

**Supporting Statement for the  
Transfer Agent Registration and Amendment Form  
(FR TA-1; OMB No. 7100-0099)**

**Summary**

The Board of Governors of the Federal Reserve System, under delegated authority from the Office of Management and Budget (OMB), proposes to extend for three years, with minor revision, the uniform interagency Transfer Agent Registration and Amendment Form (FR TA-1; OMB No. 7100-0099). The Securities Exchange Act of 1934 (the Act) requires any person acting as a transfer agent to register as such and to amend registration information when it changes. State member banks (SMBs) and their subsidiaries, bank holding companies (BHCs), and certain nondeposit trust company subsidiaries of BHCs register with the Federal Reserve System by submitting Form TA-1. The information collected is available to the public upon request and includes the company name, all business addresses, and several questions about the registrant's proposed activities as a transfer agent. The Federal Reserve uses the information to act upon registration applications and to aid in performing its supervisory duties. Similar data are not available from any other source.

The Federal Reserve proposes to include savings and loan holding companies (SLHCs) in the respondent panel. The current annual burden for the FR TA-1 is estimated to be 4 hours and would remain unchanged with the proposed revision.

**Background and Justification**

By the late 1960s, the volume of paper-intensive securities transactions was overwhelming brokers and transfer agents, causing errors and delays in handling investor assets. Partly as a result of this problem, the Congress, in the Securities Acts Amendments of 1975, required that transfer agents register with their appropriate regulatory agency (ARA). Section 17A(c) of the Securities Exchange Act of 1934, as amended in 1975, requires all transfer agents for securities registered under section 12 of the Act to register "by filing with the appropriate regulatory agency . . . an application for registration in such form and containing such information and documents . . . as such appropriate regulatory agency may prescribe as necessary or appropriate in furtherance of the purposes of this section." In general, an entity performing transfer agent functions for a security is required to register if the security is registered on a national securities exchange and if the issuer has total assets of \$10 million and a class of equity security held of record by 500 or more persons. The Federal Reserve's Regulation H (section 208.31(a)) and Regulation Y (section 225.4(d)) implement the provisions of the Act.

To accomplish the registration of transfer agents, Form TA-1 was developed in 1975 as an interagency effort by the Securities and Exchange Commission (SEC) and the federal bank regulatory agencies, namely the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC) (the agencies). The Federal Reserve primarily uses the data collected on Form TA-1 to determine whether an application for registration should be approved, denied, accelerated or

postponed. The Federal Reserve uses the data in connection with their supervisory responsibilities.

## **Description of Information Collected**

Currently, 31 transfer agents are registered with the Federal Reserve, the majority of which are state member banks. To register, registrants must submit an original and two copies of Form TA-1 to their ARA. In addition to the corporate name and all business addresses, registrants also report their Financial Industry Number Standard (FINS) number and answer three questions detailing their transfer agent activities. The Federal Reserve processes the data manually, reviewing each form for completeness and accuracy, and may contact registrants directly to verify data. The Federal Reserve notifies registrants of their registration status by letter and sends them copies of transfer agent rules and regulations. The Federal Reserve forwards copies of completed registration forms and notification letters to the SEC and to the appropriate Reserve Bank. An acknowledgement letter is sent to any registrant who files a subsequent Form TA-1 to amend their registration data.

Transfer agents deregister by submitting either a letter or the SEC's Notice of Withdrawal from Registration as Transfer Agent (Form TA-W; OMB No. 3235-0151) to the Federal Reserve. If the Federal Reserve finds that a registrant has ceased doing business as a transfer agent, the Federal Reserve may initiate deregistration of the transfer agent.

### *Proposed Revision*

Title III of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) transferred all former Office of Thrift Supervision authorities related to SLHCs to the Federal Reserve effective July 21, 2011. As a result, the Federal Reserve proposes to include SLHCs that act as transfer agents as subject to the Federal Reserve's registration requirements.

## **Time Schedule for Information Collection**

Pursuant to the Act, registrants use Form TA-1 to register as a transfer agent prior to performing transfer agent functions (examples of which are found in the General Instructions) and to amend registration information as necessary. Registration becomes effective 30 days after receipt of an acceptable Form TA-1, unless the Federal Reserve takes action to accelerate, postpone, or deny registration. Registered transfer agents must file amendments within 60 days of the date on which the information reported in previous filings has become inaccurate, incomplete, or misleading.

## **Legal Status**

The Federal Reserve Board's Legal Division has determined that the FR TA-1 is mandatory and that its collection is authorized by sections 17A(c), 17(a)(3), and 23(a)(1) of the Act, as amended (15 U.S.C. §§ 78q-1(c), 78q(a)(3), and 78w(a)(1)). Additionally, Section 3(a)

(34)(B)(ii) of the Act (15 U.S.C. 78c(a)(34)(B)(ii)) provides that the Board is the ARA for purposes of various filings by SMBs and their subsidiaries, BHCs, and certain nondepository trust company subsidiaries of BHCs that act as a clearing agency or transfer agent. The registrations are public filings and are not considered confidential.

**Consultation Outside the Agency**

The SEC and the federal bank regulatory agencies jointly developed the reporting form and will continue to collaborate on any future revisions. On April 18, 2013, the Federal Reserve published a notice in the *Federal Register* (78 FR 23253) requesting public comment for 60 days on the extension, with minor revision, of the Transfer Agent Registration and Amendment Form. The comment period for this notice expired on June 17, 2013. The Federal Reserve did not receive any comments. The revision will be implemented as proposed. On July 16, 2013, the Federal Reserve published a final notice in the *Federal Register* (78 FR 42521).

**Estimate of Respondent Burden**

The current annual reporting burden of FR TA-1, including initial registration and subsequent amendments, is estimated to be 4 hours and would remain unchanged with the proposed revision.<sup>1</sup> Because the forms are event generated, it is not possible to predict exactly how many forms will be filed in a given year. The burden estimate shown in the table below is based on the average number of responses received during the past three years. This reporting requirement represents less than 1 percent of total Federal Reserve System paperwork burden.

	<i>Number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated total annual burden hours</i>
Registrations	2	1	1.25 hours	3
Amendments	4	1	10 minutes	<u>1</u>
<i>Total</i>	6			4

The current annual cost to the public of this report is estimated to be \$200.<sup>2</sup>

<sup>1</sup> The Federal Reserve estimates that no SLHCs would file a TA-1 registration or amendment form. If the number of registrations increases, the Federal Reserve will update its burden hours accordingly.

<sup>2</sup> Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rate (30% Office & Administrative Support at \$18, 45% Financial Managers at \$59, 15% Lawyers at \$63, and 10% Chief Executives at \$85). Hourly rate for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), Occupational Employment and Wages 2012, [www.bls.gov/news.release/ocwage.nr0.htm](http://www.bls.gov/news.release/ocwage.nr0.htm). Occupations are defined using the BLS Occupational Classification System, [www.bls.gov/soc/](http://www.bls.gov/soc/)

**Sensitive Questions**

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

**Cost to the Federal Reserve System**

The annual cost to the Federal Reserve System for printing, mailing and processing Form TA-1 is negligible.