

**SUPPORTING STATEMENT**  
**for the Paperwork Reduction Act Information Collection Submission for Rule 18a-5**

This submission is being made pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. Section 3501 et seq.

**A. JUSTIFICATION**

**1. Necessity of Information Collection**

On July 21, 2010, President Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) into law.<sup>1</sup> Section 764 of the Dodd-Frank Act added section 15F to the Securities Exchange Act of 1934 (the “Exchange Act”), which provides that the Commission shall adopt rules governing reporting and recordkeeping for security-based swap dealers (“SBSDs”) and major security-based swap participants (“MSBSPs”).<sup>2</sup>

Accordingly, on April 17, 2014, the Commission proposed amendments to its recordkeeping and reporting rules for broker-dealers as well as new recordkeeping and reporting rules for SBSDs and MSBSPs (the “SBS Recordkeeping Release”).<sup>3</sup> More specifically, proposed new Exchange Act Rule 18a-5 (in conjunction with the proposed new Exchange Act Rule 18a-6) would establish recordkeeping requirements applicable to stand-alone SBSDs, stand-alone MSBSPs, bank SBSDs, and bank MSBSPs.<sup>4</sup> Proposed Rule 18a-5 is modeled on Exchange Act Rule 17a-3, which applies to broker-dealers, but proposed Rule 18a-5 does not include a parallel requirement for every requirement in Rule 17a-3 because some of the requirements in Rule 17a-3 relate to activities that are not expected or permitted of SBSDs and MSBSPs.

Proposed Rule 18a-5 would establish a number of new collections of information, as summarized in the table below.

	Non-model stand-alone SBSDs	ANC stand-alone SBSDs	Bank SBSDs	Stand-alone MSBSPs
Trade blotters	Rule 18a-5(a)(1)	Rule 18a-5(a)(1)	Rule 18a-5(b)(1)	Rule 18a-5(a)(1)
General ledger	Rule 18a-5(a)(2)	Rule 18a-5(a)(2)		Rule 18a-5(a)(2)
Ledgers for customer and non-customer accounts	Rule 18a-5(a)(3)	Rule 18a-5(a)(3)	Rule 18a-5(b)(2)	Rule 18a-5(a)(3)

<sup>1</sup> See *Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010*, Public Law 111-203, 124 Stat. 1376 (2010).

<sup>2</sup> See 15 U.S.C. 78o-10(f)(2).

<sup>3</sup> See *Recordkeeping and Reporting Requirements for Security-Based Swap Dealers, Major Security-Based Swap Participants, and Broker-Dealers; Capital Rule for Certain Security-Based Swap Dealers; Proposed Rules*, Exchange Act Release No. 71958 (Apr. 17, 2014), 79 FR 25193 (May 2, 2014).

<sup>4</sup> See *Recordkeeping and Reporting Requirements for Security-Based Swap Dealers, Major Security-Based Swap Participants, and Broker-Dealers; Capital Rule for Certain Security-Based Swap Dealers; Proposed Rules*, Exchange Act Release No. 71958 (Apr. 17, 2014), 79 FR 25193 (May 2, 2014).

	Non-model stand-alone SBSDs	ANC stand-alone SBSDs	Bank SBSDs	Stand-alone MSBSPs
Stock record	Rule 18a-5(a)(4)	Rule 18a-5(a)(4)	Rule 18a-5(b)(3)	Rule 18a-5(a)(4)
Memoranda of brokerage orders			Rule 18a-5(b)(4)	
Memoranda of proprietary orders	Rule 18a-5(a)(5)	Rule 18a-5(a)(5)	Rule 18a-5(b)(5)	Rule 18a-5(a)(5)
Confirmations	Rule 18a-5(a)(6)	Rule 18a-5(a)(6)	Rule 18a-5(b)(6)	Rule 18a-5(a)(6)
Accountholder information	Rule 18a-5(a)(7)	Rule 18a-5(a)(7)	Rule 18a-5(b)(7)	Rule 18a-5(a)(7)
Options positions	Rule 18a-5(a)(8)	Rule 18a-5(a)(8)		Rule 18a-5(a)(8)
Trial balances and computation of net capital	Rule 18a-5(a)(9)	Rule 18a-5(a)(9)		Rule 18a-5(a)(9)
Associated person's employment application	Rule 18a-5(a)(10)	Rule 18a-5(a)(10)	Rule 18a-5(b)(8)	Rule 18a-5(a)(10)
Liquidity stress test		Rule 18a-5(a)(11)		
Account equity and margin calculations under proposed Rule 18a-3	Rule 18a-5(a)(12)	Rule 18a-5(a)(12)		Rule 18a-5(a)(12)
Possession or control requirements under proposed Rule 18a-4	Rule 18a-5(a)(13)	Rule 18a-5(a)(13)	Rule 18a-5(b)(9)	
Customer reserve requirements under proposed Rule 18a-4	Rule 18a-5(a)(14)	Rule 18a-5(a)(14)	Rule 18a-5(b)(10)	
Unverified transactions	Rule 18a-5(a)(15)	Rule 18a-5(a)(15)	Rule 18a-5(b)(11)	Rule 18a-5(a)(15)
Political contributions	Rule 18a-5(a)(16)	Rule 18a-5(a)(16)	Rule 18a-5(b)(12)	
Compliance with external business conduct requirements	Rule 18a-5(a)(17)	Rule 18a-5(a)(17)	Rule 18a-5(b)(13)	Rule 18a-5(a)(17)

