

PAPERWORK REDUCTION ACT SUBMISSION

Rule 19b-4, Form 19b-4 and Rule 3Ca-1

SUPPORTING STATEMENT

This submission is being made pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. Section 3501 et seq.

A. JUSTIFICATION

1. Necessity of Information Collection

A. Rule 19b-4 and Form 19b-4

The Securities Exchange Act of 1934 (“Exchange Act”) provides a framework for self-regulation within which national securities exchanges, national securities associations, and registered clearing agencies have primary responsibility for regulating their members or participants, and the Municipal Securities Rulemaking Board is responsible for establishing rules for certain transactions in municipal securities. The Exchange Act charges the Commission with supervising each of these organizations (generally referred to as self-regulatory organizations or “SROs”) and with assuring that each complies with and advances the policies of the Exchange Act. As part of its oversight responsibilities, the Commission is required to review changes in the rules of the various SROs.

Section 19(b) of the Exchange Act, as amended, requires each SRO to file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed rule, or any proposed change in, addition to, or deletion from the rules of such SRO (collectively, a “proposed rule change”) accompanied by a concise general statement of the basis and purpose of such proposed rule change. Rule 19b-4 currently requires an SRO seeking Commission approval for a proposed rule change to provide the information stipulated in Form 19b-4. Form 19b-4 currently requires a description of the terms of a proposed rule change, the proposed rule change’s impact on various market segments, and the relationship between the proposed rule change and the SRO’s existing rules. Form 19b-4 also requires an accurate statement of the authority and statutory basis for, and purpose of, the proposed rule change, the proposal’s impact on competition, and a summary of any written comments received by the SRO from SRO members. An SRO also is required to submit Form 19b-4 to the Commission electronically, post a proposed rule change on its public website within two business days of its filing, and to post and maintain a current and complete set of its rules on its website.

The Commission is required to publish notice in the Federal Register of a proposed rule change filing together with the terms of substance of the proposed rule change or a description of the subjects and issues involved, to give interested persons an opportunity to submit written data, views, and arguments concerning such proposed rule change. The publication must be made by the Commission within 15 days after an SRO files the proposed rule change with the Commission and subsequently posts it on its website. The comment period is generally 21 days and the Commission shall not approve such proposed rule change prior to the 30th day after publication of the notice of

the filing unless it finds good cause for doing so and publishes its reasons. The Commission must either approve or disapprove a proposed rule change not later than 45 days after the date of publication in the Federal Register. The Commission may, with the consent of the SRO, extend the time period for approval or disapproval by up to an additional 45 days if it determines that a longer period is appropriate and publishes the reasons for such determination. In order to approve a proposed rule change, the Commission must make an affirmative finding that the proposed rule change is consistent with the Exchange Act and the rules thereunder. Section 19(b) also provides that certain administrative or interpretive proposed rule changes may become effective on filing, subject to the Commission's authority to temporarily suspend such proposed rule changes within sixty days of filing.

On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”).¹ The Dodd-Frank Act was enacted to, among other purposes, promote the financial stability of the United States by improving accountability and transparency in the financial system and by providing for enhanced regulation and oversight of institutions designated as systemically important.² Titles VII and VIII of the Dodd-Frank Act are intended to further these goals and mitigate systemic risk in part by imposing new requirements with respect to clearing agencies. As noted above, registered clearing agencies are SROs under the Exchange Act and must file proposed rule changes with the Commission on Form 19b-4.

Section 763(a) of Title VII and Section 806(e) of Title VIII, and the rules adopted by the Commission to implement Section 763(a) and Section 806(e), impose new collection of information requirements on registered clearing agencies. The Commission is adopting amendments to Rule 19b-4 and Form 19b-4 that require that the information be collected on Form 19b-4 in order to utilize existing resources. These new reporting requirements are in addition to the information currently required by Rule 19b-4 and Form 19b-4.

Section 763(a) of the Dodd-Frank Act added Section 3C to the Exchange Act (“Exchange Act Section 3C”), which requires a clearing agency to submit for a Commission determination of whether such security-based swap is required to be cleared, any security-based swap, or any group, category, type or class of security-based swaps that the clearing agency plans to accept for clearing (“Security-Based Swap Submissions”), and provide notice to its members of such submissions.³ The Commission is adopting new Rule 19b-4(o) to meet the requirements set forth in Exchange Act Section 3C. Section 806(e) requires that any financial market utility designated as systemically important by the Financial Stability Oversight Council (“Council”), file with the Commission advance notices (“Advance Notices”) of proposed changes to its rules, procedures or operations that could, as defined by the rules of each Supervisory Agency,

¹ The Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. No. 111-203, H.R. 4173).

² See Pub. L. No. 111-203, Preamble.

³ 15 U.S.C. 78c-3 et seq.

materially affect the nature or level of risk presented by the financial market utility.⁴ Clearing agencies registered with the Commission are financial market utilities as defined in Title VIII of the Dodd-Frank Act and the Commission may be the Supervisory Agency to a clearing agency that is designated as systemically important by the Council (“designated clearing agency”).⁵ A designated clearing agency must comply with the notice process as soon as the Council designates the clearing agency as systemically important. The Commission is adopting new Rule 19b-4(n) to meet the requirements set forth in Section 806(e).

The Commission anticipates that in many cases, a clearing agency will be required to make a Security-Based Swap Submission under Exchange Act Section 3C or file an Advance Notice under Section 806(e) when it is already required to file a proposed rule change under Exchange Act Section 19(b). Clearing Agencies would be able to meet one or more of these filing requirements by submitting a single Form 19b-4.

Exchange Act Section 3C requires that a clearing agency provide as part of the Security-Based Swap Submission a statement that includes, but is not limited to: (i) how the submission is consistent with Section 17A of the Exchange Act; (ii) information that will assist the Commission in the quantitative and qualitative assessment of the factors specified in Exchange Act Section 3C; and (iii) how the rules of the clearing agency meet the criteria for open access.

Section 806(e) requires that the Advance Notice include a description of the nature of the proposed change and the expected effects on risks to the designated clearing agency, its participants, or the market and it must provide a description of how the designated clearing agency will manage any identified risks.

The amendments to Rule 19b-4 also will require a clearing agency to post certain information on its website.⁶ Security-Based Swap Submissions and Advance Notices, and any amendments thereto, will be required to be posted on a clearing agency’s website within two business days of filing the information with the Commission.⁷ The information generally shall

⁴ 12 U.S.C. 5465(e).

⁵ Pursuant to Section 803(8) of Title VIII, the Commission is the Supervisory Agency for any financial market utility that is a Commission-registered clearing agency and the CFTC is the Supervisory Agency for any financial market utility that is a CFTC-registered derivatives clearing organizations (“DCO”). To the extent that an entity is both a Commission-registered clearing agency and a CFTC-registered DCO, the statute requires the two agencies to agree on one agency to act as the Supervisory Agency, and if the agencies cannot agree on which agency has primary jurisdiction, the Council shall decide which agency is the Supervisory Agency for purposes of Title VIII. 12 U.S.C. 5462(8).

⁶ Rule 19b-4(l).

