

**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 self-regulatory organizations, 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(a),<sup>2</sup> a national securities exchange or an exchange that exempted from registration as a national securities exchange ("exempt exchange") must file with the SEC certain supplemental information, 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. Under Rule 6a-3(a)(2),<sup>3</sup> a national securities exchange or exempt exchange need not file this supplemental information with the SEC if such information required to be filed is available continuously on a website controlled by the exchange, and in lieu of filing such information, the exchange indicates the location of the website where such information may be found and certifies that the information available is accurate as of its date. Rule 6a-3(b)<sup>4</sup> requires the exchanges to file monthly reports that set forth the volume and aggregate dollar amount of certain securities sold on the exchange each month; the principal amount of bonds sold and the aggregate dollar amount of such bonds sold on the exchange; and the number of rights and warrants sold and the aggregate dollar amount of such rights and warrants sold on the exchange. A national securities exchange registered pursuant to Section 6(g)(1)<sup>5</sup> of the Exchange Act is exempt from the requirement of 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 ("Respondent") is designed to enable the SEC to carry out its statutorily mandated

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

<sup>2</sup> 17 CFR 240.6a-3(a)(1).

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

<sup>4</sup> 17 CFR 240.6a-3(b).

<sup>5</sup> 15 U.S.C. 78f(g)(1).

oversight functions and to assure that registered or exempt exchanges continue to be in compliance with the Exchange Act. Without access to 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(a)(2) permits Respondents to comply by making certain information available on the Internet and notifying the Commission of its location. Providing access to the supplemental information to members, participants, or subscribers through the Internet can ease compliance burdens for Respondents and increase the speed, accuracy and availability of information. All 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 supplemental information may be found on its Internet website. In lieu of filing the supplemental information specified in Rule 6a-3(a)(1), Respondents must certify that the supplemental information available at the website location is accurate as of its date. With respect to information regarding certain securities traded on Respondent exchanges, this is information that generally is compiled by such exchanges in the ordinary course of business.

### **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 required by 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, or in the case of supplemental information, could be accessed on the Respondent's website.

**11. Sensitive Questions**

Not applicable. No issues of a sensitive nature are involved. The information collection does not collect any Personally Identifiable Information (PII).

**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 12 such filings on an annual basis. The SEC estimates that the average internal compliance cost per response is approximately \$126. These figures were derived in the following manner:

0.5 hours of clerical work at \$202/hr <sup>6</sup> =	\$101
Miscellaneous clerical expenses =	<u>\$ 5</u>
	\$106

Currently, 19 Respondents are subject to the collection of information requirements of Rule 6a-3. The SEC estimates that the total burden for all Respondents will be 114 hours (12 responses/Respondent per year x 0.5 hours/response x 19 Respondents) and an internal compliance cost of \$24,168 (\$106/response x 12 responses/Respondent per year x 19 Respondents) per year. Additionally, most submissions pursuant to Rule 6a-3(a)(1) take advantage of the alternative means of filing and specify where supplemental information is available on Respondents' respective internet websites.

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<sup>6</sup> Figure for a Paralegal is from *SIFMA's Office Salaries in the Securities Industry 2013* modified by Commission staff to account for inflation, an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead.

### 13. Costs to Respondents

The SEC anticipates that Respondents would have to incur shipping costs of approximately \$20 per submission, for a total burden of \$4,560 (12 submissions per Respondent x \$20 per submission x 19 Respondents), to comply with the collection of information requirements imposed by Rule 6a-3 (in addition to the internal compliance costs provided in Item 12).

### 14. Costs to Federal Government

The operational cost to the SEC to review responses submitted pursuant to Rule 6a-3 is approximately \$37,050 dollars (12 responses/Respondent x 19 Respondents x \$162.50/response) and 228 hours (12 responses/Respondent x 19 Respondents x 1 hour/response) annually to review the supplemental information and monthly reports submitted by the exchanges pursuant to Rule 6a-3. The SEC estimates that each response costs approximately \$162.50. These estimates were derived in the following manner:

0.5 hours attorney review at \$259/hr <sup>7</sup>	\$127.50
0.5 hours clerical work at \$70/hr <sup>8</sup>	<u>\$ 35</u>
	\$162.50

### 15. Changes in Burden

The estimated time burden has decreased to reflect a smaller number of anticipated submissions pursuant to Rule 6a-3 based on actual numbers of submissions received. In addition, the Commission has included an itemized cost for shipping, which, in previous years, had been aggregated as an operational cost in Item 12.

### 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.

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<sup>7</sup> Figure for SEC Management and Professional Staff is from *SIFMA's Office Salaries in the Securities Industry 2013* modified by Commission staff to account for inflation, an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead.

<sup>8</sup> Figure for SEC Office Staff is from *SIFMA's Office Salaries in the Securities Industry 2013* modified by Commission staff to account for inflation, an 1800-hour work-year and multiplied by 2.93 to account for bonuses, firm size, employee benefits, and overhead.

**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.