

**SUPPORTING STATEMENT FOR THE PAPERWORK REDUCTION ACT  
INFORMATION COLLECTION SUBMISSION FOR INTERIM FINAL RULES  
UNDER THE SECURITIES ACT OF 1933**

This supporting statement is part of a submission under the Paperwork Reduction Act of 1995, 44 U.S.C. §3501, *et seq.*

**A. JUSTIFICATION**

**1. CIRCUMSTANCES MAKING THE COLLECTION OF INFORMATION NECESSARY**

In Release No. 33-10003 (the “Interim Final Rule Release”), the Commission adopted interim final rule amendments to Form S-1 and Form F-1 on January 13, 2016<sup>1</sup> to implement Sections 71003 and 84001 of the Fixing America’s Surface Transportation (“FAST”) Act, which was enacted on December 4, 2015.<sup>2</sup> The FAST Act required the Commission to adopt these rule and form amendments within specified days after the enactment of that Act.

The amendments revise Form S-1 and Form F-1 to implement Sections 71003 and 84001 of the FAST Act. Section 71003 of the FAST Act allows an emerging growth company (“EGC”) that is filing a registration statement (or submitting the registration statement for confidential review) on Form S-1 or Form F-1 to omit financial information for historical periods otherwise required by Regulation S-X if it reasonably believes the omitted information will not be required to be included in the filing at the time of the contemplated offering, so long as the issuer amends the registration statement prior to distributing a preliminary prospectus to include all financial information required by Regulation S-X at the time of the amendment. The amendments revise the general instructions to Form S-1 and Form F-1 to reflect this self-executing change, as directed by Section 71003.

Section 84001 of the FAST Act requires the Commission to revise Form S-1 to permit a smaller reporting company to incorporate by reference into its registration statement any documents filed by the issuer subsequent to the effective date of the registration statement. The amendments add a new paragraph to Item 12 of Form S-1 and make a conforming change to Item 512(a) of Regulation S-K to effect this provision.

The adopted amendments contain “collection of information” requirements within the meaning of the Paperwork Reduction Act of 1995. The titles of these requirements are:

---

<sup>1</sup> Simplification of Disclosure Requirements for Emerging Growth Companies and Forward Incorporation by Reference on Form S-1 for Smaller Reporting Companies, Release No. 33-10003 (Jan. 13, 2016) [81 FR 2743].

<sup>2</sup> Pub. L. No. 114-94, 129 Stat. 1312 (Dec. 4, 2015).

- Form S-1 (OMB Control No. 3235-0065);
- Form F-1 (OMB Control No. 3235-0258); and
- Regulation S-K (OMB Control No. 3235-0071).

**2. PURPOSE AND USE OF THE INFORMATION COLLECTION**

Form S-1 (17 CFR 239.11) is the form used by domestic issuers to register the offer and sale of securities under the Securities Act of 1933 (15 U.S.C. 77a et seq.) when no other form is authorized or prescribed, and Form F-1 (17 CFR 239.31) is the corresponding form used by foreign private issuers. Item 512 of Regulation S-K (17 CFR 229.512) describes the undertakings that an issuer must include in a registration statement.

**3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY**

Registrants file Form S-1 and Form F-1 electronically with the Commission using the Commission’s Electronic Data Gathering and Retrieval (EDGAR) system.

**4. DUPLICATION OF INFORMATION**

We are not aware of any rules that conflict with or substantially duplicate the adopted amendments.

**5. REDUCING THE BURDEN ON SMALL ENTITIES**

The amendments permit emerging growth companies to omit financial information for certain historical periods on Forms S-1 and F-1, and permit smaller reporting companies to use forward incorporation by reference on Form S-1. The Commission believes these rule and form amendments would decrease the existing compliance burden for eligible small businesses and other small entities.

**6. CONSEQUENCES OF NOT CONDUCTING COLLECTION**

The information collection required by the amendments would help investors make informed investment decisions. Less frequent collection would frustrate the statutory intent of Sections 71003 and 84001 of the FAST Act and would mean that current information may not be available to investors.

**7. SPECIAL CIRCUMSTANCES**

None.

## 8. **CONSULTATIONS WITH PERSONS OUTSIDE THE AGENCY**

After the Interim Final Rule Release was published, the Commission issued an emergency notice<sup>3</sup> soliciting comment on the new “collection of information” requirements and associated paperwork burdens. No comments were received in response to the emergency notice prior to OMB’s review of this submission. The emergency notice and Interim Final Rule Release are attached.

## 9. **PAYMENT OR GIFT TO RESPONDENTS**

Not applicable.

## 10. **CONFIDENTIALITY**

Not applicable.

## 11. **SENSITIVE QUESTIONS**

No information of a sensitive nature would be required under this collection of information. The information collection collects basic Personally Identifiable Information (PII) that may include name, business address, and residential address (for sole proprietor only), telephone/cellular/facsimile number, email address, and Tax ID Number (TIN). The information collection is covered under the System of Records Notices (SORN), which may be found at the following link: <http://www.sec.gov/about/privacy/sorn/secsorn1.pdf>. The Privacy Impact Assessment (PIA) is provided as a supplemental document.

## 12/13. **ESTIMATES OF HOUR AND COST BURDENS**

The estimated burden hours and cost burden are made solely for the purposes of the Paperwork Reduction Act and represent the average burden for all issuers. The cost burden is not derived from a comprehensive or even a representative survey of the costs of Commission rules and forms. The paperwork burden estimates associated with the amendments include the burdens attributable to collecting, preparing, reviewing and retaining records.

Regulation S-K is assigned one burden hour for administrative convenience. The burdens are reflected in the forms containing Regulation S-K disclosure.