⁷ New Rule 19b-4(n)(3) and new Rule 19b-4(o)(5).

remain posted on the clearing agency's website until a determination is made with respect to the Security-Based Swap Submission or the Advance Notice becomes effective. A clearing agency also will be required to post notice on its website of the effectiveness of any change to its rules, procedures, or operations filed as an Advance Notice within two business days of the effective date determined in accordance with Section 806(e).⁸

The Commission is amending Rule 19b-4 to require that Security-Based Swap Submissions and Advance Notices be submitted electronically on Form 19b-4. In addition, the Commission is amending Form 19b-4 by revising the form and the instructions to the form to allow a clearing agency to indicate whether it is filing under Exchange Act Section 3C, Section 806(e), Exchange Act Section 19(b), or a combination of the three. Such amendments are being adopted to avoid duplicative filings and to streamline the process and burden on clearing agencies and the Commission. However, each filing requirement is distinct and subject to different statutory standards for Commission review.

B. New Rule 3Ca-1

Exchange Act Section 3C states that, after making a determination that a security-based swap (or group, category, type or class of security-based swap) is required to be cleared, the Commission, on application of a counterparty to a security-based swap or on the Commission's own initiative, may stay the clearing requirement until the Commission completes a review of the terms of the security-based swap and the clearing arrangement.⁹ Pursuant to new Rule 3Ca-1, a counterparty to a security-based swap subject to the clearing requirement wishing to apply for a stay of the clearing requirement is required to submit a written statement to the Commission that includes: (i) a request for a stay of the clearing requirement, (ii) the identity of the counterparties to the security-based swap and a contact at the counterparty requesting the stay, (iii) the identity of the clearing agency clearing the security-based swap, (iv) the terms of the security-based swap subject to the clearing requirement and a description of the clearing arrangement, and (v) the reasons a stay should be granted and the security-based swap should not be subject to a clearing requirement, specifically addressing the same factors a clearing agency must address in its Security-Based-Swap Submission pursuant to new Rule 19b-4(o)(3).

C. Amendments to Rule 19b-4 relating to Section 916 of the Dodd-Frank Act

The Commission is amending Rule 19b-4 and Form 19b-4 to conform to the requirements specified in Exchange Act Section 19(b), as amended by Section 916 of the Dodd Frank Act,¹⁰ which require an SRO inform the Commission of the date on which it posted a

⁸ Rule 19b-4(n)(4).

⁹ See 15 U.S.C. 78c-3(c)(1) (as added by Section 763(a) of the Dodd-Frank Act).

¹⁰ 15 U.S.C. 78s(b) (as added by Section 916 of the Dodd-Frank Act).

proposed rule change on its website (if the posting did not occur on the same day that the SRO filed the proposal with the Commission). Under Exchange Act Section 19(b)(2)(E),¹¹ as amended by the Dodd-Frank Act, the Commission is required to send an SRO notice of a proposed rule change to the Federal Register for publication within 15 days of the date on which the SRO's website publication is made. The Commission is amending Rule 19b-4 to provide that if an SRO does not post a proposed rule change on its website on the same day that it files the proposal with the Commission, then the SRO shall inform the Commission of the date on which it posted such proposal on its website.

2. Purpose and Use of the Information Collection

A. Proposed Rule Changes Filed by SROs

Rule 19b-4 implements the requirements of Section 19(b) of the Exchange Act by requiring SROs to file their proposed rule changes on Form 19b-4¹² and by clarifying which actions taken by SROs are deemed proposed rule changes and so must be filed pursuant to Section 19(b). Rule 19b-4 and Form 19b-4 were adopted in 1975 pursuant to Sections 2, 3, 6, 11A, 15A, 15B, 17, 19, and 23 of the Act and were significantly amended in 1980 to clarify and simplify the filing process. Form 19b-4 is designed to provide the Commission with the information necessary to determine, as required by the Exchange Act, whether the proposed rule change is consistent with the Exchange Act and the rules thereunder. The information received is also made available to members of the public who may wish to comment on a particular proposed rule change. The information collected by the Commission with respect to the date on which the SRO posted a proposed rule change on its website (if such posting date is not the same as the filing date) will be used to inform the Commission of the date by which the Commission must send the SRO notice to the Federal Register for publication.

The federal securities laws generally require that, before an SRO's proposed rule change may be approved, the Commission must make certain required findings. Also, if the Commission determines that a proposed rule change, which became effective on filing, does not meet the statutory standards, it may summarily temporarily suspend such proposed rule change.

B. Security-Based Swap Submissions and Advance Notices Filed by Certain Clearing Agencies

The information to be provided by clearing agencies pursuant to the amendments to Rule 19b-4 and Form 19b-4 will be used by the Commission to evaluate Security-Based Swap Submissions and Advance Notices. The Commission will use the information filed on Form

¹¹ 15 U.S.C. 78s(b)(2)(E).

¹² 17 CFR 249.819.

19b-4 as a Security-Based Swap Submission to determine whether the security-based swap or any group, category, type or class of security-based swaps described in the Security-Based Swap Submission should be required to be cleared pursuant to Exchange Act Section 3C(1).

The Commission will use the information on Form 19b-4 as an Advance Notice to determine the effect on the nature or level of risks that would be presented by a designated clearing agency based on a proposed change to its rules, procedures or operations, and the expected effects on risk to the designated clearing agency, its participants and the market and to determine whether the Commission should make an objection to the proposed change. The new rules provide that clearing agencies would be required to provide copies of all Advance Notices and any additional information relating to the Advance Notice to the Board of Governors of the Federal Reserve System (“Board”).

The information to be filed on Form 19b-4 relating to Exchange Act Section 3C and Section 806(e) will, with certain exceptions, be published for notice and comment. In addition, pursuant to Exchange Act Section 3C, a clearing agency will be required to provide its members with notice of the Security-Based Swap Submission. Interested parties could use the information to comment on the Security-Based Swap Submission or Advance Notice.

The information provided as required by new Rule 3Ca-1 will be used by the Commission to determine whether to grant the stay of the clearing requirement sought by a counterparty and to review whether the clearing requirement will continue to apply to such security-based swap, or group, category, type, or class of security-based swaps.

3. Consideration Given to Information Technology

The Commission and the SROs continue to improve their systems for information gathering, storage, and retrieval through increasing use of computer technology. Some of these improvements, such as increased use of e-mail in correspondence between the Commission and the SROs, have improved the efficiency of the Commission’s oversight role. However, the process of compiling, preparing, and filing of the data required for review of each proposed rule change reflects the complexity of the SROs’ business. The Commission believes that use of improved technology, specifically electronic filing of proposed rule changes, and posting of proposed rule changes and SRO rules on SRO web sites has and will continue to reduce the respondents’ burden in making these filings. Currently, the Electronic Form 19b-4 Filing System (“EFFS”) is used by SROs to file proposed rule changes electronically with the Commission pursuant to Exchange Act Section 19(b), and SRTS is the internal Commission system used to manage SRO proposed rule changes.

