futures contracts on the VIX Index on a daily basis specifying cash settlement on a later date. The roll for each contract occurs on each index business day according to a pre-

determined schedule that has the effect of keeping constant the weighted average maturity of the relevant futures contracts. This process is known as “rolling” a futures position, and each Index is a “rolling index”. The constant weighted average maturity for the futures underlying the S&P 500 VIX Short-Term Futures Index TR is one month and for the futures underlying the S&P 500 VIX Mid-Term Futures Index TR is five months.

The return on each series of ETNs is linked to the performance of the Index to which such ETNs are linked. Each Index seeks to provide investors with exposure to one or more maturities of futures contracts on the VIX Index, which reflect implied volatility in the S&P 500 Index at various points along the volatility forward curve. The VIX Index is calculated based on the prices of put and call options on the S&P 500 Index. Each index is intended to reflect the returns that are potentially available through an unleveraged investment in the futures contract or contracts on the VIX index plus the rate of interest that could be earned on reinvestment into the Index of the return on the notional value of the Index based on the 3-month U.S. Treasury rate. Futures on the VIX Index allow investors the ability to invest in forward volatility based on their view of the future direction or movement of the VIX Index. The index sponsor calculates the level of the relevant Index on each index business day and publishes it on the applicable Bloomberg pages specified herein as soon as practicable thereafter.

The ETNs will initially be issued in denominations of \$100.

For a more complete description of the Securities and the payment at maturity, early repurchase provisions, early repurchase mechanics, valuation, fees and risk factors, consult the prospectus (“Prospectus”).

Valuation of the Securities

According to the Prospectuses, an intraday “Indicative Value” meant to approximate the intrinsic economic value of the ETNs will be published by Bloomberg, as follows:

<u>Exchange-Traded Notes</u>	<u>Symbol</u>
iPath S&P 500 VIX Short-Term Futures Exchange Traded Notes due January 30, 2019	VXX.IV
iPath S&P 500 VIX Mid-Term Futures Exchange Traded Notes due January 30, 2019	VXZ.IV

The actual trading price of the Securities may vary significantly from their Indicative Value.

Early Redemption

According to the Prospectus, the Securities may be redeemed prior to maturity. Offers to repurchase at least 25,000 Securities (or an integral multiple of 25,000 securities in excess thereof) on any redemption date through April 1, 2038. For a complete description of the redemption procedures and the payment upon redemption, see the Prospectus.

Investment Risks

The Notes are unsecured promises of Barclays Bank PLC and are not secured debt. The Notes are riskier than ordinary unsecured debt securities. As stated in the Prospectus, an investment in the Securities includes, but are not limited to, the following risks:

- Even if the level of the Index at maturity or upon redemption is greater than it was on the inception date, an investor receive less than the principal amount;
- Even if the value of the Index at maturity or upon redemption exceeds the initial -Index level, holders may receive less than the principal amount of their Securities; Holders will not benefit from any increase in the value of the Index if such increase is not reflected in the value of the Index on the applicable valuation date;
- There are restrictions on the minimum number of securities a holder may redeem and on the dates on which a holder may redeem them;
- The VIX Index is a theoretical calculation and is not a tradable index;
- The market value of the ETNs may be influenced by many unpredictable factors; The market value of the ETNs may fluctuate between the date of purchase and the applicable valuation date;
- The VIX Index is a measure of forward volatility of the S&P 500 Index and the ETN is not linked to the options used to calculate the VIX Index, to the actual volatility of the S&P 500 Index or the equity securities included in the S&P 500 Index, nor will the return on the ETN be a participation in the actual volatility of the S&P 500 Index;
- Changing prices of the Futures Contracts included in the Index may result in a reduced amount payable at maturity or upon redemption;
- There may not be an active trading market in the Securities;
- Sales in the secondary market may result in significant losses;
- Trading and other transactions by Barclays Bank PLC or its affiliates in instruments linked to the Index or Index components may impair the market value of the Notes;
- The liquidity of the market for the Securities may vary materially over time;
- Barclays' business activities may create conflicts of interest;
- The policies of the index sponsor and changes that affect the composition and valuation of the Index or the index constituent currencies could affect the amount payable on the securities and their market value;
- If a market disruption event has occurred or exists on a valuation date, the calculation agent can postpone the determination of the value of the Index or the maturity date or a redemption date; and
- The U.S. Federal Tax Consequences of your investment in the securities are highly uncertain.

Exchange Rules Applicable to Trading in the Shares

The Shares are considered equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.

Trading Hours

Trading in the shares on ISE is on a UTP basis and is subject to ISE equity trading rules. The shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Equity EAMs trading the shares during the Extended Market Sessions are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

Trading Halts

ISE will halt trading in the Shares of a Trust in accordance with ISE Rule 2101(a)(2)(iii). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Shares and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, ISE will stop trading the Shares of a Trust if the primary market de-lists the Shares.

Delivery of a Prospectus

Pursuant to federal securities laws, investors purchasing Shares must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Shares directly from the Fund (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Distributor or on the Fund's website. The Prospectus does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to the Trust's registration statement.

No-Action Relief Under Federal Securities Regulations

The Securities and Exchange Commission has issued no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 (the "Exchange Act"), regarding trading in Barclays iPath Exchange Traded Notes (SEC Letter dated July 27, 2006) and Deutsche Bank AG Exchange-Traded Notes (SEC Letter dated October 17, 2007) for securities with structures similar to that of the securities described herein (the "Letters"). As what follows is only a summary of the relief outlined in the Letters, the Exchange also advises interested members to consult the Letters, for more complete information regarding the matters covered therein.

Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M is an anti-manipulation regulation that, subject to certain exemptions, prohibits a “distribution participant” and the issuer or selling security holder, in connection with a distribution of securities, from bidding for, purchasing, or attempting to induce any person to bid for or purchase, any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities, and affiliated purchasers of such persons.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 101 of Regulation M against persons who may be deemed to be participating in a distribution of the notes to bid for or purchase the notes during their participation in such distribution.

Rule 102 of Regulation M prohibits issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder. Rule 100 of Regulation M defines “distribution” to mean any offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 102 of Regulation M against Barclays and its affiliated purchasers who bid for or purchase or redeem notes during the continuous offering of the notes.

Section 11(d)(1) of the Exchange Act; Exchange Act Rule 11d1-2

Section 11(d)(1) of the Exchange Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he or she participated as a member of a selling syndicate or group within thirty days prior to such transaction.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Section 11(d)(1) of the Exchange Act against broker-dealers who treat the notes, for purposes of Rule 11d1-2, as “securities issued by a registered . . . open-end investment company as defined in the Investment Company Act” and thereby, extend credit or maintain or arrange for the extension or maintenance of credit on the notes that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

This Regulatory Information Circular is not a statutory Prospectus. Equity EAMs should consult the Trust’s Registration Statement, SAI, Prospectus and the Fund’s website for relevant information.

Appendix A

Ticker	Fund Name
VXX	iPath S&P 500 VIX Short-Term Futures Exchange Traded Notes due January 30, 2019

Ticker	Fund Name
VXZ	iPath S&P 500 VIX Mid-Term Futures Exchange Traded Notes due January 30, 2019