## 2. Purpose and Use of the Information Collection

The purpose of requiring stand-alone SBSDs, stand-alone MSBSPs, bank SBSDs, and bank MSBSPs to create the records specified in Rule 18a-5 is to enhance regulators' ability to protect investors. These records and the information contained therein are used by examiners and other representatives of the Commission to determine whether stand-alone SBSDs, stand-alone MSBSPs, bank SBSDs, and bank MSBSPs are in compliance with the Commission's anti-fraud and anti-manipulation rules, financial responsibility program, and other laws, rules, and regulations. If stand-alone SBSDs, stand-alone MSBSPs, bank SBSDs, and bank MSBSPs were not required to create these records, examiners would be unable to conduct effective and efficient examinations to determine whether stand-alone SBSDs, stand-alone MSBSPs, bank SBSDs, and bank MSBSPs were complying with relevant laws, rules, and regulations.

## 3. Consideration Given to Information Technology

The Commission believes that improvements in telecommunications and data processing technology may reduce any burdens that result from Rule 18a-5. Stand-alone SBSDs, stand-alone MSBSPs, bank SBSDs, and bank MSBSPs are not prevented from using computers or other mechanical devices to generate the records required under Rule 18a-5. If such records are stored electronically, they must be preserved exclusively in a non-readable, non-writeable format.<sup>5</sup>

<sup>5</sup> See 17 CFR 240.18a-6(e)(2)(ii)(A).

#### **4. Duplication**

Because most stand-alone SBSDs, stand-alone MSBSPs, bank SBSDs, and bank MSBSPs do not already voluntarily create many of the records required by Rule 18a-5, no duplication of such information is apparent.

#### **5. Effect on Small Entities**

Based on feedback from industry participants about the security-based swap market, entities that would qualify as SBSDs or MSBSPs would likely exceed the thresholds defining “small entities”. Thus, it is unlikely that the requirements under proposed new Rule 18a-5 would have a significant economic impact on a small entity.

#### **6. Consequences of Not Conducting Collection**

The information required to be collected and recorded under Rule 18a-5 allows the Commission to determine whether stand-alone SBSDs, stand-alone MSBSPs, bank SBSDs, and bank MSBSPs are in compliance with Commission anti-fraud and anti-manipulation rules, financial responsibility rules, and other rules and regulations. If a stand-alone SBSD, stand-alone MSBSP, bank SBSD, or bank MSBSP does not make these records, or if it makes these records less frequently, the level of investor protection will be reduced. The records a stand-alone SBSD, stand-alone MSBSP, bank SBSD, or bank MSBSP is required to make under Rule 18a-5 are, for the most part, essential to the successful operation of an SBSD or MSBSP, and failure to make the records on a current basis would likely cause the firm to experience operational difficulties.

#### **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 Commission has issued a release soliciting comment on the new “collection of information” requirements and associated paperwork burdens. A copy of the SBS Recordkeeping Release is attached. Comments on Commission releases are generally received from registrants, investors, and other market participants. In addition, the Commission and staff participate in ongoing dialogue with representatives of various market participants through public conferences, meetings and informal exchanges. Any comments received on this proposed rulemaking will be posted on the Commission’s public website, and made available through <http://www.sec.gov/rules/proposed.shtml>. The Commission will consider all comments received prior to publishing the final rule, and will explain in any adopting release how the final rule responds to such comments, in accordance with 5 C.F.R. 1320.11(f).