The amendments to Rule 19b-4 and Form 19b-4 are designed to facilitate the Security-Based Swap Submission and Advance Notice filing processes and make the processes efficient by utilizing the existing information technology for filing of proposed rule changes, thereby conserving both clearing agency and Commission resources. The Commission is using the Electronic Form 19b-4 Filing System (“EFFS”) and Form 19b-4 for Security-Based Swap Submissions and Advance Notice filings. Currently, EFFS is used by SROs, which include

registered clearing agencies, to file proposed rule changes electronically with the Commission pursuant to Exchange Act Section 19(b). As amended, Form 19b-4 will enable clearing agencies to electronically submit to the Commission Security-Based Swap Submissions, Advance Notices and any amendments thereto.

4. Duplication

Each proposed rule change by an SRO must be treated on an individual basis. In the case of SROs that are clearing agencies, a clearing agency may also be required to file a proposed change as a Security-Based Swap Submission under Exchange Act Section 3C or an Advance Notice under Section 806(e). The Commission seeks to streamline the filing processes for these filings by requiring that all such filings be made electronically on Form 19b-4. The amendments to Rule 19b-4 and to Form 19b-4 will avoid duplicative filings and will streamline the process and burden on clearing agencies and the Commission. However, the filing requirements of Exchange Act Section 3C, Section 806(e) and Exchange Act Section 19(b) are distinct from each other and subject to different statutory standards for Commission review.

5. Effect on Small Entities

Not applicable. None of the SROs subject to the collection of information is a small entity, as that term applies to this Item 5.

6. Consequences of Not Conducting the Collection

The collection of information is required with respect to any proposed rule change, Security-Based Swap Submission, Advance Notice, or stay of clearing application. Any less frequent collection would deprive the Commission of the information on proposed rule changes, Security-Based Swap Submissions, Advance Notices or stay of clearing applications it needs to comply with its statutory obligations under the Exchange Act and Title VII and Title VIII of the Dodd-Frank Act.

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

There are no special circumstances. This collection is consistent with the guidelines in 5 CFR 1320.5(d)2.

8. Consultations Outside the Agency

With respect to Rule 19b-4 and Form 19b-4, the Commission issued a Proposing Release soliciting public comment on the then existing and new “collection of information” requirements and associated paperwork burdens.¹³ No comments were received in connection with the “collection of information” requirements and associated paperwork burdens. The Commission has consulted with the Commodity Futures Trading Commission, the Board of Governors of the

¹³ See Securities Exchange Act Release No 34-63557 (December 15, 2010) 75 FR 82490 (December 30, 2010).

Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Farm Credit Administration and the Federal Housing Finance Agency.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality

Not applicable to proposed rule changes of SROs. An SRO's proposed rule change when filed with the Commission is public information. With respect to SROs that are clearing agencies, except for any information contained in an Advance Notice for which a designated clearing agency has requested confidential treatment following the procedures set forth in §240.24b-2, a clearing agency's Security-Based Swap Submission or Advance Notice when filed with the Commission, is public information. While there is a general requirement that information be made publicly available, SROs may request confidential treatment of certain information in accordance with the Freedom of Information Act. 5 U.S.C. 552.

11. Sensitive Questions

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

12. Burden of Information Collection

A. Rule 19b-4 and Form 19b-4

I. Electronic Filing of Proposed Rule Changes

An SRO rule change proposal is generally filed with the Commission after an SRO's staff has obtained approval by its board of directors. The time required to complete a filing varies significantly and is difficult to separate from the time an SRO spends in developing internally the proposed rule change.

In a PRA analysis conducted in 2004 in connection with amendments to Rule 19b-4 and Form 19b-4 ("2004 PRA"), the Commission estimated that 34 hours is the amount of time that would be required to complete an average proposed rule change filing and 129 hours is the amount of time required to complete a novel or complex proposed rule change filing.¹⁴ The Commission stated in the Proposing Release that it preliminarily believed that these estimates remained valid based on the Commission's experience with the filings currently received from SROs and relied on these figures to prepare the analysis in the Proposing Release.

¹⁴ See Securities Exchange Act Release No. 50486 (October 4, 2004), 69 FR 60287 (October 8, 2004).

In 2011, the Commission submitted to OMB a request for approval of an extension of the existing collection of information provided for in Rule 19b-4 and Form 19b-4 (“2011 PRA”).¹⁵ The 2011 PRA used the 2004 PRA estimates to determine the amount of time required to complete proposed rule change filings. Consistent with the 2011 PRA, (and in light of the changes made to Exchange Act Section 19(b) pursuant to Section 916 of the Dodd-Frank Act, which provide for new deadlines by which the Commission must publish and act upon proposed rule change filings), the Commission has used the figures contained in the 2011 PRA analysis in calculating the PRA estimates in the rules as adopted.

In fiscal year 2011, 25 SRO respondents filed 1,606 rule change proposals subject to the current collection of information. Of this total, and based on the Commission’s staff experience in reviewing SRO proposed rule change filings and past estimates for Rule 19b-4 and Form 19b-4, the Commission estimates that 80 proposed rule changes could be characterized as novel or complex and 1,526 proposed rule changes could be characterized as average. The Commission estimates that the total annual reporting burden for filing proposed rule changes with the Commission pursuant to Rule 19b-4 and Form 19b-4 will be 87,086 hours ((35 respondents¹⁶ X 61.0417 average proposed rule change filings per respondent per year X 34 hours) + (35 respondents X 3.218 complex proposed rule change filings per respondent per year X 129 hours)). Thus, on average, the reporting burden for filing proposed rule changes is 38.74 hours (87,086 hours/(2,136 average rule change proposals + 112 complex rule change proposals)). The Commission made similar estimates in the Proposing Release, but used fiscal year 2009 data for the number of average and complex proposed rule change filings, and did not receive any comments on those estimates. Accordingly, the Commission believes the modified estimates with fiscal year 2011 data is appropriate and are using these estimates for the rules as adopted. This is an ongoing reporting burden.

II. SRO Website Posting of Proposed Rule Change Filings

The Commission previously estimated that an SRO would take four hours to post

¹⁵ See Submissions for OMB review; comment requests, 76 FR 22740 (Apr. 22, 2011) and 76 FR 37161 (June 24, 2011).

¹⁶ This figure includes the 32 SROs registered with the Commission as of June 15, 2012 plus the additional clearing agencies that the Commission has estimated could potentially register in the future to clear security-based swaps.

¹⁷ This figure is calculated as follows: 1,526 average proposed rule change filings divided by 25 SROs resulting in an average of 61.04 average proposed rule change filings per respondent per year.

¹⁸ This figure is calculated as follows: 80 complex proposed rule change filings divided by 25 SROs resulting in an average of 3.2 complex proposed rule change filings per respondent per year.

proposed rule change proposals, and amendments under Exchange Act Section 19(b) on its website and four hours to update the posted SRO rules on its website once the proposed rules become effective.¹⁹ The Commission believes that these estimates remain valid. In addition, of the 1,606 proposed rule changes filed in fiscal year 2011, 1,180 were approved or non-abrogated.²⁰ Accordingly, the total annual reporting burden for SROs to post proposed rule change proposals on their websites will be approximately 8,994 hours (35 SRO respondents X 64.24²¹ proposed rule change filings per respondent per year X four hours per filing to update SRO website). This is an ongoing third party disclosure burden.

III. SRO Website Posting of Approved Proposed Rule Change Filings

The total annual reporting burden for SROs to update their posted rules on their websites once the proposed rules become effective will be approximately 6,608 hours (35 SRO respondents X 47.2²² approved proposed rule change filings per respondent per year X four hours per filing to update SRO website). This is an ongoing third party disclosure burden.

