

SUPPORTING STATEMENT
for the Paperwork Reduction Act Information Collection Submission for
Registration of Municipal Advisors

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

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) amended Section 15B of the Securities Exchange Act of 1934 (“Exchange Act”) to require municipal advisors to register with the Securities and Exchange Commission (the “Commission”). On September 20, 2013, the Commission adopted Rules 15Ba1-1 through 15Ba1-8 and 15Bc4-1 under the Exchange Act to establish the rules by which a municipal advisor must obtain, maintain, and terminate its registration with the Commission. In addition, the rules interpret the definition of the term “municipal advisor,” interpret the statutory exclusions from that definition, and provide certain additional regulatory exemptions.¹ The rules became effective on January 13, 2014; however, on January 13, 2014, the Commission temporarily stayed such rules until July 1, 2014.² Section 15B(a)(1) of the Exchange Act makes it unlawful for a municipal advisor to provide advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, or to undertake a solicitation of a municipal entity or obligated person, unless the municipal advisor is registered with the Commission. The rules, among other things (i) require municipal advisors to file certain forms (i.e., Form MA, Form MA-A, Form MA/A, Form MA-I, Form MA-I/A, Form MA-NR, and Form MA-W) with the Commission to, as appropriate, obtain, maintain, or terminate their registration with the Commission and maintain certain books and records in accordance with the Exchange Act, and (ii) set forth how certain entities may meet the requirements of the statutory exclusions or regulatory exemptions from the definition of “municipal advisor.”

Rule 15Ba1-2 requires each firm applying for registration with the Commission as a municipal advisor to file electronically with the Commission Form MA and, with respect to each natural person associated with the municipal advisor firm who engages in municipal advisory activities on its behalf, Form MA-I.

¹ See Registration of Municipal Advisors, Exchange Act Release No. 70462 (September 20, 2013), 78 FR 67468 (November 12, 2013) (the “Release”). The Office of Management and Budget (“OMB”) control number is 3235-0681.

² See Registration of Municipal Advisors; Temporary Stay of Final Rule, Exchange Act Release No. 71288 (January 13, 2014), 79 FR 2777 (January 16, 2014). The OMB control number is 3235-0681.

Rule 15Ba1-4 requires that notice of withdrawal from registration as a municipal advisor be filed electronically with the Commission on Form MA-W.

Rule 15Ba1-5 requires municipal advisors to amend Form MA annually; amend Form MA and Form MA-I whenever certain information previously provided therein becomes inaccurate; report succession of registration on Form MA; and amend Form MA-I to indicate that an individual is no longer an associated person of the municipal advisory firm filing the form or no longer engaged in municipal advisory activities on its behalf.

Rule 15Ba1-6 provides that each non-resident municipal advisor shall, at the time of its application, furnish to the Commission for itself and for each non-resident general partner, non-resident managing agent, and non-resident natural person associated with the municipal advisor who engages in municipal advisory activities on behalf of the municipal advisor Form MA-NR, which appoints an agent in the United States for the service of process, as well as an opinion of counsel on Form MA stating that the municipal advisor can, as a matter of law, provide the Commission with access to its books and records as required by law and submit to inspection and examination by the Commission.

Form MA-I requires each municipal advisory firm to obtain and retain a written consent to service of process from each natural person engaged in municipal advisory activities on its behalf.

Rule 15Ba1-8 requires all registered municipal advisors to maintain, for not less than five years, true, accurate, and current books and records relating to their municipal advisory activities.

Rule 15Ba1-1(d)(3)(vi) exempts from the definition of “municipal advisor” any person engaging in municipal advisory activities in a circumstance in which a municipal entity or obligated person is otherwise represented by an independent registered municipal advisor with respect to the same aspects of a municipal financial product or an issuance of municipal securities, provided that certain written requirements are satisfied.

Rule 15Ba1-1(h)(2) provides that in determining whether or not funds to be invested constitute “municipal escrow investments,” a person may rely on representations in writing made by a knowledgeable official of a municipal entity or obligated person whose funds are to be invested regarding the nature of such investments, provided that the person seeking to rely on such representations has a reasonable basis for such reliance.

Rule 15Ba1-1(m)(3) provides that in determining whether or not funds to be invested constitute “proceeds of municipal securities,” a person may rely on representations in writing made by a knowledgeable official of a municipal entity or obligated person whose funds are to be invested regarding the nature of such funds, provided that the person seeking to rely on such representations has a reasonable basis for such reliance.