#### **9. Payment or Gift**

No payment or gift is provided to respondents.

## 10. Confidentiality

Subject to the provisions of the Freedom of Information Act, 5 U.S.C. § 552, and the Commission's rules thereunder (17 CFR 200.80(b)(4)(iii)), the Commission generally does not publish or make available information contained in reports, summaries, analyses, letters, or memoranda arising out of, in anticipation of, or in connection with an examination or inspection of the books and records of any person or any other investigation.

## 11. Sensitive Questions

As discussed above in Item 10, the collection of information will not include publicly available information. Furthermore, we do not believe that the collection of information will contain Personally Identifiable Information ("PII").<sup>6</sup>

## 12. Burden of Information Collection

Proposed Rule 18a-5 described in the SBS Recordkeeping Release would establish recordkeeping requirements applicable to stand-alone SBSBs, stand-alone MSBs, bank SBSBs, and bank MSBs.<sup>7</sup> The proposed rule is expected to impose a one-time initial burden and an additional ongoing burden on the industry, although actual recordkeeping requirements are expected to vary depending on the size and complexity of the stand-alone SBSB, stand-alone MSB, bank SBSB, or bank MSB.

**Stand-Alone SBSBs and Stand-Alone MSBs:** Proposed Rule 18a-5 would require thirteen types of records to be made and kept current by stand-alone SBSBs and stand-alone MSBs.<sup>8</sup> Proposed Rule 18a-5 imposes the burden to make and keep current these records, but does not require the firm to perform the underlying task.<sup>9</sup> The Commission estimates that paragraphs (a)(1) through (a)(10), (a)(12), (a)(15), and (a)(17) of proposed Rule 18a-5 would impose on each firm an initial burden of 260 hours and an ongoing annual burden of 325 hours. The Commission estimates that there are 13 respondents (nine stand-alone SBSBs and four

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<sup>6</sup> The term "Personally Identifiable Information" refers to information which can be used to distinguish or trace an individual's identity, such as their name, social security number, biometric records, etc. alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.

<sup>7</sup> See *Recordkeeping and Reporting Requirements for Security-Based Swap Dealers, Major Security-Based Swap Participants, and Broker-Dealers; Capital Rule for Certain Security-Based Swap Dealers; Proposed Rules*, Exchange Act Release No. 71958 (Apr. 17, 2014), 79 FR 25193 (May 2, 2014).

<sup>8</sup> See proposed Rule 18a-5 (paragraph (a)(1) (trade blotters); paragraph (a)(2) (general ledgers); paragraph (a)(3) (ledgers of customer and non-customer accounts); paragraph (a)(4) (stock record); paragraph (a)(5) (memoranda of proprietary orders); paragraph (a)(6) (confirmations); paragraph (a)(7) (account holder information); paragraph (a)(8) (options positions); paragraph (a)(9) (trial balances and computation of net capital); paragraph (a)(10) (associated person's application); paragraph (a)(12) (proposed Rule 18a-3 calculations); paragraph (a)(15) (unverified transactions); paragraph (a)(17) (compliance with external business conduct standards)).

<sup>9</sup> Entities that would register as stand-alone SBSBs and stand-alone MSBs likely make and keep some records today as a matter of routine business practice, but which records such entities make is not available to the Commission. Therefore, the PRA burden estimate for these entities is based on the assumption that they currently keep no records.

stand-alone MSBSPs), resulting in an estimated industry-wide initial burden of 3,380 hours<sup>10</sup> and an industry-wide ongoing annual burden of 4,225 hours per year (including the first year).<sup>11</sup> Over a three year period, the total estimated industry burden would be 16,055 hours,<sup>12</sup> or about 5,352 hours per year when annualized.<sup>13</sup>

**Stand-Alone SBSBs:** Proposed Rule 18a-5 would require three types of records to be made and kept current by stand-alone SBSBs.<sup>14</sup> The Commission estimates that paragraphs (a) (13), (a)(14), and (a)(16) of proposed Rule 18a-5 would impose an initial burden of 60 hours per firm and an ongoing annual burden of 75 hours per firm. The Commission estimates that there are nine stand-alone SBSBs, resulting in an industry-wide initial burden of 540 hours<sup>15</sup> and an industry-wide ongoing burden of 675 hours per year.<sup>16</sup> Over a three year period, the total estimated industry burden would be 2,565 hours,<sup>17</sup> or 855 hours per year when annualized.<sup>18</sup>