B. Clearing Agencies

The obligation to centrally clear security-based swap transactions is a new requirement under Title VII, and three clearing agencies that had previously operated under temporary conditional exemptions under Exchange Act Section 36 are now registered security-based swap clearing agencies.²³ These three clearing agencies currently clear or plan to clear²⁴ security-

¹⁹ See supra note 14.

²⁰ Previously, the Commission was able to “abrogate” an immediately effective proposed rule change filing filed under Section 19(b)(3)(a) of the Exchange Act, and require an SRO to re-file the proposal for consideration, notice, and public comment pursuant to Section 19(b)(2) of the Exchange Act. The Dodd-Frank Act eliminated the concept of “abrogation.” Instead, an immediately effective proposed rule change filing may be temporarily suspended, in which case the Commission would be required to institute proceedings to determine whether to disapprove the proposed rule change.

²¹ This figure is calculated as follows: 1,606 proposed rule change filings per year divided by 25 SROs resulting in an average of 64.24 proposed rule change filings per respondent per year.

²² This figure is calculated as follows: 1,180 approved proposed rule change filings per year divided by 25 SROs resulting in an average of 47.2 approved proposed rule change filings per respondent per year.

²³ Chicago Mercantile Exchange Inc., ICE Clear Credit LLC (formerly ICE Trust US LLC), and ICE Clear Europe Limited are registered with the Commission to clear security-based swaps. The Commission previously authorized five entities to clear credit default swaps, which are security-based swaps. See CDS clearing by ICE Clear Europe Limited,

based swaps and there could conceivably be a few more in the foreseeable future.²⁵ The Commission estimates that three additional clearing agencies will clear security-based swaps in the future, resulting in a total of six clearing agencies that would be respondents to the applicable collection of information requirements.

With respect to Advance Notices, for purposes of estimating the collection of information burdens on respondents, the Commission estimates that the four securities clearing agencies that are currently clearing non-security-based swap securities and the six estimated clearing agencies that either currently clear or may clear security-based swaps in the future, for a total of 10 clearing agencies that would be respondents to the applicable collection of information requirements.

In order to estimate the collection of information burdens on the respondents, the Commission conducted a survey and received informal comments from the staff of eight clearing agencies that will be respondents to certain of the new requirements in the amendments to Rule 19b-4, Form 19b-4, and Rule 3Ca-1. These comments were received prior to the publication of the Proposing Release and the Commission did not receive any additional comments from clearing agencies or any other parties on these estimates after the Proposing Release was published.

Securities Exchange Act Release Nos. 60372 (July 23, 2009), 74 FR 37748 (July 29, 2009) and 61973 (Apr. 23, 2010), 75 FR 22656 (Apr. 29, 2010); CDS clearing by Eurex Clearing AG, Securities Exchange Act Release Nos. 60373 (July 23, 2009), 74 FR 37740 (July 29, 2009) and 61975 (Apr. 23, 2010), 75 FR 22641 (Apr. 29, 2010); CDS clearing by Chicago Mercantile Exchange Inc., Securities Exchange Act Release Nos. 59578 (Mar. 13, 2009), 74 FR 11781 (Mar. 19, 2009), 61164 (Dec. 14, 2009), 74 FR 67258 (Dec. 18, 2009) and 61803 (Mar. 30, 2010), 75 FR 17181 (Apr. 5, 2010); CDS clearing by ICE Clear Credit LLC (formerly ICE Trust US LLC), Securities Exchange Act Release Nos. 59527 (Mar. 6, 2009), 74 FR 10791 (Mar. 12, 2009), 61119 (Dec. 4, 2009), 74 FR 65554 (Dec. 10, 2009) and 61662 (Mar. 5, 2010), 75 FR 11589 (Mar. 11, 2010); Temporary CDS clearing by LIFFE A&M and LCH.Clearnet Ltd. Securities Exchange Act Release No. 59164 (Dec. 24, 2008), 74 FR 139 (Jan. 2, 2009). Eurex Clearing AG, LIFFE A&M, and LCH.Clearnet Ltd. are not currently registered with the Commission to clear security-based swaps.

²⁴ By referring to a clearing agency that plans to clear security-based swaps, the Commission means a clearing agency that is permitted to do so under its rules but that has not yet begun clearing security-based swaps.

²⁵ Based on the significant level of capital and other financial resources necessary for the formation of a clearing agency, the Commission does not expect there to be a large number of clearing agencies that seek to clear security-based swaps .

The clearing agencies emphasized that the estimated burdens would depend in large part on the rules ultimately adopted by the Commission to define and determine how frequently Security-Based Swap Submissions and Advance Notices would be required to be filed and the nature and extent of information that would be required with each filing. In addition, these clearing agencies stated that the burden per filing could vary widely, depending on the complexity of each individual filing. For example, some clearing agency proposals may require more information or analysis to be submitted as part of the filing. These clearing agencies also stated that the annual burden also could vary widely from year to year depending on the number of new proposals the clearing agency makes in a particular year. The Commission noted in the Proposing Release that the estimates provided in that release were preliminary and could change after clearing agencies had the opportunity to review and closely evaluate the rules. However, the Commission did not receive any comments on these estimates, from clearing agencies or from other parties and, as a result, has not adjusted these estimates. The estimates of the burden per filing also varied among clearing agencies, which may reflect the different internal processes, training programs, and review procedures for new projects currently in place at the different clearing agencies. In addition, prior to the effective date of the Dodd-Frank Act some clearing agencies were registered with the Commission (“pre-Dodd–Frank Act clearing agencies”) while others were not. Pre-Dodd-Frank Act clearing agencies file proposed rule changes under Exchange Act Section 19(b) and have more familiarity with the collection of information requirements related to Rule 19b-4 and Form 19b-4, while the newly registered²⁶ clearing agencies may not be as familiar with these requirements and may incur a greater burden in connection with using EDFS and training personnel.

The Commission used the more conservative numbers estimated by the clearing agencies for its estimates for the PRA. The Commission believed the more conservative estimate was appropriate because the estimates of the burden per filing varied among clearing agencies and could vary among the filings submitted (*i.e.*, some proposals may be more complex and require more time for the clearing agency to prepare a Security-Based Swap Submission or an Advance Notice). In addition, the Commission calculated the burden for the requirements related to Advance Notices assuming that they would apply to all ten clearing agencies and the burden for the requirements related to Security-Based Swap Submissions assuming they would apply to six clearing agencies.

Finally, the Commission recognized that there will likely to be some substantive and procedural overlap with respect to the processes for preparing and submitting Security-Based Swap Submissions, Advance Notices and proposed rule changes that relate to the same subject matter. For example, in connection with a decision to clear a new type of security-based swap that was not previously permitted under the clearing agency’s rules, a clearing agency could be required to make a filing as a Security-Based Swap Submission, an Advance Notice and a proposed rule change. In this case, because these submissions all relate to the same underlying

²⁶ Newly-registered clearing agencies refers to clearing agencies registered with the Commission to clear security-based swaps after the effective date of the Dodd-Frank Act.

proposal, the amount of time required to prepare a single Form 19b-4 for all three purposes is likely to be less than the aggregate amount of time ordinarily required to prepare and submit three separate filings. Nevertheless, in the Proposing Release the Commission calculated the PRA burden for each process individually without accounting for any reduction due to the anticipated overlap in order to assure it did not underestimate the burdens. Additionally, the estimates in the Proposing Release were derived from discussions between the Commission's staff and staff of the clearing agencies, as described above.

