

**Rule 17Ac2-1 – Application for registration of transfer agents
Form TA-1 – Uniform Form for Registration as a Transfer Agent and for Amendment to
Registration pursuant to Section 17A of the Securities Exchange Act of 1934**

Supporting Statement

A. Justification

1. Necessity of Information Collection

Subsection (c)(1) of Section 17A of the Securities Exchange Act of 1934 (“Act”) provides in essence that transfer agents may not perform statutory transfer agent functions, as defined in Section 3(a)(25) of the Act, with respect to any security registered under Section 12 of the Act, subject to certain exceptions, unless the transfer agents are registered with the appropriate regulatory agency (“ARA”), as defined in Section 3(a)(34) of the Act. Subsection (c)(2) of Section 17A authorizes each ARA, including the Commission, to adopt by rule and application for registration in such form and containing such information and documents concerning transfer agents as each ARA may prescribe as necessary or appropriate in furtherance of the purpose of the Act.

In order to implement Section 17A(c)(2) of the Act, which governs the registration of transfer agents, the Commission, in 1975, adopted Form TA-1 and Rule 17Ac2-1. Form TA-1 was amended in by the Commission in 1980, 1985, and 2007; Rule 17Ac2-1 was amended by the Commission in 1986 and 2007. The amendments, pursuant to statutory authority cited above, generally are based on determinations by the Commission that additional information would enable a more thorough review of transfer agents registering with the Commission and thereby provide greater protection to the investing public. Additionally, in 2008, Form TA-1 was amended to permit electronic filing of Form TA-1 with the Commission by the Commission’s computer system known as EDGAR under the requirements of Regulation S-T (17 CFR 232).

2. Purpose of, and Consequences of Not Requiring, the Information Collection

The information submitted pursuant to Rule 17Ac2-1 and Form TA-1 is required to register transfer agents with the appropriate ARA. Without this information, transfer agents would function, if at all, without statutorily-mandated regulation by their ARAs.

3. Role of Improved Information Technology and Obstacles to Reducing Burden

The Commission’s electronic system called EDGAR (Electronic Gathering, Analysis & Retrieval) provides electronic automation for filings. As a result of 2008 amendments to Form TA-1, with limited exceptions, Form TA-1 applications for registration as a transfer agent with the Commission are now required to be filed electronically on EDGAR. Such automation has

increased the speed, accuracy, and availability of information, which provides benefits to investors and the financial markets.

4. Efforts to Identify Duplication

Not applicable, insofar as transfer agents are required by statute to register with their ARAs.

5. Effect on Small Business

Rule 17Ac2-1 and Form TA-1 do not disproportionately affect small entities. There are no other alternative sources of the required information that could be used to satisfy the registration requirements of the Act. Form TA-1 was designed to be as minimally burdensome as possible and still obtain the necessary information for registration. Likewise, the electronic filing system was designed to be as cost-effective as possible so as not to unduly burden small entities.

6. Consequences of Less Frequent Collection

The information required by Rule 17Ac2-1 and Form TA-1 is submitted by transfer agents to satisfy a precondition (i.e., registration), as established by the Commission pursuant to Congressional authority, to commencement of transfer agent activities. The information to be filed on Form TA-1 is a one-time requirement to provide data bases of information for the transfer agents' respective ARAs. Thus, the information could not be collected less frequently. The updated information required by Paragraph (c) of Rule 17Ac2-1 is sought only when the previously filed information has become inaccurate, misleading, or incomplete.

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

The collection is not inconsistent with 5 CFR 1320.5(d)(2).

8. Consultations Outside the Agency

The Commission has consulted with the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Board of Governors of the Federal Reserve System in connection with the approval of Rule 17 Ac2-1(a) and (c) and Form TA-1. These organizations are regulatory agencies with whom transfer agencies may be required to apply for registration, other than the SEC. For electronic filing, the Commission consulted with an independent contractor to choose the software for the online filing program.

9. Payment of Gift to Respondents

Not applicable.

10. Assurance of Confidentiality

Completed transfer agent registration forms are public information. Therefore, no assurances of confidentiality may be given.

11. Sensitive Questions

No questions of a sensitive nature are involved.

12. Estimate of Respondent Reporting Burden

The Commission receives annually approximately 100 applications for registration on Form TA-1 from transfer agents required to register as such with the Commission. Included in this figure are amendments made to Form TA-1 as required by Rule 17Ac2-1(c). Beginning in 2007 the Commission has required all transfer agent forms filed with the Commission to be submitted electronically on EDGAR, unless the transfer agent has been granted a continuing hardship exemption from electronic filing under Rule 202 of Regulation S-T (17 CFR 232).

In view of the easily available nature of most of the information requested by Form TA-1, the relatively simple presentation of the form, and the past experience of the staff regarding Form TA-1, we estimate that an average of approximately one and one-half hours are required for initial completion of and amendment to Form TA-1 by each such firm, or a cumulative total of 150 burden hours per year.

13. Estimate of Total Annualized Cost Burden

In order to file electronically on EDGAR, transfer agents will be required to have a personal computer, internet access, and MS InfoPath software. The Commission believes that as part of their business operations, all transfer agents have computers and access to the internet, and that any new transfer agent seeking to register as a transfer agent with the Commission would likewise have such equipment. Approximately 25 new transfer agents register with the Commission each year, and the cost of MS InfoPath is approximately \$200 (if it or similar equipment has not already been acquired). Accordingly, we estimate that the proposal would cause a cost to each new transfer agent of a maximum of \$200 in the initial year only for an aggregate start-up cost of \$5,000 for all new transfer agents (however, if the transfer agent has already purchased Microsoft Office 2000 Professional Enterprise Edition™ it will not need to purchase MS InfoPath™). Further, if a transfer agent can demonstrate that the electronic filing requirement would cause it undue burden or expense, the Commission could grant it a continuing hardship exemption from the electronic filing requirement pursuant to Rule 202 of Regulation S-T. (17 CFR 232).

14. Estimate of Cost to Federal Government

Cost to the federal government results from appropriate regulatory agency staff time and related overhead cost devoted to assuring compliance by transfer agents with the requirements of

Rule 17Ac-2 and Form TA-1. The staff estimates that approximately 50 hours of staff time per year will be devoted to assuring that transfer agents comply with these rules at a cost of \$2,500 per year.

15. Explanation of Changes in Burden

Due to 2007 amendments to both Rule 17Ac2-1 and Form TA-1 in connection with new requirements providing that hereafter transfer agent registrations and amendments, with certain exceptions, must be filed electronically, there was a re-registration of transfer agents which resulted in a temporary change in burden for approximately one year. But this singular occurrence is expected to have no longer term effect on the burden of these rules on transfer agents..

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Expiration as to Why Expiration Date Will Not Be Displayed

Not applicable.

18. Collection of Information Employing Statistical Methods

Not applicable.