

rule.² On April 3, 2007, the Board issued a concept release to solicit comment on the possible effects on a firm's independence of providing tax services to a person covered by Rule 3523 during the portion of the audit period that precedes the beginning of the professional engagement period, and other practical consequences of applying the restrictions imposed by Rule 3523 to that portion of the audit period. The Board has determined to further adjust the implementation schedule for Rule 3523 in order to allow sufficient time for consideration of commenters' views. Specifically, the Board will not apply Rule 3523 to tax services provided on or before July 31, 2007, when those services are provided during the audit period and are completed before the professional engagement period begins.

No other aspect of the Board's rules on independence and tax services is affected by this extension. As of November 1, 2006, registered firms have been required to comply with Rule 3523 as it relates to tax services provided while they serve as auditor of record for an audit client—that is, during the "professional engagement period." In addition, with one exception, all other PCAOB rules concerning independence, tax services, and contingent fees that were adopted by the Board on July 26, 2005 and approved by the SEC on April 19, 2006 are now in effect.³

(b) Statutory Basis

The statutory basis for the proposed rule change is Title I of the Act.

B. Board's Statement on Burden on Competition

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

C. Board's Statement on Comments on the Proposed Rule Received From Members, Participants or Others

The Board did not solicit or receive written comments on the proposed rule change.

² See PCAOB Release No. 2006-006 (October 31, 2006), at 2. Specifically, the Board stated that Rule 3523 will not apply to tax services provided on or before April 30, 2007, when those services are provided during the audit period and are completed before the professional engagement period begins.

³ With respect to tax services provided to audit clients whose audit committees pre-approve tax services pursuant to policies and procedures, Rule 3524 will not apply to any such tax service that is begun by April 20, 2007. See PCAOB Release No. 2006-001 (March 28, 2006), at 2-3, PCAOB Release No. 2005-020 (November 22, 2005) at 2-3, and PCAOB Release No. 2005-14 (July 26, 2005) at 47-48.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Securities Exchange Act of 1934 (as incorporated, by reference, into Section 107(b)(4) of the Act) and paragraph (f) of Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule is consistent with the requirements of Title I of 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/pcaob.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number PCAOB-2007-01 on the subject line.

Paper Comments

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

All submissions should refer to File Number PCAOB-2007-01. 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/pcaob.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 PCAOB. All comments received will be posted without change; we do 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 PCAOB-2007-01 and should be submitted on or before July 30, 2007.

By the Commission.

Nancy M. Morris,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55984; File No. SR-CBOE-2007-53]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change, as Modified by Amendment No. 1 Thereto, Relating to an Administrative CBOE Billing Rule

June 29, 2007.

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 29, 2007, the Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") 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 substantially prepared by the CBOE. On June 28, 2007, the Exchange filed Amendment No. 1 to the proposed rule change. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

The Exchange proposes to make a change to an administrative CBOE billing rule. The text of the proposed rule change is available at the CBOE, on the Exchange's Web site at <http://www.cboe.org/legal>, and in the Commission's Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

In its filing with the Commission, the 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

CBOE Rule 3.23 requires all CBOE members, other than lessor members, to designate a CBOE Clearing Member for the payment of CBOE invoices by means of the Exchange's Integrated Billing System ("IBS"). From time to time, vendors have requested the Exchange to act as their billing agent for vendor invoices for Exchange-related services provided to members. The Exchange would like to enter into arrangements with vendors under which the Exchange would collect payment from members for vendor invoices for Exchange-related services.³ Some of these arrangements may involve payment by the vendor to the Exchange for performing this billing service, and some may involve no payment to the Exchange as mutually agreed by the vendor and the Exchange.

The Exchange proposes to amend Rule 3.23 to make explicit that the Exchange may collect such vendor fees that are designated by the Exchange from members via the IBS. The proposed rule change would benefit Exchange members in that it would allow members to pay vendor invoices for Exchange-related services along with all of their Exchange invoices via the IBS instead of having to receive and pay multiple invoices. The proposed rule change would also benefit vendors in that it would relieve vendors of the responsibility for individually billing

and collecting from each of their CBOE member customers.

2. Statutory Basis

The proposed rule change is an administrative rule change that is designed to facilitate the efficiency of Exchange operations and to ease administrative burdens on Exchange members by improving CBOE billing procedures. Therefore, the Exchange believes that the proposed rule change is consistent with the requirements provided under Section 6(b)(5)⁴ of the Act that the rules of an exchange be designed 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

CBOE does not believe that the proposed rule change will 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

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

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

Because the foregoing rule change is concerned solely with the administration of the Exchange, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁵ and subparagraph (f)(3) of Rule 19b-4⁶ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.⁷

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-CBOE-2007-53 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR-CBOE-2007-53. 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 on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the CBOE. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2007-53 and should be submitted on or before July 30, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Florence E. Harmon,

Deputy Secretary.

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³ The Exchange represents that, in the Exchange's written agreement with each vendor for which the Exchange will collect payments via IBS, the Exchange will require the vendor to include a provision in the vendor's written agreement with each member from which payments via IBS will be collected in which the member authorizes CBOE to assess and collect from the member through CBOE's billing procedures and automated systems, on behalf of the vendor, the fees assessed by the vendor to the member for the vendor's service. See Amendment No. 1 to the proposed rule change.

⁴ 15 U.S.C. 78(f)(b)(5).

⁵ 15 U.S.C. 78s(b)(3)(A).

⁶ 17 CFR 240.19b-4(f)(3).

⁷ For purposes of calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change under Section 19(b)(3)(C) of the Act, the Commission considers the period to commence on June 28, 2007, the date on which CBOE submitted Amendment No. 1. See 15 U.S.C. 78s(b)(3)(C).

⁸ 17 CFR 200.30-3(a)(12).