2. Purpose and Use of the Information Collection

Form MA and Form MA-I help ensure that the Commission can make information about municipal advisors transparent and easily accessible to the investing public, including municipal entities and obligated persons who engage municipal advisors; investors who may purchase securities from offerings in which municipal advisors participated; and other regulators. Further, the information provided on Form MA and Form MA-I expands the amount of publicly available information about municipal advisors and their associated persons, including conflicts of interest and disciplinary history. Although much of the information required by Form MA is already publicly available with respect to municipal advisors that are already registered with the Commission as investment advisers or broker-dealers, many municipal advisors that are not currently registered with the Commission in another capacity will make this information available for the first time. Consequently, the rules and forms allow municipal entities and obligated persons, as well as others, to become more fully informed about municipal advisors in a more efficient manner.

In addition, the requirement that each municipal advisory firm register with the Commission on Form MA and complete Form MA-I with respect to each natural person who is a person associated with the municipal advisor and engages in municipal advisory activities on its behalf will help ensure that the Commission has information to oversee respondents and their activities in the municipal securities market effectively. In particular, the information provided in Form MA will be used to determine whether to grant a municipal advisor's application for registration or to institute proceedings to determine whether registration should be denied. The information will also be used to focus examinations and aid in risk-based examinations. Moreover, Form MA and Form MA-I will enable the Commission to obtain an accurate estimate of the number of municipal advisors, by size and by municipal advisory activity; analyze data regarding the various types of municipal advisory activities; and evaluate the disciplinary history of all municipal advisors and associated persons, including regulatory, civil, and criminal proceedings.

The requirement that a municipal advisor file amendments to Form MA and Form MA-I will help ensure the availability of up-to-date information about municipal advisors and their associated persons. In addition, the requirement that a municipal advisor file Form MA-W to withdraw from registration will inform the Commission that a municipal advisor is no longer engaging in municipal advisory activities.

The requirement that a municipal advisor make and keep books and records, including written communications and records of associated persons, will help to ensure that records of the respondent's primary municipal advisory activities, as well as the activities of its associated persons, exist. The Commission and other regulators could potentially request books and records during an examination to evaluate the municipal advisor's compliance with the Exchange Act, the rules thereunder, and MSRB rules, as well as for other regulatory purposes.

The requirement that a non-resident municipal advisor complete Form MA-NR, and furnish Form MA-NR for its non-resident general partners, non-resident managing agents, and

associated persons engaged in municipal advisory activities, will help minimize legal or logistical obstacles that the Commission may encounter when attempting to effect service, conserve Commission resources, and avoid potential conflicts of law. The requirement that a non-resident municipal advisor provide an opinion of counsel on Form MA will help ensure that such non-resident municipal advisor can provide access to its books and records and submit to inspection and examination by the Commission.

The requirement that certain written representations and disclosures be made in order for a person to be exempt from the definition of municipal advisor (where a municipal entity or obligated person is represented by an independent registered municipal advisor with respect to the same aspects of a municipal financial product or an issuance of municipal securities) will allow the Commission staff to determine whether a person engaging in municipal advisory activities has failed to register with the Commission. Further, the information will allow municipal entities and obligated persons to understand whether a person is acting as a municipal advisor. Similarly, the exceptions from the definitions of municipal escrow investments and proceeds of municipal securities for reasonable inquiries will allow the Commission staff to determine whether a person engaging in municipal advisory activities has failed to register with the Commission.

3. Consideration Given to Information Technology

The rules will require applicants and registered municipal advisors to electronically file Forms MA, MA-I, MA-NR, and MA-W through the Commission's Electronic Data Gathering, Analysis, and Retrieval System ("EDGAR"). By requiring submission of information through EDGAR, Commission staff will be able to efficiently retrieve and analyze the data it needs, which should enhance the Commission's ability to effectively carry out its mission with respect to municipal advisory activities. Municipal entities, obligated persons, the general public, and others will also be able to access information about municipal advisors electronically through the Commission's EDGAR system and easily cross-reference information submitted through the Investment Adviser Registration Depository ("IARD") and the Central Registration Depository ("CRD") systems. Information submitted on Form MA and Form MA-I will also be tagged in XML format, which may improve the Commission staff's ability to retrieve and analyze data and could allow municipal entities and obligated persons to perform better research into municipal advisors.

The rules will also require municipal advisors to make and keep books and records relating to its municipal advisory activities. Rule 15Ba1-8(d) permits municipal advisors to maintain and preserve the required records on electronic storage media.

4. Duplication

The Commission recognizes that some of the information that respondents would collect under the relevant registration forms and recordkeeping rules would overlap with information previously collected under other registration regimes or recordkeeping rules. In adopting these rules, the Commission sought to design a registration process that is similar to other registration

processes administered by the Commission. The rules are based on rules applicable to broker-dealers and investment advisers; similarly, Form MA is based on Form ADV and Form BD, and Form MA-I is based on Form U4. To the extent market participants are familiar with these existing registration processes, the Commission believes that using similar processes to register municipal advisors will create efficiencies for market participants. In addition, the rules will permit municipal advisors, to the extent that the disclosures required on Form MA have been disclosed on Form ADV or BD, to incorporate such information by reference, which should reduce duplication and costs for some municipal advisors.

