

**SUPPORTING STATEMENT**  
**for the Paperwork Reduction Act Information Collection Submission**  
**“Form ID”**

A. Justification

1. Necessity of Information Collection

Regulation S-T<sup>1</sup> provides the general requirements and procedures for electronic filing with the Commission using the Commission’s Electronic Data Gathering, Analysis and Retrieval (“EDGAR”) system. It further mandates that domestic registrants, foreign private issuers, and foreign governments generally file their securities documents electronically with the Commission. This includes registration statements under the Securities Act of 1933<sup>2</sup> and registration statements, reports and other documents under the Securities Exchange Act of 1934 (“Exchange Act”).<sup>3</sup>

To facilitate the electronic filing requirements, the Commission developed certain procedures and forms that were unique to the EDGAR filing system, including Form ID<sup>4</sup> to be used by EDGAR filers. Form ID is used to apply for access codes to file documents on EDGAR. Form ID requires registrants, third party filers, or their agents, to whom the Commission has not previously assigned a Central Index Key code, to request certain access codes to permit filing electronically on EDGAR.

The Dodd-Frank Wall Street Reform and Consumer Protection Act<sup>5</sup> (“Dodd-Frank Act”) was enacted on July 21, 2010. Title IX, Subtitle C of the Dodd-Frank, “Improvements to the Regulation of Credit Rating Agencies,” among other things, established new self-executing requirements applicable to nationally recognized statistical rating organizations (“NRSROs”), required certain studies, and required that the Commission adopt rules applicable to NRSROs, providers of due diligence services, and issuers and underwriters of asset-backed securities in a number of areas.

The Commission is proposing rules and rule amendments to, among other things, implement certain provisions of the Dodd-Frank Act.<sup>6</sup> As part of this proposal, the Commission is proposing amendments to Rule 101 to Regulation S-T to require the electronic submission using the EDGAR system of Form NRSRO pursuant to paragraphs (e), (f), and (g) of Exchange Act Rule 17g-1 and the annual reports pursuant to Exchange Act Rule 17g-3, which are currently

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<sup>1</sup> 17 CFR 232.10 et seq.

<sup>2</sup> 15 U.S.C. 77a et seq.

<sup>3</sup> 15 U.S.C. 78a et seq.

<sup>4</sup> 17 CFR 239.63, 249.446, 269.7 and 274.402.

<sup>5</sup> Pub. L. No. 111-203, 124 Stat. 1376, H.R. 4173.

<sup>6</sup> Exchange Act Release No. 64514 (May 18, 2011), 76 FR 33420 (June 8, 2011).

submitted in paper form. The Commission is also proposing a new rule which would require an issuer or underwriter of certain asset-backed securities (“ABS”) that are to be rated by an NRSRO to furnish a Form ABS-15G on the EDGAR system containing the findings and conclusions of any third-party “due diligence report” obtained by the issuer or underwriter.

The Commission expects that NRSROs would need to file a Form ID with the Commission in order to gain access to the EDGAR system.

The Commission preliminarily believes that the issuers and underwriters of Exchange Act-ABS that would need to furnish Form ABS-15G to the Commission through the EDGAR system pursuant to proposed new Rule 15Ga-2 already have access to the EDGAR system because, for example, they need such access for purposes of Rule 15Ga-1.

## 2. Purpose and Use of the Information Collection

The information provided on Form ID allows the Commission to assign company identification numbers (“CIKs”) and passwords to registrants and others, providing access to the EDGAR system. These are essential to the security of the EDGAR system.

Under the proposal, NRSROs would need to file a Form ID with the Commission in order to gain access to the EDGAR system to electronically submit Form NRSRO pursuant to paragraphs (e), (f), and (g) of Rule 17g-1 and the annual reports submitted pursuant to Rule 17g-3.

One of the primary goals of the EDGAR system since its inception is to facilitate the rapid dissemination of financial and business information in connection with filings the Commission receives. With respect to Form NRSRO, although paragraph (i) of Rule 17g-1 currently requires NRSROs to make the public portions of their current Form NRSROs publicly available within 10 business days after submission to the Commission, the Commission believes that having all such information available immediately upon submission in one location would increase the efficiency of retrieving and comparing NRSRO public submissions by investors and other users of credit ratings by enabling them to access the information more quickly. Further, the Commission believes that submissions made to the Commission are more valuable to investors and other users of credit ratings if they are available in electronic form. The Commission preliminarily believes that, as a result of the proposals, the EDGAR page of the Commission’s website<sup>7</sup> in conjunction with the NRSRO page of the Commission’s website,<sup>8</sup> would be a comprehensive source from which to find most public information submitted to the Commission, as well as other information, related to NRSROs.