**ANC Stand-Alone SBSBs:** Paragraph (a)(11) of Rule 18a-5 would require ANC stand-alone SBSBs to make and keep current certain records relating to the firm's monthly liquidity stress test.<sup>19</sup> The Commission estimates that paragraph (a)(11) would impose on each ANC stand-alone SBSB an initial burden of 20 hours in the first year and an ongoing burden of 25 hours per year (including the first year). The Commission estimates that there are 6 ANC stand-alone SBSBs, resulting in an industry-wide initial burden of 120 hours in the first year<sup>20</sup> and an industry-wide ongoing burden of 150 hours per year (including the first year).<sup>21</sup> Over a three year period, the total estimated industry burden would be 570 hours,<sup>22</sup> or 190 hours per year when annualized.<sup>23</sup>

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<sup>10</sup> 260 hours x 13 stand-alone SBSBs and stand-alone MSBSPs = 3,380 hours.

<sup>11</sup> 325 hours/year x 13 stand-alone SBSBs and stand-alone MSBSPs = 4,225 hours/year.

<sup>12</sup> (3,380 hours in first year + 4,225 hours in first year) + 4,225 hours in second year + 4,225 hours in third year = 16,055 hours.

<sup>13</sup> 16,055 hours / 3 years = 5,351.67 hours per year.

<sup>14</sup> See proposed Rule 18a-5 (paragraph (a)(13) (compliance with proposed Rule 18a-4 possession or control requirements); paragraph (a)(14) (proposed Rule 18a-4 reserve account computations); and paragraph (a) (16) (political contributions)).

<sup>15</sup> 60 hours x 9 stand-alone SBSBs = 540 hours.

<sup>16</sup> 75 hours/year x 9 stand-alone SBSBs = 675 hours/year.

<sup>17</sup> (540 hours in first year + 675 hours in first year) + 675 hours in second year + 675 hours in third year = 2,565 hours.

<sup>18</sup> 2,565 hours / 3 years = 855 hours per year.

<sup>19</sup> See paragraph (a)(11) (liquidity stress test) of proposed Rule 18a-5.

<sup>20</sup> 20 hours x 6 ANC stand-alone SBSBs = 120 hours.

<sup>21</sup> 25 hours x 6 ANC broker-dealers = 150 hours.

<sup>22</sup> (120 hours in first year + 150 hours in first year) + 150 hours in second year + 150 hours in third year = 570 hours.

<sup>23</sup> 570 hours / 3 years = 190 hours per year.

**Bank SBSDs and Bank MSBSPs:** Proposed Rule 18a-5 would require 10 types of records to be made and kept current by bank SBSDs and bank MSBSPs, all of which are limited to the firm's business as an SBSD or MSBSP.<sup>24</sup> The Commission estimates that paragraphs (b) (1) through (b)(8), (b)(11), and (b)(13) would impose on each bank SBSD and each bank MSBSP an initial burden of 200 hours in the first year and an ongoing burden of 250 hours per year (including the first year). The Commission estimates that there are 25 respondents (25 bank SBSDs and no bank MSBSPs), resulting in an industry-wide initial burden of 5,000 hours<sup>25</sup> in the first year and an ongoing burden of 6,250 hours per year (including the first year).<sup>26</sup> Over a three year period, the total estimated industry burden would be 23,750 hours,<sup>27</sup> or about 7,917 hours per year when annualized.<sup>28</sup>

**Bank SBSDs:** The Commission proposes to adopt Rule 18a-5 to include paragraphs (b) (9), (b)(10), and (b)(12) which would require bank SBSDs to make and keep current various records for security-based swaps.<sup>29</sup> The Commission estimates that paragraphs (b)(9), (b)(10), and (b)(12) would impose on each bank SBSDs an initial burden of 60 hours in the first year and an ongoing burden of 75 hours per year (including the first year). The Commission estimates that there are 25 bank SBSDs, resulting in an industry-wide initial burden of 1,500 hours<sup>30</sup> in the first year and an industry-wide ongoing burden of 1,875 hours per year (including the first year).<sup>31</sup> Over a three year period, the total estimated industry burden would be 7,125 hours,<sup>32</sup> or 2,375 hours per year when annualized.<sup>33</sup>

