

the account files with the Commission Form N-6EI-1 (17 CFR 274.301), a notification of claim of exemption.

The rule also exempts a separate account from a number of other sections of the Act, provided that the separate account makes certain disclosure in its registration statements, reports to contract holders, proxy solicitations, and submissions to state regulatory authorities, as prescribed by the rule.

Paragraph (b)(9) of rule 6e-2 provides an exemption from the requirements of section 17(f) of the Act and imposes a reporting burden and certain other conditions. Section 17(f) requires that every registered management company meet various custody requirements for its securities and similar investments. Paragraph (b)(9) applies only to management accounts that offer life insurance contracts subject to rule 6e-2.

Since 2003, there have been no filings under paragraph (b)(9) of rule 6e-2 by management accounts. Therefore, since 2003, there has been no cost or burden to the industry regarding the information collection requirements of paragraph (b)(9) of rule 6e-2. In addition, there have been no filings of Form N-6EI-1 by separate accounts since 2003. Therefore, there has been no cost or burden to the industry since that time. The Commission requests authorization to maintain an inventory of one burden hour for administrative purposes.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

General comments regarding the above information should be directed to the following persons; (i) Desk officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or e-mail to David_Rostker@omb.eop.gov; and (ii) R. Corey Booth, Director/Chief Information Officer, Securities and Exchange Commission, C/O Shirley Martinson, 6432 General Green Way, Alexandria, Virginia 22312, or send an e-mail to PRA_Mailbox@sec.gov. Comments must be submitted to OMB within 30 days of this notice.

Dated: May 15, 2006.

Nancy M. Morris,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon written request, copies available from: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension:

Rule 17f-1, SEC File No. 270-236, OMB Control No. 3235-0222; Form N-17f-1, SEC File No. 270-316, OMB Control No. 3235-0359

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget requests for extension of the previously approved collections of information discussed below.

Rule 17f-1 under the Investment Company Act of 1940 (17 CFR 270.17f-1) is entitled: "Custody of Securities with Members of National Securities Exchanges." Rule 17f-1 provides that any registered management investment company ("fund") that wishes to place its assets in the custody of a national securities exchange member may do so only under a written contract that must be ratified initially and approved annually by a majority of the fund's board of directors. The written contract also must contain certain specified provisions. In addition, the rule requires an independent public accountant to examine the fund's assets in custody with the exchange member at least three times during the fund's fiscal year. The rule requires the written contract and the certificate of each examination to be transmitted to the Commission. The purpose of the rule is to ensure the safekeeping of fund assets.

Commission staff estimates that each fund makes 1 response and spends an average of 3.5 hours annually in complying with the rule's requirements.¹ Commission staff estimates that on an annual basis it takes: (i) 0.5 hours for the board of directors at a total cost of approximately \$1000 to review and ratify the custodial contracts;² and (ii) 3 hours for the fund's

controller at a total cost of approximately \$445 to assist the fund's independent public auditors in verifying the fund's assets.³ Approximately 60 funds rely on the rule annually.⁴ Thus, the total annual burden for rule 17f-1 is estimated to be approximately 210 hours.⁵ Based on the total costs per fund listed above, the total cost of the rule 17f-1's collection of information requirements is estimated to be \$86,700.⁶

Form N-17f-1 is entitled: "Certificate of Accounting of Securities and Similar Investments of a Management Investment Company in the Custody of Members of National Securities Exchanges." Form N-17f-1 (17 CFR 274.219) is the cover sheet for accountant examination certificates filed under rule 17f-1 of the Act. Rule 17f-1 requires the accountant's certificate of each examination be attached to Form N-17f-1 and transmitted to the Commission promptly after each examination. The form facilitates the filing of the accountant's certificate, and increases the accessibility of the certificate to both Commission's staff and interested investors.

Commission staff estimates that on an annual basis it takes: (i) On average 1 hour of clerical time at a total cost of \$28 to prepare and file the Form N-17f-1; and (ii) 1 hour for the fund's chief compliance officer at a total cost of \$137 to review the Form N-17f-1 prior to filing with the Commission. As noted above, approximately 60 funds currently file Form N-17f-1 with the Commission, and each fund is required to make three filings annually for a total annual burden per fund of approximately 6 hours. The total annual hour burden for Form N-17f-1 is

that would be part of customary and usual business practice.

³ This estimate is based on the following calculation: $3 \times \$148.38$ (fund controller hourly rate) = \$445. The estimated costs for all fund professional and support staff time are based on the average annual salaries reported for employees in New York City in Securities Industry Association, *Management and Professional Earnings in the Securities Industry* (2003) and Securities Industry Association, *Office Salaries in the Securities Industry* (2003), which are adjusted to reflect additional overhead costs and employee benefits.

⁴ Based on a review of Form N-17f-1 filings in 2004, the Commission staff estimates that 60 funds relied on rule 17f-1 in 2005.

⁵ This estimate is based on the following calculation: 60 (respondents) \times 3.5 (total annual hourly burden per respondent) = 210 hours. The annual burden for rule 17f-1 does not include time spent preparing Form N-17f-1. The burden for Form N-17f-1 is included in a separate collection of information.

⁶ This estimate is based on the following calculation: 60 funds \times $\$1445$ (total annual cost per fund) = \$86,700.

¹ The 1 response is the board's approval of the contract.

