

SUPPORTING STATEMENT
for the Paperwork Reduction Act Information Collection Submission for
Rule 15Bc3-1 and Form MSDW

A. JUSTIFICATION

1. Necessity of Information Collection

Rule 15Bc3-1 (17 CFR 240.15Bc3-1) under the Securities Exchange Act of 1934 (the “Act”) provides that bank municipal securities dealers must file a notice of withdrawal from registration on Form MSDW (17 CFR 249.1110), and that non-bank municipal securities dealers must use Form BDW (17 CFR 240.501a). The Commission adopted Rule 15Bc3-1 and Form MSDW pursuant to Sections 15B(c), 17(a), and 23(a) of the Act, 15 U.S.C. 78o4(c), 78q(a), and 78w(a).

2. Purpose and Use of the Information Collection

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

3. Consideration Given to Information Technology

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

4. Duplication

The Rule requires that applications for withdrawal from registration as a bank municipal securities dealer be filed on Form MSDW. The information contained on Form MSDW is not duplicative, nor is it available from any other source.

5. Effect on Small Entities

Although some bank municipal securities dealers using Form MSDW may be characterized as small businesses, the need for information on bank municipal securities dealers (as described in item 2 above) is the same regardless of the size of the dealer.

6. Consequences of Not Conducting Collection

If the collection were not conducted, the Commission would not be able to use Form MSDW information for purposes such as evaluating applications for withdrawal from registration and developing risk assessment information about bank municipal securities dealers. Also, the public would not be able to obtain or verify form MSDW information on municipal securities dealers and their associated persons.

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

None.

10. Confidentiality

No assurances of confidentiality are provided.

11. Sensitive Questions

No inquiries of a sensitive nature are made.

12. Burden of Information Collection

The Commission estimates that the average amount of time necessary to complete Form MSDW is approximately 30 minutes. Based upon the average number of submissions for the last six years, the Commission estimates that approximately three respondents will utilize Form MSDW annually, with a total for all respondents of 1.5 hours. This estimate is based on the Commission staff's experience in administering the form. The form is available from the Commission, and can usually be completed by checking appropriate boxes and writing the name and address of the bank municipal securities dealer, and the name and address of the person who has or will have custody of the bank municipal securities dealer's books and records. The staff estimates that the average internal compliance cost per hour is approximately \$310. Therefore, the estimated total annual cost of compliance is approximately \$465 per year. (1.5 hours/year x \$310/hour = \$465/year.)

13. Costs to Respondents

There are no costs to respondents other than those identified in item 12, above.

14. Costs to Federal Government

Currently, there are no developmental costs associated with Rule 15Bc3-1 or Form MSDW. On an annual basis, the Commission receives approximately three Form MSDW filings. The staff estimates that the cost of processing a Form MSDW filing is approximately \$22.40. Accordingly, the staff estimates the total annual cost of processing three MSDW filings to be approximately \$67.20 (3 filings x \$22.40/ filing = \$67.20). These figures reflect an estimate of the cost of staff time devoted to processing forms, plus related overhead valued at 35 percent of staff time, at \$44.80 per hour, computed based on General Services Administration, Guide to Estimating Reporting Costs (1973) and an adjustment for inflation since 2010 when the hourly cost of staff processing time was estimated at \$42.00 per hour. This estimate of hourly processing cost is based in part on the assumption that processing a Form MSDW filing takes approximately the same amount of time as processing a Form MSD amendment—i.e., 30 minutes. The estimated costs to the Federal government of processing new Form MSD filings and Form MSD amendments received from bank municipal securities dealers are reported in the submission on Rule 15Ba2-1 and Form MSD (SEC File No. 270-0088). The reasonableness of \$44.80 as an estimate of the hourly cost of staff processing time is corroborated by reference to U.S. Department of Labor Occupational Employment Statistics in which the hourly mean wage for Federal Executive Branch Paralegals and Legal Assistants is estimated at \$31.57, which, with the addition of 35 percent for related overhead, suggests an hourly staff processing cost of \$42.62. See Bureau of Labor Statistics, Occupational Employment and Wages, 23-2011 Paralegals and Legal Assistants (May 2012), <http://www.bls.gov/oes/current/oes232011.htm>.

15. Changes in Burden

Since the last time Commission staff estimated the burden in 2010, the approximate number of Form MSDW filings received by the Commission each year has decreased from 12 to three, resulting in a decrease in the estimated annual burden from the 2010 estimate of 6 hours to the current estimate of 1.5 hours as detailed in item 12 above.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to Omit OMB Expiration Date

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

18. Exceptions to Certification

This collection complies with the requirements in 5 CFR 1320.9.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not employ statistical methods.