In addition, while the Rule 17g-3 annual reports would not be made public on EDGAR, having them submitted on EDGAR would assist the Commission in its oversight of NRSROs. For example, Commission examiners could easily retrieve the annual reports of a specific NRSRO to prepare for an examination. Moreover, having these records submitted and

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<sup>7</sup> ([www.sec.gov/investor/pubs/edgarguide.htm](http://www.sec.gov/investor/pubs/edgarguide.htm).)

<sup>8</sup> ([www.sec.gov/divisions/marketreg/ratingagency.htm](http://www.sec.gov/divisions/marketreg/ratingagency.htm).)

stored through EDGAR in a centralized location would assist the Commission from a records management perspective by establishing a more automated storage process and creating efficiencies in terms of reducing the volume of paper submissions that must be manually processed and stored in furtherance of the Commission's NRSRO oversight function.

Moreover, the Commission preliminarily believes that the electronic submission of the Form NRSROs and the Rule 17g-3 annual reports would benefit NRSROs in that it would provide NRSROs with a more efficient way to submit these forms and reports to the Commission. For example, NRSROs would avoid the uncertainties, delay, and expense related to the manual delivery of paper submissions. Further, NRSROs would benefit from no longer having to submit multiple paper copies of these submissions to the Commission.

### 3. Consideration Given to Information Technology

Form ID is used to implement improved information dissemination technology. The EDGAR system is designed to reduce the regulatory burdens of paper filings with the Commission.

### 4. Duplication

EDGAR system function is unique to the Commission; consequently, no duplication of Form ID exists.

### 5. Effect on Small Entities

The EDGAR system is designed to provide all registrants, including small entities, with greater efficiencies in submitting information to the Commission.

### 6. Consequences of Not Conducting Collection

Form ID must be used by registrants and other persons to whom the Commission has not assigned a CIK to obtain the access codes needed to submit documents on EDGAR.

### 7. Inconsistencies with Guidelines in 5 CFR 1320.8(d)

There are no special circumstances. This collection is consistent with the guidelines in 5 CFR 1320.8(d).

### 8. Consultations Outside the Agency

As stated above, the Commission has issued a release soliciting comment on the new "collection of information" requirements and associated paperwork burdens. A copy of the release is attached. Comments on Commission releases are generally received from registrants, investors, and other market participants. In addition, the Commission and staff participate in ongoing dialogue with representatives of various market participants through public conferences, meetings and informal exchanges. Any

comments received on this proposed rulemaking will be posted on the Commission's public website, and made available through <http://www.sec.gov/rules/proposed.shtml>. The Commission will consider all comments received prior to publishing the final rule, and will explain in any adopting release how the final rule responds to such comments, in accordance with 5 C.F.R. 1320.11(f).

9. Payment or Gift

No payment or gift would be provided to respondents.

10. Confidentiality

Form ID is used solely for registering filers on the EDGAR system. No assurances of confidentiality are provided.

11. Sensitive Questions

No sensitive questions are asked.

12. Burden of Information Collection

The Commission previously estimated that 65,784 registrants and other persons file Form ID each year at an estimated burden of .15 hours per response, all of which is borne internally by the respondent, for a total annual reporting burden of 9,868 hours.

The Commission expects that NRSROs would need to file a Form ID with the Commission in order to gain access to the EDGAR system. There are currently ten NRSROs registered with the Commission. The Commission therefore believes that the amendments would cause the ten credit rating agencies registered with the Commission as NRSROs to file a Form ID, which would result in a one-time reporting burden of 1.5 hours (10 NRSROs x .15 hours = 1.5 hours), annualized over a three year period for an annual reporting burden of .5 hours.

The proposal would therefore increase the annual reporting burden from 9,868 hours to 9,868.5 hours, rounded to 9,869 hours.

13. Costs to Respondents

It is estimated that the respondent will prepare 100% of the total reporting burden imposed by the forms and there is no additional cost associated with the information collection.

14. Costs to Federal Government

The Commission has no specific information available concerning the cost for processing Form ID. However, although the cost is not significant because the Commission has automated most of the processing required, the Commission has estimated a cost of approximately \$50,000 per year to process Form ID.

15. Changes in Burden

The changes in the annual reporting burden due to the proposal are due to the addition of ten respondents—the ten NRSROs registered with the Commission—which would increase the reporting burden by .5 hours per year for three years on an annualized basis.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Display of OMB Approval Date

The Commission requests authorization to omit the expiration date on any electronic version of Form ID, although the OMB control number would be displayed. Including the expiration date on an electronic version of this form will result in increased costs, because the need to make changes to the form may not follow the application's scheduled version release dates.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

This collection complies with the requirements in 5 CFR 1320.9.

B. Collection of Information Employing Statistical Methods

This collection does not involve statistical methods.