I. Training of Security-Based Swap Clearing Agency Staff to use EFFF

At the time it issued the Proposing Release, the Commission believed that the six estimated clearing agencies that were either going to be deemed registered to clear security-based swaps pursuant to Section 17A(l) or that could on their own initiative seek to be regulated by the Commission in the future in order to clear security-based swaps could incur some one-time costs associated with training their personnel about the procedures for submitting Security-Based Swap Submissions, Advance Notices, and/or proposed rule changes in electronic format through EFFF. Based on staff discussions with the clearing agencies prior to issuing the Proposing Release, the Commission estimated that each newly-registered clearing agency would spend approximately 20 hours training all staff members who will use EFFF to submit Security-Based Swap Submissions, Advance Notices and/or proposed rule changes electronically. Accordingly, the Commission estimated that the total one-time burden of training staff members of security-based swap clearing agencies to use EFFF will be 120 hours (six respondent clearing agencies X 20 hours) or 40 hours annualized over three years. The Commission did not receive any comments on the burden estimates in the Proposing Release and is using such estimates for the rules as adopted. This is a one-time recordkeeping burden.

II. Drafting and Implementing Internal Policies and Procedures for Using EFFF by Newly-Registered Security-Based Swap Clearing Agencies

Based on staff discussions with the clearing agencies prior to issuing the Proposing Release, the Commission estimated in the Proposing Release that there would be a one-time paperwork burden of 130 hours for each newly-registered clearing agency to draft and implement internal policies and procedures relating to using EFFF to submit Security-Based Swap Submissions, Advance Notices, and proposed rule changes with the Commission, for a total of 780 hours (130 hours X six clearing agencies) or 260 hours annualized over three years. The Commission did not receive any comments on the burden estimates in the Proposing Release and is using such estimates for the rules as adopted. This is a one-time recordkeeping burden.

III. Drafting and Implementing Modifications to Existing Internal Policies and Procedures for Using EFFF for Security-Based Swap Submissions and/or Advance Notices

Based on conversations with staff from the clearing agencies prior to issuing the Proposing Release, the Commission estimated that there would be a one-time paperwork burden

of 30 hours for each pre-Dodd-Frank Act clearing agency to draft and implement modifications to existing internal policies and procedures for using EDFS in order to update them for submitting Security-Based Swap Submissions and/or Advance Notices with the Commission for a total of 120 hours (30 hours X four pre-Dodd-Frank Act clearing agencies), or 40 hours annualized over three years. Based on experience with clearing agencies, the Commission believes that such internal policies and procedures will be drafted and updated by the in-house counsel at the clearing agencies. The Commission did not receive any comments on the burden estimates in the Proposing Release and is using such estimates for the rules as adopted. This is a one-time recordkeeping burden.

IV. Annual Training to Update SRO Staff on Use of EDFS

In the Proposing Release, the Commission estimated that after the initial training was completed, each SRO would spend approximately 10 hours annually training new compliance staff members and updating the training of existing compliance staff members to use EDFS. The Commission believed that only a minimal amount of EDFS training would be submission-specific and that training a person to submit either a proposed rule change, Security-Based Swap Submission or Advance Notice would generally be sufficient to allow such person to make one or more of the other types of submissions. The Commission did not receive any comments on these estimates in the Proposing Release and is using them for the rules as adopted, resulting in a total annual burden of 350 hours (35 respondent SROs X 10 hours). This is an ongoing recordkeeping burden.

V. Rule 19b-4(o)(1) Security-Based Swap Submissions

The Commission stated in the Proposing Release that the time required by clearing agencies to prepare, review and submit Security-Based Swap Submissions to comply with proposed Rule 19b-4(o)(1) likely would vary significantly based on the unique characteristics of each Security-Based Swap Submission and the submitting clearing agency. The Commission estimated based on previous discussions with staff from clearing agencies that the amount of time that a clearing agency would require to internally prepare, review, and submit a Security-Based Swap Submission would be 140 hours. The Commission also estimated that each clearing agency would submit 20 Security-Based Swap Submissions annually based on previous discussions with staff from clearing agencies. The Commission did not receive any comments on these estimated burdens in the Proposing Release and is using such estimates for the rules as adopted. The Commission is modifying Rule 19b-4(o)(2) from the proposal to provide that clearing agencies that file a Security-Based Swap Submission before December 10, 2012 shall file such submission with the Commission by email. However, the Commission does not believe the requirement to submit Security-Based Swap Submissions electronically by email instead of on EDFS for a limited period of time would change the estimated amount of time for clearing agencies to prepare, review, and file these submissions since the information to be provided in the filing remains the same and the filing method would still be electronic. Accordingly, the Commission estimates that the total annual reporting burden for clearing

agencies submitting Security-Based Swap Submissions electronically with the Commission under proposed Rule 19b-4(o)(1) will be 16,800 hours (six respondent clearing agencies X 20 Security-Based Swap Submissions per year X 140 hours per response). This is an ongoing reporting burden.

VI. Rule 19b-4(n)(1) Advance Notice Filings

In the Proposing Release, the Commission estimated that the amount of time that designated clearing agency representatives will require to internally prepare, review and electronically file each Advance Notice with the Commission would be 90 hours. This estimate in the Proposing Release was based on the staff's previous discussions with staff from the clearing agencies. The Commission did not receive any comments on this estimate and is using such estimate for the rules as adopted. The Commission modified Rule 19b-4(n)(1) from the proposal to provide that designated clearing agencies that file an Advance Notice before December 10, 2012 shall file such notice with the Commission by email. However, the Commission does not believe the requirement to submit Advance Notices by email for a limited period of time would change the estimated amount of time for clearing agencies to prepare, review, and electronically file the notices since the material required to be provided in the filing remains the same and the method for submitting the filing remains electronic. This figure is based on the staff's discussions with the clearing agencies.

The Commission estimated in the Proposing Release that each designated clearing agency would submit 35 Advance Notices to the Commission annually. The Commission did not receive any comments on these estimated burdens in the Proposing Release and is using such estimates for the rules as adopted. Accordingly, the Commission estimates that the total annual reporting burden on designated clearing agencies submitting Advance Notices electronically with the Commission under the amendments to Rule 19b-4 and Form 19b-4 will be 31,500 hours (ten clearing agencies X 35 Advance Notices per year X 90 hours per response). This is an ongoing reporting burden.

VII. Rule 19b-4(n)(5) Submission of Copies of Advance Notices to the Board

The Commission estimated in the Proposing Release that two hours should be added to the time required to prepare each Advance Notice to comply with the requirement contained in Rule 19b-4(n)(5) to provide to the Board copies of all materials submitted to the Commission relating to an Advance Notice contemporaneously with such submission to the Commission. As noted above, the Commission estimates that each designated clearing agency will submit 35 Advance Notices to the Commission annually. The Commission did not receive any comments on these estimated burdens in the Proposing Release and is using such estimates for the rules as adopted. Accordingly, the Commission estimates that the total annual reporting burden on designated clearing agencies to comply with the requirement to provide to the Board copies of all materials submitted to the Commission relating to an Advance Notice contemporaneously with such submission to the Commission will be 700 hours (ten respondent clearing agencies X 35 Advance Notices per year X 2 hours per response). This is an ongoing reporting burden.

