

**SUPPORTING STATEMENT**  
**for the Paperwork Reduction Act Information Collection Submission for**  
**“Rule 6a-3”**

**A. JUSTIFICATION**

**1. Necessity for Information Collection**

The Securities Exchange Act of 1934 ("Exchange Act") provides a framework for self-regulation under which various entities involved in the securities business, including national securities exchanges, have primary responsibility for regulating their members or participants. The role of the Securities and Exchange Commission ("SEC") in this framework is primarily one of oversight: the Exchange Act charges the SEC with supervising the national securities exchanges and assuring that each complies with and advances the policies of the Exchange Act.

Section 6 of the Exchange Act<sup>1</sup> sets out a framework for the registration and regulation of national securities exchanges. Under Rule 6a-3,<sup>2</sup> one of the rules that implements Section 6, a national securities exchange (or an exchange exempted from registration as a national securities exchange based on limited volume) must provide certain supplemental information to the SEC, including any material (including notices, circulars, bulletins, lists, and periodicals) issued or made generally available to members of, or participants or subscribers to, the exchange. Rule 6a-3 also requires the exchanges to file monthly reports that set forth the volume and aggregate dollar amount of securities sold on the exchange each month. Only certain kinds of new exchanges registered under the Exchange Act will not be subject to the collection of information required by Rule 6a-3.

**2. Purpose and Use of the Information Collection**

The information filed with the SEC pursuant to Rule 6a-3 by a registered or exempt exchange is designed to enable the SEC to carry out its statutorily mandated oversight functions and to assure that registered or exempt exchanges continue to be in compliance with the Exchange Act. Without this information, the SEC would be less able to ensure that registered and exempt exchanges are continuing to act in a manner consistent with the Exchange Act.

**3. Consideration Given to Information Technology**

Rule 6a-3 permits respondents to comply by making certain information available on the Internet and notifying the Commission of its location. The Internet has developed the potential to ease compliance burdens for respondents and will increase the speed, accuracy and availability of information, generating benefits to investors and financial markets. All

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<sup>1</sup> 15 U.S.C. 78f.

<sup>2</sup> 17 CFR 240.6a-3.

registered and exempt exchanges currently maintain some presence on the Internet and make information available to interested parties.

**4. Duplication**

The SEC believes that Rule 6a-3 does not impose any duplicative reporting requirements. Respondents are able to avoid duplicative reporting by informing the SEC where certain responsive information may be found on the Internet. In addition, the prior amendments to Rule 6a-3 were prompted by a desire not to impose unnecessary reporting requirements.

**5. Effect on Small Entities**

No small businesses are involved in the procedures of data compilation and filing.

**6. Consequences of Not Conducting Collection**

It is important to the oversight abilities of the Commission for the information received pursuant to Rule 6a-3 to be as current as possible. If the information were filed less frequently, the Commission would not have the information on registered and exempt exchange activities that is necessary to comply with its statutory obligations.

**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**

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**

The respondents receive no payments or gifts.

**10. Confidentiality**

Not applicable. Any collection of information pursuant to Rule 6a-3 would not be confidential and would be publicly available from the Commission upon request.

**11. Sensitive Questions**

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

**12. Burden of Information Collection**

The SEC estimates that the preparation and filing of supplemental information and monthly reports pursuant to Rule 6a-3 generally involves photocopying existing documents and will usually take less than one-half hour per response. The SEC estimates that each exchange makes approximately 25 such filings on an annual basis. The SEC estimates that the average cost per response is approximately \$52.50. These figures were derived in the following manner:

0.5 hours of clerical work at \$95/hr <sup>3</sup> =	\$47.50
miscellaneous clerical expenses =	<u>\$ 5.00</u>
	\$52.50

Currently, 19 respondents (seventeen national securities exchanges and two exempt exchanges) are subject to the collection of information requirements of Rule 6a-3. The SEC estimates that the total burden for all respondents will be 237.5 hours (25 filings/respondent per year x 0.5 hours/response x 19 respondents) and \$24,937.50 (\$52.50/response x 25 responses/respondent per year x 19 respondents) per year.

**13. Costs to Respondents**

The SEC does not anticipate that respondents would have to incur any capital or start-up costs, nor any additional operational or maintenance costs (other than as provided in Item 12), to comply with the collection of information requirements imposed by Rule 6a-3.

**14. Costs to Federal Government**

The SEC estimates that it incurs costs of approximately \$4000 annually to review the supplemental information and monthly reports submitted by the exchanges pursuant to Rule 6a-3. This amount was based on our computation of the value of staff time devoted to reviewing filings on a regular basis and the related overhead value at 35 percent of the value of staff time. The Commission estimates overhead costs (printing, supplies, copying, and

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<sup>3</sup> Figure for a Paralegal is from *SIFMA’s Office Salaries in the Securities Industry 2011* modified by Commission staff to account for an 1800-hour work-year and multiplied by 2.93 to account for bonuses, firm size, employee benefits, and overhead.

postage) to be approximately 35 percent of the value of labor costs. These estimates have been computed based on the GSA Guide to Estimating Reporting Costs (1973).

**15. Changes in Burden**

The estimated changes in burden have been adjusted to reflect the fact that, since the last time the SEC sought OMB approval for the collection of information pursuant to Rule 6a-3, the number of registered national securities exchanges has increased from thirteen to seventeen. Accordingly, the number of respondents has increased from fifteen to nineteen. Moreover, the estimates reflect an increase in salary data that includes overhead costs.

**16. Information Collection Planned for Statistical Purposes**

Not applicable. The information collection is not used for statistical purposes.

**17. Approval to Omit OMB Expiration Date**

The Commission is not seeking approval to omit the expiration date.

**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.