**Total Industry Hour Burden:** Thus, the total initial industry hour burden attributable to proposed Rule 18a-5 is estimated to be 10,540 hours<sup>34</sup> in the first year and the total industry ongoing hour burden attributable to proposed Rule 18a-5 is estimated to be 13,175 hours per year (including the first year).<sup>35</sup> Over a three year period, the total estimated industry burden is

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<sup>24</sup> See proposed Rule 18a-5 (paragraph (b)(1) (trade blotters); paragraph (b)(2) (general ledgers); paragraph (b)(3) (stock record); paragraph (b)(4) (memoranda of brokerage orders); paragraph (b)(5) (memoranda of proprietary orders); paragraph (b)(6) (confirmations); paragraph (b)(7) (account holder information); paragraph (b)(8) (associated person's application); paragraph (b)(11) (unverified transactions); and paragraph (b)(13) (compliance with external business conduct requirements)).

<sup>25</sup> 200 hours x 25 bank SBSDs and bank MSBSPs = 5,000 hours.

<sup>26</sup> 250 hours x 25 bank SBSDs and bank MSBSPs = 6,250 hours.

<sup>27</sup> (5,000 hours in first year + 6,250 hours in first year) + 6,250 hours in second year + 6,250 hours in third year = 23,750 hours.

<sup>28</sup> 23,750 hours / 3 years = 7,916.67 hours per year.

<sup>29</sup> See proposed Rule 18a-5 (paragraph (b)(9) (possession or control requirements under proposed Rule 18a-4); paragraph (b)(10) (customer reserve requirements under proposed Rule 18a-4); and paragraph (b) (12) (political contributions)).

<sup>30</sup> 60 hours x 25 bank SBSDs = 1,500 hours.

<sup>31</sup> 75 hours x 25 bank SBSDs = 1,875 hours.

<sup>32</sup> (1,500 hours in first year + 1,875 hours in first year) + 1,875 hours in second year + 1,875 hours in third year = 7,125 hours.

<sup>33</sup> 7,125 hours / 3 years = 2,375 hours per year.

<sup>34</sup> 3,380 hours + 540 hours + 120 hours + 5,000 hours + 1,500 hours = 10,540 hours.

estimated to be 50,065 hours,<sup>36</sup> or about 16,688 hours per year when annualized.<sup>37</sup> These burdens are recordkeeping burdens.

Summary of Hourly Burdens										
		A.	B.	C.	D.	E.	F.	G.		
Name of Information Collection	Type of Burden	Number of Entities Impacted	Annual Responses per Entity	Initial Burden per Entity per Response	Initial Burden Annualized per Entity per Response	Ongoing Burden per Entity per Response	Annual Burden Per Entity per Response	Total Annual Burden Per Entity	Total Industry Burden	Small Business Entities Affected
					[ C ÷ 3 years ]		[ D + E ]	[ F * B ]	[ G * A ]	[ A * 0 % ]
Stand-alone SBSDBs and stand-alone MSBSPs: Paragraphs (a)(1) through (a)(10), (a)(12), (a)(15), and (a)(17)	Recordkeeping	13	1	260.00	86.67	325.00	411.67	411.67	5,351.67	0
Stand-alone SBSDBs: Paragraphs (a)(13), (a)(14), and (a)(16)	Recordkeeping	9	1	60.00	20.00	75.00	95.00	95.00	855.00	0
ANC stand-alone SBSDBs: Paragraph (a)(11)	Recordkeeping	6	1	20.00	6.67	25.00	31.67	31.67	190.00	0
Bank SBSDBs and bank MSBSPs: Paragraphs (b)(1) through (b)(8), (b)(11), (b)(13)	Recordkeeping	25	1	200.00	66.67	250.00	316.67	316.67	7,916.67	0
Bank SBSDBs: Paragraphs (b)(9), (b)(10), and (b)(12)	Recordkeeping	25	1	60.00	20.00	75.00	95.00	95.00	2,375.00	0
<b>TOTAL HOURLY BURDEN FOR ALL RESPONDENTS</b>									<b>16,688.33</b>	