VIII. Updating Clearing Agencies Websites to Provide Capability to Post Security-Based Swap Submissions, Advance Notices, and Proposed Rule Changes

In the Proposing Release, the Commission stated that it believes clearing agencies that were to be deemed registered under Section 17A(l) or that might be regulated by the Commission in the future to clear security-based swaps could incur some one-time costs associated with posting Security-Based Swap Submissions, Advance Notices, and proposed rule changes on their websites. The Commission estimated that each clearing agency that makes Security-Based Swaps Submissions would spend approximately 15 hours creating or updating its existing website in order to provide the capability to post these submissions online resulting in a total one-time burden of 90 hours (six respondent clearing agencies X 15 hours per website update), or 30 hours annualized over three years. Three of those clearing agencies were deemed registered under Section 17A(l) in July 2012 and were required to begin posting proposed rule changes on their websites pursuant to existing Rule 19b-4(l). Because new Rules 19b-4(o)(5) and (n)(3) will require Security-Based Swap Submissions and Advance Notices to be posted on designated clearing agencies' websites in the same manner as is required for proposed rule changes, the Commission does not believe these three clearing agencies would incur any additional costs to create or update their websites to post Security-Based Swap Submissions or Advance Notices pursuant to the new rules. Accordingly, the Commission is modifying the number of respondent clearing agencies to the three clearing agencies it estimated may be regulated by the Commission in the future in order to clear security-based swaps. The Commission did not receive any comments on the estimated burden in the proposed release regarding the number of hours to create or update a website and is using this estimated hours burden for the rules as adopted. The revised estimate is a one-time total burden of 45 hours (three respondent clearing agencies X 15 hours per website update) or 15 hours annualized over three years. This is a one-time third party disclosure burden.

IX. Rule 19b-4(o)(5) Posting of Security-Based Swap Submissions on Security-Based Swap Clearing Agency Websites

The Commission estimated in the Proposing Release that four hours would be required by a clearing agency to post a Security-Based Swap Submission on its website. This figure was based on the current estimate for the requirement that SROs post proposed rule changes on their websites under Rule 19b-4(l) given the similarities between the two requirements.²⁷ The Commission estimated that the total annual reporting burden for clearing agencies to post Security-Based Swap Submissions on their websites would be 480 hours (six respondent clearing agencies X 20 Security-Based Swap Submissions per year X four hours per

²⁷ See Securities and Exchange Commission, Submission for OMB Review, Comment Request, 76 FR 37161 (Jun. 24, 2011). The Supporting Statement containing the detailed estimates for Rule 19b-4 and Form 19b-4 is available at: http://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=201104-3235-013.

website posting). The Commission did not receive any comments on these estimated burdens in the Proposing Release and is using them for the rule as adopted. This is an ongoing third party disclosure burden.

X. Rule 19b-4(n)(3) Posting of Advance Notices on Designated Clearing Agency Websites.

The Commission also estimated in the Proposing Release that four hours would be required by a designated clearing agency to post an Advance Notice on its website. This figure was based on the current estimate for the requirement that SROs post proposed rule changes on their websites under Rule 19b-4(l) given the similarities between the two requirements.²⁸ The Commission estimated that the total annual reporting burden for designated clearing agencies to post Advance Notices on their websites would be 1,400 hours (ten respondent clearing agencies X 35 Advance Notices per year X four hours per website posting). The Commission did not receive any comments on these estimated burdens in the Proposing Release and is using them for the rule as adopted. This is an ongoing third party disclosure burden.

XI. Rule 19b-4(n)(4) Designated Clearing Agency Website Posting of Notice of Change to Rules, Procedures, or Operations Referred to in Advance Notices.

The Commission estimated in the Proposing Release that four hours would be required by a designated clearing agency to post notice on its website of any change to its rules, procedures or operations referred to in an Advance Notice once it has been permitted to take effect. This figure was based on the current estimate for the requirement that SROs post proposed rule changes on their websites under Rule 19b-4(l) given the similarities between the two requirements.²⁹ The Commission estimated that the total annual reporting burden for designated clearing agencies to post Advance Notices on their websites would be 1,400 hours (ten respondent clearing agencies X 35 Advance Notices per year X four hours per website posting). The Commission did not receive any comments on these estimated burdens in the Proposing Release and is using them for the rule as adopted. This is an ongoing third party disclosure burden.

XII. Rule 3Ca-1 Stay of Clearing Requirement Information

Prior to issuing the Proposing Release, Commission staff contacted eight clearing agencies, including four that likely would clear security-based swaps, and would therefore be subject to a stay of the clearing requirement and related review under Rule 3Ca-1. The

²⁸ See Securities and Exchange Commission, Submission for OMB Review, Comment Request, 76 FR 37161 (Jun. 24, 2011). The Supporting Statement containing the detailed estimates for Rule 19b-4 and Form 19b-4 is available at: http://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=201104-3235-013.

²⁹ Id.

Commission used these discussions to estimate the collection of information for this rule in the Proposing Release. Those estimates are discussed below; however, the clearing agencies emphasized that the estimated burdens would depend in large part on the number of stays requested annually and the scope of the information requested by the Commission in the course of the related review.

Pursuant to Section 3C(c)(1) of the Exchange Act, the Commission on its own initiative or on the application of a counterparty may stay the clearing requirement in Section 3C(a)(1) of the Exchange Act until it completes a review of the terms of the security-based swap and the clearing arrangement. The Commission is unable to estimate accurately the number of times it may stay a clearing requirement pursuant to Section 3C(c)(1) of the Exchange Act because it has not yet made any mandatory clearing determinations and it does not know what counterparties may object to a determination or when they would make an application for a stay. However, the Commission recognizes that there will likely be some applications for stays from any clearing requirements made pursuant to a Commission determination and, for purposes of the Proposing Release, the Commission estimated there would be five applications for stays of a clearing requirement per clearing agency per year. This figure would represent one quarter of the estimated number of Security-Based Swap Submissions from each clearing agency per year. The Commission did not receive any comments on this estimate in the Proposing Release and is using the same estimate for the rule as adopted.

Based on staff discussions with the clearing agencies, the Commission estimated in the Proposing Release that a clearing agency would spend approximately 18 hours to retrieve, review, and submit the information associated with the stay of the clearing requirement. The Commission also estimated that each clearing agency would be required to provide information requested by the Commission in the course of its reviews of five requests for a stay of the clearing requirement, resulting in a total annual reporting burden of 540 hours (six respondent clearing agencies X five stay of clearing applications per year X 18 hours to retrieve, review, and submit the stay of clearing information). The Commission did not receive any comments on this estimate in the Proposing Release and is using the same estimate for the rule as adopted. This is an ongoing reporting burden.