² Estimates of the number of hours are based on conversations with individuals in the mutual fund industry. In preparing this submission, Commission staff randomly selected nine funds from the pool of Form N-17f-1 filers. The actual number of hours may vary significantly depending on individual fund assets. The hour burden for rule 17f-1 does not include preparing the custody contract because

therefore estimated to be approximately 360 hours. Based on the total costs per fund listed above, the total cost of Form N-17f-1's collection of information requirements is estimated to be approximately \$59,400.⁷

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act, and is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules. Compliance with the collections of information required by rule 17f-1 and Form N-17f-1 is mandatory for funds that place their assets in the custody of a national securities exchange member. Responses will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid control number.

General comments regarding the above information should be directed to the following persons: (i) Desk officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20504, or e-mail to: David_Rostker@omb.eop.gov; and R. Corey Booth, Director/Chief Information Officer, Office of Information Technology, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: May 15, 2006.

Nancy M. Morris,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

In the Matter of China Energy Savings Technology, Inc.; Order of Suspension of Trading

May 19, 2006.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of China Energy Savings Technology, Inc. ("China Energy"), a Nevada corporation headquartered in Hong Kong.

The Commission is concerned that certain China Energy affiliates and

shareholders may have unjustifiably relied upon Rule 144 of the Securities Act of 1933 ("Securities Act") in conducting an unlawful distribution of securities that failed to comply with the resale restrictions of Rule 144 of the Securities Act. The Commission is also concerned that China Energy may have unlawfully relied upon Form S-8 of the Securities Act to issue unrestricted securities.

Questions also have arisen regarding the accuracy and completeness of information contained in China Energy's public filings with the Commission concerning, among other things, statements regarding the company's shareholder base.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed company.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the above-listed company is suspended for the period from 12:01 a.m. EDT, May 19, 2006, through 11:59 p.m. EDT, on June 2, 2006.

By the Commission.

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. 06-4807 Filed 5-19-06; 11:48 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-53817; File No. SR-BSE-2006-05]

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Order Approving a Proposed Rule Change to Modify the Boston Options Exchange's Fee Schedule to Impose Surcharge Fees for Transactions in Options on ETFs on a Retroactive Basis

May 17, 2006.

On March 15, 2006, the Boston Stock Exchange, Inc. ("BSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposal to retroactively establish certain Boston Options Exchange ("BOX") licensing fee surcharges applicable to broker-dealer proprietary accounts and market maker accounts for trades in options on certain exchange traded funds ("ETFs"). The proposed rule change was published for

comment in the **Federal Register** on April 13, 2006.³ The Commission received no comments regarding the proposal. This order approves the proposed rule change.

The BOX's Fee Schedule currently has in place a surcharge fee item for transactions in the respective ETF options effected by market makers and broker-dealer proprietary accounts that imposes a \$0.10 per contract fee for transactions in certain licensed options, including Standard & Poor's Depository Receipts (SPY), iShares Russell 2000 Index Fund (IWM), iShares Russell 2000 Growth Index Fund (IWO), and iShares Nasdaq Biotechnology Index Fund (IBB).⁴ In addition, the BOX's Fee Schedule currently lists a surcharge fee of \$0.09 per contract fee for transactions in certain licensed options, including S&P Energy Select Sector SPDR Fund (XLE) and S&P Financial Select Sector SPDR Fund (XLF). The surcharge fees on the licensed options listed above became effective on January 4, 2006.⁵ The Exchange is now proposing to retroactively apply these surcharge fees from the Effective Dates listed in Table 1 of the notice⁶ ("Effective Dates") (i.e., the date on which each product commenced trading on BOX) through January 3, 2006.⁷

In addition, the Exchange is proposing to amend the BOX Fee Schedule to clarify the meaning of the current text in Section 4(b) ("InterMarket Linkage") of the BOX Fee Schedule, which includes an explicit reference to the surcharge with respect to Inbound P and PA orders that are billed per contract.⁸ The BSE is also proposing to amend the title of Section

³ See Securities Exchange Act Release No. 53607 (April 6, 2006), 71 FR 19221 ("Notice").

⁴ The BOX Fee Schedule also contains a \$0.10 surcharge fee per contract for options on the ETF Nasdaq 1000 ("QQQQ"), which is not at issue in this proposed rule change.

⁵ See Securities Exchange Act Release No. 53454 (March 8, 2006), 71 FR 13439 (March 15, 2006) (SR-BSE-2006-01).

⁶ See Notice, *supra* note 3. The Standard & Poor's Depository Receipts commenced trading on January 10, 2005; the iShares Russell 2000 Index Fund commenced trading on May 2, 2005; the S&P Energy Select Sector SPDR Fund commenced trading on June 6, 2005; and the iShares Russell 2000 Growth Index Fund, the iShares Nasdaq Biotechnology Index Fund, and S&P Financial Select Sector SPDR Fund all commenced trading on June 27, 2005.

⁷ BSE represents these fees are only charged to BOX Participants.

⁸ Specifically, the Exchange proposes to replace the sentence "Same as if were BOX Participant" with "This charge is the same as that which is applicable to a BOX Participant under Section 2. These orders are also subject to any additional pass-through surcharge fees specified in Section 2(c), as applicable."

⁷ This estimate is based on the following calculation: 360 hours × \$165 (total annual cost per fund) = \$59,400.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.