

SUPPORTING STATEMENT  
For the Paperwork Act Information Collection Submission for  
Rule 24b-1

A. Justification

1. Necessity of Information Collection

Rule 24b-1 (17 CFR 240.24b-1) (the "Rule") was adopted in 1934 pursuant to the predecessor to Section 24 of the Securities Exchange Act of 1934 (the "Act"). Former Section 24(a) of the Act authorized the Commission to make public such information, as it deemed necessary or appropriate for the protection of investors. In 1975, Section 24(a) was amended to expressly define all documents filed with or otherwise obtained by the Commission as "records" for the purpose of the Freedom of Information Act ("FOIA"), 5 USC 552. Section 24(b) of the Act makes it unlawful for any member of the Commission to disclose to any person other than a Commission member (or to use for personal benefit) any information contained in a document filed with the Commission either (a) in contravention of Commission rules under FOIA, or (b) when the Commission has accorded confidential treatment to information pursuant to such rules.

Rule 24b-1 permits members of the public to obtain access to the registration statements and amendments to the registration statements of the securities exchanges. Implementing the requirements of Section 24(a), the rule requires that upon Commission action granting an exchange's application for registration or exemption from registration as a national securities exchange, the exchange must make available for public inspection at its offices during reasonable business hours a copy of the registration statement and exhibits filed with the Commission (along with any amendments thereto). However, the rule exempts those portions of this information to which the exchange has filed with the Commission an objection to disclosure and when the Commission has not overruled the objection. While the rule does not specify a retention period, the exchanges generally maintain this information for five years.

The rule was adopted pursuant to authority granted to the Commission in Section 24 of the Act, 15 USC 78x. Further authority for the rule can be found in Section 23(a) of the Act, 15 USC 78w(a).

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

Rule 24b-1 implements the requirements of Section 24(a) of the Act by requiring exchanges to make their registration information public, unless an exception applies. Without the rule, exchanges would probably not make this information publicly available.<sup>1</sup>

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

The compilation and filing of the data required reflects the complexity of the exchanges'

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<sup>1</sup> The Commission notes, however, that recent exchange applications for registration or exemption are available at <http://www.sec.gov/rules/other.shtml>.

business. Thus, improved technology would not reduce the burden.

4. Efforts to Identify Duplication

Not applicable. Each request by members of the public must be done on an individual basis.

5. Effect on Small Entities

Not applicable. The burden is minimal and the information is necessary regardless of the size of the exchange.

6. Consequences of Less Frequent Collection

Since the rule requires only that exchanges maintain the record, less frequent collection is not possible.

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 required Federal Register notice with a 60-day comment period soliciting comments on this collection of information was published. No public comments were received.

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality

Under the rule, exchange registration statements are required to be made available to the public upon request. Thus confidentiality is assured to respondents under the rule only with regard to those portions of the statement which an exchange has filed with the Commission an objection to disclosure, and the Commission has not overruled the objection.

11. Sensitive Questions

Not applicable. No issues of a sensitive nature are involved.

12. Estimate of Respondent Reporting Burden

There are currently 15 national securities exchanges subject to Rule 24b-1.<sup>2</sup> The burden of complying with the rule is evenly distributed among the exchanges subject to the rule. The staff estimates that each of the respondents spends approximately one half hour per year complying with the rule, for an aggregate total of five and one half annual burden hours.

The staff estimates that the average cost per respondent is \$65.18 per year, for an aggregate total cost to respondents of \$977.70. This is calculated as copying (\$13.97) plus storage (\$51.21).

13. Estimate of Total Annualized Cost Burden

- (a) It is not anticipated that respondents will have to incur any capital and start-up costs to comply with the Rule;
- (b) It is not anticipated that the respondents will have to incur any additional operational or maintenance costs (other than as provided in Item 12) to comply with the Rule.

This estimate is based on those exchanges currently registered with the Commission. The Commission recognizes that the number of registered exchanges may increase or decrease in the future.

14. Estimate of Cost to the Federal Government

The Commission incurs no operational costs with respect to Rule 24b-1.

15. Explanation of Changes in Burden

The changes to the estimated annual cost burden resulted from an increase in the number of respondents.

16. Information Collections Planned for Statistical Purposes

Not applicable. The information is not published for statistical use.

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<sup>2</sup> These 15 registered national securities exchanges are: (1) NYSE Amex LLC; (2) BATS Exchange, Inc.; (3) BATS Y-Exchange, Inc.; (4) NASDAQ OMX BX, Inc.; (5) C2 Options Exchange, Incorporated; (6) Chicago Board Options Exchange, Incorporated; (7) Chicago Stock Exchange, Inc.; (8) EDGA Exchange, Inc.; (9) EDGX Exchange, Inc.; (10) International Securities Exchange, LLC; (11) The Nasdaq Stock Market LLC; (12) National Stock Exchange, Inc.; (13) New York Stock Exchange, Inc.; (14) NYSE Arca, Inc.; and (15) NASDAQ OMX PHLX, Inc.

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

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

18. Exceptions to Certification

This collection complies with the requirements in 5 CFR 1320.9.

B. Collection of Information Employing Statistical Methods

The collection of information does not employ statistical methods, nor would the implementation of such methods reduce the burden or improve the accuracy of results.