C. Amendment to Conform to Section 916 of the Dodd-Frank Act

The Commission estimated in the Proposing Release that the requirement that an SRO inform the Commission of the date on which it posted a proposed rule change on its website (if the posting did not occur on the same day that the SRO filed the proposal with the Commission) would impose only a minimal burden, if any, on an SRO.

The Commission stated in the Proposing Release that based on its experience receiving and reviewing proposed rule changes filed by SROs, the Commission estimated that SROs will fail to post proposed rule changes on their websites on the same day as the filing was made with the Commission in 1% of all cases, or 16 times each year based on the 1,606 proposed rule change filings submitted by SROs in 2011. Further, the Commission estimated that each SRO would spend approximately one hour preparing and submitting notice to the Commission of

the date on which it posted the proposed rule change on its website, resulting in a total annual burden of 16 hours. The Commission did not receive any comments on its estimate in the Proposing Release on the percentage of cases when SROs will fail to post proposed rule changes on their websites on the same day as the filing was made and is using the same estimate for the rule as adopted. This is an ongoing reporting burden.

D. Summary of Hourly Burdens

The table below summarizes, the Commission's preliminarily estimates of the total hourly reporting burden for all SROs, including clearing agencies, under the amendments to Rule 19b-4, Form 19b-4 and Rule 3Ca-1.

Nature of Information Collection Burden	Annualized Hourly Burden Estimate
Electronic filing of proposed rule changes	87,086
SRO website posting of proposed rule change filings	8,994
SRO website posting of approved proposed rule change filings	6,608
Training of Security-Based Swap clearing agency staff to use EFFS	40
Drafting and implementing procedures for using EFFS by newly-registered Security-Based Swap clearing agencies	260
Drafting and implementing modifications to existing internal policies and procedures for using EFFS for Security-Based Swap Submissions and/or Advance Notices	40
Annual training to update SRO staff on use of EFFS	350
Rule 19b-4(o)(1) Security-Based Swap Submissions	16,800
Rule 19b-4(n)(1) Advance Notice Filings	31,500
Rule 19b-4(n)(5) submission of copies of Advance Notices to the Board	700
Updating clearing agencies websites to provide capability to post Security-Based Swap Submissions,	15

Nature of Information Collection Burden	Annualized Hourly Burden Estimate
Advance Notices, and proposed rule changes	
Rule 19b-4(o)(5) posting of Security-Based Swap Submissions on security-based swap clearing agency websites	480
Rule 19b-4(n)(3) posting of Advance Notices on designated clearing agency websites	1400
Rule 19b-4(n)(4) designated clearing agency website posting of notice of change to rules, procedures, or operations referred to in Advance Notices	1400
Rule 3Ca-1 stay of clearing requirement information	540
Amendment to conform to Section 916 of the Dodd-Frank Act	16
TOTAL	156,229

13. Estimate of Total Annual Cost Burden

A. Rule 19b-4 and Form 19b-4

Except for the hourly burdens identified in Item 12 above, the Commission does not expect SROs, including clearing agencies, to incur any additional costs in connection with the preparation and electronic submission of proposed rule changes.

B. Clearing Agencies

I. Training of Security-Based Swap Clearing Agency Staff to use EFFF

Except for the hourly burdens identified in Item 12 above, the Commission does not expect the clearing agencies to incur any one-time or ongoing additional costs in connection with training their personnel about the procedures for submitting Security-Based Swap Submissions and/or Advance Notices in electronic format through EFFF.

II. Drafting and Implementing Internal Policies and Procedures for Using EFFF by Newly-Registered Security-Based Swap Clearing Agencies

Except for the hourly burdens identified in Item 12 above, the Commission does not expect newly-registered clearing agencies to incur any one-time or ongoing additional costs

in connection with drafting and implementing internal policies and procedures relating to using EFFS to submit Security-Based Swap Submissions, Advance Notices, and proposed rule changes with the Commission.

III. Drafting and Implementing Modifications to Existing Internal Policies and Procedures for Using EFFS for Security-Based Swap Submissions and/or Advance Notices

Except for the hourly burdens identified in Item 12 above, the Commission does not expect clearing agencies to incur any one-time or ongoing additional costs in connection with drafting and implementing modifications to existing internal policies and procedures for using EFFS in order to update them for submitting Security-Based Swap Submissions and/or Advance Notices with the Commission.

IV. Annual Training to Update SRO Staff on Use of EFFS

Except for the hourly burdens identified in Item 12 above, the Commission does not expect clearing agencies to incur any one-time or ongoing additional costs in connection with the annual training of new compliance staff members or updates to the training of existing compliance staff members to use EFFS.

V. Rule 19b-4(o)(1) Security-Based Swap Submissions

The Commission estimated in the Proposing Release that a clearing agency would require 60 hours of outside legal work to prepare, review, and submit a Security-Based Swap Submission based on previous discussions with staff from the clearing agencies. The Commission also estimated in the Proposing Release that each clearing agency would submit 20 Security-Based Swap Submissions annually. Assuming an hourly cost of \$354 for an outside attorney,³⁰ the total annual cost in the aggregate for the six clearing agencies to meet these requirements would be \$2,548,800 (six respondent clearing agencies X 20 Security-Based Swap Submissions per year X 60 hours per response X \$354 per hour for an outside attorney). The Commission did not receive any comments on these estimated burdens in the Proposing Release and is using the estimates for the rule as adopted.

VI. Rule 19b-4(n)(1) Advance Notice Filings

With respect to Advance Notices, the Commission estimates that a designated clearing agency will require 40 hours of outside legal work to prepare, review, and electronically file each Advance Notice with the Commission. The Commission estimates that each designated

³⁰ The hourly rate for an outside attorney is from SIFMA's Management & Professional Earnings in the Securities Industry 2010, modified by the Commission's staff to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

clearing agency will submit 35 Advance Notices to the Commission annually. Assuming an hourly cost of \$354 for an outside attorney,³¹ the total annual cost for the ten clearing agencies to meet these requirements would be \$4,956,000 (ten respondent clearing agencies X 35 Advance Notice filings per year X 40 hours per response X \$354 per hour for an outside attorney). The Commission did not receive any comments on these estimates and is using them for the rule as adopted.

VII. Rule 19b-4(n)(5) Submission of Copies of Advance Notices to the Board

The Commission does not expect clearing agencies to incur any additional costs in connection with the requirement to provide to the Board copies of all materials submitted to the Commission relating to an Advance Notice contemporaneously with such submission to the Commission.

VIII. Updating Clearing Agencies Websites to Provide Capability to Post Security-Based Swap Submissions, Advance Notices, and Proposed Rule Changes on Clearing Agencies Websites

Except for the hourly burdens identified in Item 12 above, the Commission does not expect clearing agencies to incur any additional costs in connection with creating or updating their existing websites in order to provide the capability to post Security-Based Swap Submissions, Advance Notices, or proposed rule changes on their websites.

IX. Rule 19b-4(o)(5) Posting of Security-Based Swap Submissions on Security-Based Swap Clearing Agency Websites

Except for the hourly burdens identified in Item 12 above, the Commission does not expect clearing agencies to incur any additional costs in connection with posting Security-Based Swap Submissions on their websites.