For both Form S-1 and Form F-1, we estimate that 25% of the burden of preparation is carried by the issuer internally and is reflected in hours, and that 75% of the burden is carried by outside professionals retained by the issuer at an average cost of \$400 per hour.

---

<sup>3</sup> 81 FR 4072 (Jan. 25, 2016).

Current Paperwork Burden for Forms S-1 and F-1

Form S-1 is currently estimated to take approximately 972 hours per response to prepare 901 responses per year, and Form F-1 is currently estimated to take approximately 1,807 hours per response to prepare 63 responses per year. Table 1 illustrates the current total annual compliance burden, in hours and costs, of the collection of information pursuant to Form S-1 and Form F-1, respectively.

**Table 1. Estimated paperwork burden under Forms S-1 and F-1, pre-amendments relating to the FAST Act**

	Number of responses (A)	Burden hours/form (B)	Total burden hours (C)=(A)*(B)	Internal issuer time (D)	External professional time (E)	Professional costs (F)=(E)*\$400
Form S-1	901	972	875,772	218,943	656,829	\$262,731,600
Form F-1	63	1807	113,841	28,460	85,381	\$34,152,400
<b>Total</b>			<b>989,613</b>	<b>247,403</b>		<b>\$296,884,000</b>

We believe that the adopted amendments relating to Forms S-1 and F-1 decrease the existing paperwork burden of each form by requiring less information in Forms S-1 and F-1 with respect to emerging growth companies and smaller reporting companies.

Form S-1

We estimate that EGCs filed 401 Forms S-1 on average during the period from 2012 to 2014, and we estimate that the number of responses will remain the same following the amendments. We estimate that the amendments permitting EGCs to omit certain historical period financial information will reduce the total burden for emerging growth companies to prepare and file Form S-1 by 62,155 hours (401 x 155). In addition, we estimate that smaller reporting companies filed 425 Forms S-1 on average during the period from 2012 to 2014, and we estimate that the number of responses will remain the same following the amendments. We estimate that the amendments allowing smaller reporting companies to forward incorporate by reference on Form S-1 will reduce the total burden for smaller reporting companies to prepare and file Form S-1 by 212,500 hours (425 x 500). Therefore, we estimate that the amendments will reduce the burden hours per response, across all issuers, to 667 hours ( $[875,772 - 212,500 - 62,155] \div 901$ ). We estimate that 25% of the 667 hours per response (166.75 hours) is prepared by the issuer for an issuer burden of 150,242 hours (166.75 hours per response x 901 responses). We estimate that 75% of the 667 hours per response (500.25 hours) is prepared by outside professionals retained by the issuer. We estimate that the cost of these outside professionals to be \$400 per hour for a total cost burden of \$180,290,100 (\$400 per hour x 500.25 hours x 901 responses). Table 2 illustrates the estimated total compliance burden, in hours and in costs, of the collection of information pursuant to Form S-1 following these adopted amendments.

## Form F-1

We estimate that EGCs filed 40 Forms F-1 on average during the period from 2012 to 2014, and we estimate that the number of responses will remain the same following the amendments. We estimate that the amendments permitting EGCs to omit certain historical period financial information will reduce the total burden for emerging growth companies to prepare and file Form F-1 by 6,200 hours (40 x 155). We estimate that the amendments will reduce the burden hours per response, across all issuers, to 1,709 hours ( $[113,841 - 6,200] \div 63$ ). We estimate that 25% of the 1,709 hours per response (427.25 hours) is prepared by the issuer for an issuer burden of 26,917 hours (427.25 hours per response x 63 responses). We estimate that 75% of the 1,709 hours per response (1,281.75 hours) is prepared by outside professionals retained by the issuer. We estimate that the cost of these outside professionals to be \$400 per hour for a total cost burden of \$32,300,100 (\$400 per hour x 1,281.75 hours x 63 responses). Table 2 illustrates the estimated total compliance burden, in hours and in costs, of the collection of information pursuant to Form F-1 following these adopted amendments.

**Table 2. Estimated paperwork burden under Forms S-1 and F-1, post-amendments relating to the FAST Act**

	Number of responses (A)	Burden hours/form (B)	Total burden hours (C)=(A)*(B)	Internal issuer time (D)	External professional time (E)	Professional costs (F)=(E)*\$400
Form S-1	901	667	600,967	150,242	450,725	\$180,290,000
Form F-1	63	1,709	107,667	26,917	80,750	\$32,300,100
<b>Total</b>			<b>708,634</b>	<b>177,159</b>		<b>\$212,590,100</b>

## 14. COSTS TO FEDERAL GOVERNMENT

We estimate that the cost of preparing the amendments will be approximately \$50,000.

## 15. REASON FOR CHANGE IN BURDEN

As explained in further detail in Items 12 and 13 above, the rule and form amendments implement the requirements of Sections 71003 and 84001 of the FAST Act. The change in burden for Form S-1 relates to the reduced disclosure requirements relating to emerging growth companies and smaller reporting companies. These disclosure requirements implement Sections 71003 and 84001 of the FAST Act by permitting emerging growth companies to omit certain historical period financial information and allowing smaller reporting companies to use forward incorporation by reference. The change in burden for Form F-1 relates to the reduced disclosure requirements to emerging growth companies, as required by Section 71003 of the FAST Act.

**16. INFORMATION COLLECTION PLANNED FOR STATISTICAL PURPOSES**

Not applicable.

**17. DISPLAY OF OMB EXPIRATION DATE**

We request authorization to omit the expiration date on the electronic version of this form. Including the expiration date on the electronic version of the form will result in increased costs, because the need to make changes to the form may not follow the application's scheduled version release dates. The OMB control number will be displayed.

**18. EXCEPTIONS TO CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS**

Not applicable.

**B. STATISTICAL METHODS**

Not applicable.