

Supporting Statement for Rule 15Bc3-1 and Form MSDW

A. Justification

1. Necessity for Information Collection

Rule 15Bc3-1 provides that municipal securities dealers must file a notice of withdrawal from registration on Form MSDW, in the case of bank municipal securities dealers, or on Form BDW, in the case of any other municipal securities dealers, in order to withdraw its registration as a municipal securities dealer. Rule 15Bc3-1 and Form MSDW were adopted by the Commission pursuant to Sections 15B(c), 17(a), and 23(a) of the Securities Exchange Act ("Exchange Act"), 15 U.S.C. 78o4(c), 78q(a), and 78w(a).

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

The Commission uses the information submitted on Form MSDW in determining whether it is in the public interest to permit a bank municipal securities dealer to withdraw its registration. This information is also important to the municipal securities dealer's customers and to the public, because it provides, among other things, the name and address of a person to contact regarding any of the municipal securities dealer's unfinished business. The information requested on Form MSDW includes disclosures concerning whether the registrant is involved in any legal action or proceeding, and the name and address of the person who has or will have custody of the registrant's books and records that are required to be preserved pursuant to Section 17(a) of the Exchange Act.

In addition, Rule 15Bc3-1 provides that securities firms that are municipal securities dealers, and were required to register pursuant to Section 15B(a) of the Exchange Act, must file a notice of withdrawal from registration on Form BDW. All securities firms withdrawing from registration with the Commission use this form. Form BDW is discussed in the submission with respect to Rule 15b6-1 (SEC File No. 270-17).

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

While the Commission continues to improve its systems for information gathering and compilation through the increasing use of computer technology, the burden associated with filing each Form MSDW is already negligible. Thus, improved information technology will have little effect in reducing the burden.

4. Efforts to Identify Duplication

Duplication of information is not a concern because the filing requirement is only applicable when a municipal securities dealer wishes to withdraw from registration.

5. Effect on Small Entities

Rule 15Bc3-1 is a rule of general applicability that does not depend on the size of a municipal securities dealer. Since the rule is designed to apply to all registered municipal securities dealers, the rule must apply in the same manner to small, as well as large, entities.

6. Consequences of Less Frequent Collection

Because the collection of information amounts to completing and filing a one-time only withdrawal from registration form, a less frequent collection is not possible.

7. Inconsistencies with Guidelines in 5 CFR 1320.6

Not applicable. This collection is consistent with the Guidelines of 5 CFR 1320.6.

8. Consultation Outside the Agency

Not applicable. Consultations outside the agency were deemed unnecessary and were not conducted with respect to this rule.

9. Payment or Gift to Respondents

Not applicable.

10. Assurances of Confidentiality

Not applicable. No assurances of confidentiality are provided.

11. Sensitive Questions

Not applicable. No inquiries of a sensitive nature are made.

12. Estimate of Respondent Reporting Burden

The Commission estimates that the average number of hours necessary to complete Form MSDW is approximately 30 minutes. Based upon the average number of submissions for the last three years, the Commission estimates that approximately 12 respondents will utilize this notice annually, with total for all respondents of 6 hours. The total estimated cost to all registrants is approximately \$606 per year, based on a yearly average of 12 filings requiring approximately 0.5 hours of time at \$101¹ per hour. ($\$101 \times .5 \times 12 = \606).

This estimate is based on the Commission staff's experience in administering the form.

¹ \$101 per hour includes 35% overhead.

The form is available from the Commission, and can usually be completed by checking appropriate boxes and writing the name and address of the bank municipal securities dealer, and the name and address of the person who has or will have custody of the bank municipal securities dealer's books and records.

13. Estimate of Total Annualized Cost Burden

Not applicable. It is not anticipated that respondents will have to incur any capital and start-up costs, nor any additional operational or maintenance costs (other than as provided in Item 12), to comply with the collection of information.

14. Estimate of Cost to Federal Government

There are no current developmental costs associated with Rule 15Bc3-1 or Form MSDW. It is estimated that operational costs of reviewing and processing notices to withdraw from registration as a bank municipal securities dealer on Form MSDW amount to approximately \$440 annually. This cost was computed on the basis of the value of staff time devoted to this activity and the related overhead, valued at 35 percent of the value of staff time. The costs associated with Form BDWs filed by municipal securities dealers that are securities firms are reported in the submission on Rule 15b6-1 (SEC File No. 270-17). This estimate was computed on the basis of the formulas set forth in the GSA Guide to Estimating Reporting Costs (1973).

15. Explanations of Changes in Burden

Not Applicable.

16. Information Collection Planned For Statistical Purposes

The results of the collection will not be used for statistical purposes.

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

Not applicable. The Commission is not seeking approval to not display the expiration date for OMB approval.

18. Exceptions to Certification

Not applicable. The Commission is not seeking an exception to the certification statement.

B. Collections of Information Using Statistical Methods

This collection does not employ statistical methods.