### 13. Costs to Respondents

The Commission estimates that proposed Rule 18a-5 would cause a stand-alone SBSD or stand-alone MSBSP to incur an initial dollar cost of approximately \$1,000 to purchase recordkeeping system software and an ongoing dollar cost of \$4,650 per year for associated equipment and systems development. The Commission estimates that there are thirteen respondents (nine stand-alone SBSDs and four stand-alone MSBSPs), resulting in an estimated industry-wide initial burden of \$13,000<sup>38</sup> and an industry-wide ongoing burden of \$60,450 per year.<sup>39</sup> Over a three year period, the total estimated industry burden would be \$194,350,<sup>40</sup> or about \$64,783 per year when annualized.<sup>41</sup>

<sup>35</sup> 4,225 hours + 675 hours + 150 hours + 6,250 hours + 1,875 hours = 13,175 hours.

<sup>36</sup> (10,540 hours in first year + 13,175 hours in first year) + 13,175 hours in second year + 13,175 hours in third year = 50,065 hours.

<sup>37</sup> 50,065 hours / 3 years = 16,688.33 hours per year.

<sup>38</sup> \$1,000 x 13 stand-alone SBSDs and stand-alone MSBSPs = \$13,000.

<sup>39</sup> \$4,650/year x 13 stand-alone SBSDs and stand-alone MSBSPs = \$60,450/year.

<sup>40</sup> (\$13,000 in first year + \$60,450 in first year) + \$60,450 in second year + \$60,450 in third year = \$194,350.

<sup>41</sup> \$194,350 / 3 years = \$64,783.33/year.

Proposed Rule 18a-5 is not expected to increase the initial and ongoing dollar costs that bank SBSDs and bank MSBSPs incur to purchase recordkeeping system software and for equipment and systems development. Banks are already subject to recordkeeping requirements by the prudential regulators,<sup>42</sup> so they already own or have established the requisite recordkeeping system software. Although bank SBSDs and bank MSBSPs may need to program the software to begin collecting additional records, the Commission expects these services to be performed in-house.

Summary of Dollar Costs										
		A.	B.	C.	D.	E.	F.	G.		
Name of Information Collection	Type of Burden	Number of Entities Impacted	Annual Responses per Entity	Initial Cost per Entity per Response	Initial Cost Annualized per Entity per Response	Ongoing Cost per Entity per Response	Annual Cost Per Entity per Response	Total Annual Cost Per Entity	Total Industry Cost	Small Business Entities Affected
					[ C ÷ 3 years ]		[ D + E ]	[ F * B ]	[ G * A ]	[ A * 0 % ]
Stand-alone SBSDs and stand-alone MSBSPs: Paragraphs (a)(1) through (a)(10), (a)(12), (a)(15), and (a)(17)	Recordkeeping	13	1	\$1,000.00	\$333.33	\$4,650.00	\$4,983.33	\$4,983.33	\$64,783.33	0
<b>TOTAL HOURLY COST FOR ALL RESPONDENTS</b>									<b>\$64,783.33</b>	

#### 14. Cost to Federal Government

The federal government does not incur a cost for this collection of information since it relates to a recordkeeping burden for the respondents.

#### 15. Changes in Burden

This burden estimate assumes that stand-alone SBSDs, stand-alone MSBSPs, bank SBSDs, and bank MSBSPs keep no records, because the Commission currently does not subject these entities to recordkeeping requirements. Thus, the estimated change in burden represents the entire estimated industrywide burden. More specifically, industry-wide, the estimated increased initial hourly burden is 10,540 hours and the estimated increased ongoing hours burden is 13,175 hours per year. For the stand-alone SBSDs and stand-alone MSBSPs industry, the estimated increased initial cost burden is \$13,000 and estimated increased ongoing cost burden is \$60,450 per year. There is no expected increase in cost burden for bank SBSDs and bank MSBSPs, because they are expected to already own or have established the requisite recordkeeping system software.

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

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

<sup>42</sup> See, e.g., 12 CFR 12.3 (Department of Treasury); 12 CFR 219.21 *et seq.* (Federal Reserve); 12 CFR 344.4 (FDIC).

**17. OMB Expiration Date Display Approval**

The Commission is not seeking approval to not display the OMB approval expiration date.

**18. Exceptions to Certification for Paperwork Reduction Act Submissions**

This collection complies with the requirements in 5 CFR 1320.9.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This collection does not involve statistical methods.