X. Rule 19b-4(n)(3) Posting of Advance Notices on Designated Clearing Agency Websites

Except for the hourly burdens identified in Item 12 above, the Commission does not expect designated clearing agencies to incur any additional costs in connection with the posting of Advance Notices on their websites.

³¹ The hourly rate for an outside attorney is from SIFMA's Management & Professional Earnings in the Securities Industry 2010, modified by the Commission's staff to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

XI. Rule 19b-4(n)(4) Designated Clearing Agency Website Posting of Notice of Changes to Rules, Procedures, or Operations Referred to in Advance Notices.

Except for the hourly burdens identified in Item 12 above, the Commission does not expect designated clearing agencies to incur any additional costs in connection with the posting of notices of changes to rules, procedures or operations referred to in Advance Notices.

XII. Rule 3Ca-1 Stay of Clearing Requirement Information

i. Security-Based Swap Clearing Agencies

In the Proposing Release, the Commission estimated that a clearing agency would require seven hours of outside legal work to retrieve, review, and submit the information associated with the stay of the clearing requirement. The Commission also estimated in the Proposing Release that each clearing agency will be required to provide information requested by the Commission in the course of its reviews of five requests for a stay of the clearing requirement. These figures were based on the Commission's staff discussions with the clearing agencies prior to issuing the Proposing Release. Assuming an hourly cost of \$354 for an outside attorney,³² the total estimated annual cost in the aggregate for the six clearing agencies to meet these requirements would be \$74,340 (six respondent clearing agencies X five stay of clearing applications per year X seven hours per response X \$354 per hour for an outside attorney). The Commission did not receive any comments on these estimates in the Proposing Release and is using them for the rule as adopted.

ii. Counterparties

The Commission estimated in the Proposing Release that 100 hours of outside legal counsel would be required by a counterparty to a security-based swap to prepare and submit an application requesting a stay of the clearing requirement. The Commission drew a comparison between the amount of time it would take for a clearing agency to prepare a Security-Based Swap Submission and the amount of time it would take a counterparty to prepare an application of a stay of a clearing requirement, given that each filing would likely address similar issues related to the clearing of the particular security-based swap. This 100 hours estimated for the application of the stay of clearing requirement is less than the 140 hours the Commission estimates it would take for a clearing agency to prepare a Security-Based Swap Submission because the Commission believes that an application for a stay would take less time to prepare than a new submission, due to the fact that some of the information addressed in the application for a stay would have already been provided with the Security-Based Swap Submission when it was published for notice and comment. The Commission estimated in the

³² See supra Note 30.

Proposing Release that counterparties to security-based swaps transactions would submit 30³³ applications requesting stays of the clearing requirement. Assuming an hourly cost of \$354 for an outside attorney,³⁴ the total annual cost in the aggregate for the respondent counterparties to meet these requirements would be \$1,062,000 (100 hours X \$354 per hour for an outside attorney X 30 stay of clearing applications). The Commission did not receive any comments on these estimates in the Proposing Release and is using them for the rules as adopted.

C. Amendment to Conform to Section 916 of the Dodd-Frank Act

Except for the hourly burdens identified in Item 12 above, the Commission does not expect an SRO to incur any additional costs in connection with informing the Commission of the date on which it posted a proposed rule change on its website (if the posting did not occur on the same day that the SRO filed the proposal with the Commission).

D. Summary of Cost Burdens

Except for the hourly burdens identified in Item 12 above, the Commission does not expect SROs other than clearing agencies to incur any material additional costs in connection with the amendments to Rule 19b-4 and Form 19b-4 and Rule 3Ca-1. The table below summarizes, the Commission's estimates of the reporting burdens for the clearing agencies under the amendments to Rule 19b-4 and Form 19b-4 and Rule 3Ca-1.

Nature of Information Collection Burden	Burden Estimate in Dollars
Rule 19b-4(o)(1) Security-Based Swap submissions	\$2,548,800
Rule 19b-4(n)(1) Advance Notice filings	\$4,956,000
Rule 3Ca-1 stay of clearing requirement information – Security-Based Swap Clearing Agencies	\$74,340
Rule 3Ca-1 stay of clearing requirement information – Counterparties	\$1,062,000
TOTAL	\$8,641,140

³³ This figure is calculated as follows: six respondent clearing agencies multiplied by five stay of clearing applications per year equals 30 stay of clearing applications per year.

³⁴ See supra Note 30.

14. Estimate of Cost to the Federal Government

The Commission's estimate of the cost to the Federal Government of reviewing Security-Based Swap Submissions, Advance Notice, and proposed rule change filings for all SROs pursuant to Section 19(b) and Rule 19b-4 is calculated as follows:

Type of Filing	No. of Filings	Review Time Per Filing (Hours)	Total (Hours)
Security-Based Swap Submission	120	720	86,400
Advance Notice	350	480	168,000
Average Proposed Rule Change	2,136	20	42,720
Complex Proposed Rule Change	60	600	67,200
TOTAL			364,320

Related Cost 364,320 hours of review time at \$98.66/hour ³⁵	\$35,943,811.20
Printing costs (Federal Register)	300,000.00
Total Estimated Recurring Annual Cost to the Federal Government	\$36,243,811.20

The Commission will incur one-time costs related to programming, testing, and deployment in order to enhance and modify EDFS and SRTS to enable Security-Based Swap Submissions, Advance Notice filings, and to conform to Section 916 of the Dodd-Frank Act. Third-party contractors will perform most of the work except for some testing and project management, which will be performed by Commission staff. The Commission estimates that the total one-time costs to enhance and modify EDFS and SRTS to enable Security-Based Swap Submissions, Advance Notice filings and to conform to Section 916 of the Dodd-Frank Act will be \$975,197.99 (\$899,399.57 for Security-Based Swap Submissions and Advance Notice filings+ \$75,798.42 to conform with Section 916 of the Dodd-Frank Act) or approximately \$325,066.00 annualized

³⁵ Based on an attorney at SK-14, as adjusted for special SEC pay rates and fringe benefits.

over three years.

Therefore, the total estimated annual cost to the Federal Government for reviewing Security-Based Swap Submissions, Advance Notice, and proposed rule change filings, and to enhance and modify EDFS and SRTS is \$36,568,877.20 (\$36,243,811.20 + \$325,066.00).

15. Explanation of Changes in Burden

As indicated above in Item 12, the Commission staff has revised its estimate of the time to complete each proposed rule change filing since the collection of information was previously submitted to OMB for approval due to a change in the proportion of average versus complex proposed rule change filings.³⁶ The Commission accordingly adjusted the respondent reporting burden to reflect this change.

As discussed in Items 1 and 14 above, the amendments to Rule 19b-4, Form 19b-4, and rule 3Ca-1 impose new collection of information requirements and information technology costs in connection with Securities-Based Swaps Submissions, Advance Notices, stay of mandatory clearing applications, and Section 916 of the Dodd-Frank Act.

16. Information Collections Planned for Statistical Purposes

Not applicable. The information collections above are not planned for statistical purposes.

17. Display of OMB Approval Date

The Commission requests authorization to omit the expiration date on the electronic version of the form for design and IT project scheduling reasons. The OMB control number will be displayed.

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.

³⁶ The proportion of average to complex proposed rule change filings since the collection of information was previously submitted to OMB for approval was revised from 4.27% to 5.00%.