The Commission considered but decided not to create a separate registration program for entities that are already registered with the Commission in another capacity. The Commission does not believe that such an approach would achieve the goal of creating a registration system specific to municipal advisors. Form MA, while modeled primarily on Form ADV and Form BD, is designed to capture information regarding the activities of municipal advisors and the markets that they serve that would not otherwise be captured in other forms. This information will permit the Commission to decide whether to grant or deny an application for registration; to manage the Commission's regulatory and examination programs; and to make such information available to the MSRB to better inform its regulation of municipal advisors. In addition, having information about municipal advisors in a single location could improve the municipal advisor selection process.

Further, the Commission believes that, based on the expertise and experience of its enforcement and examinations staff, for purposes of regulation, it is appropriate to collect information regarding the financial industry and other activities of associated persons involved in the municipal securities market, including swap dealers, major swap participants, and engineers and engineering firms. The Commission believes that to allow investment advisers to register as municipal advisors using Form ADV would not provide comparable information about certain associated persons of municipal advisors.

In addition, requiring municipal advisors to file a registration form specifically tailored to their municipal advisory activities is consistent with the broader public interest to make available to the public information about municipal advisors. Absent a form specific to municipal advisors, a municipal entity or obligated person seeking information about a municipal advisor may not realize that the data was available on Form BD or Form ADV. The Commission believes that persons seeking to compile, compare, and analyze data pertaining to the entire universe of registered municipal advisors, and regulators overseeing compliance with the rules and regulations applicable to municipal advisors, should be able to access relevant information easily within one system.

With respect to the recordkeeping requirements, the Commission has reduced duplication by adopting recordkeeping requirements that are consistent with other regulations under the securities laws. The Commission determined not to create a unique recordkeeping requirement for municipal advisors because it expects that many entities already registered with the Commission in another capacity, such as investment advisers and broker-dealers, would likely incur higher, and in many ways redundant, costs to comply with this type of regime. If the

Commission established a unique recordkeeping requirement for municipal advisors, the Commission believes that many municipal advisors would incur higher costs due to the inability to leverage experience, systems, and practices developed to comply with the similar recordkeeping practices under federal securities law.

5. Effect on Small Entities

The Commission's rules do not define "small business" or "small organization" for purposes of municipal advisors. The Small Business Act ("SBA") defines small business, for purposes of entities that provide financial investments and related activities, as a business that had annual receipts of less than \$7 million during the preceding fiscal year and is not affiliated with any person that is not a small business or small organization.³ The Commission is using the SBA's definition of small business to define municipal advisors that are small entities for purposes of the RFA and estimates that there are approximately 434 municipal advisors currently registered with the Commission that are small entities, and expects that approximately 147 municipal advisors that would be required to register with the Commission during the next three years would be small entities subject to the final rules and forms.⁴

The Commission notes that municipal advisors are required by statute to register with the Commission. As such, the final rules and forms would affect municipal advisors required to register with the Commission, including small entities. The Commission does not believe differing compliance or reporting requirements or an exemption from coverage of the final rules and forms, or any part thereof, for small entities would be appropriate or consistent with investor protection or with the Commission's understanding of Congress's intent to have the Commission register municipal advisors and oversee their activities. Because the Commission believes that the protections of Section 15B of the Exchange Act, as amended by Section 975 of the Dodd-Frank Act, are intended to apply equally to clients of both large and small municipal advisory firms, the Commission believes it would be inconsistent with the purposes of the Exchange Act to specify different requirements for municipal advisors that qualify as small entities under the

³ Under Section 601(3) of the Regulatory Flexibility Act ("RFA"), the term "small business" is defined as having "the same meaning as the term 'small business concern' under section 3 of the SBA, unless an agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the Federal Register."

⁴ The Commission estimates that 581 respondents to the collection of information for Form MA, Form MA-I, consent to service of process and the books and records requirement during the next three years will be small entities. In addition, the Commission estimates that 16 and one respondents to Form MA-W and Form MA-NR, respectively, will be small entities. Furthermore, the Commission estimates that none of the respondents to the collection of information required under Rules 15Ba1-1(d)(3)(vi), 15Ba1-1(h)(2) and 15Ba1-1(m)(3) will be small entities.

rules. Thus, the rules are designed to impose only those burdens necessary to accomplish the objectives of the Dodd-Frank Act and minimize any significant adverse impact on small entities.

6. Consequences of Not Conducting Collection

The collection of information under the rules and forms is designed to establish a permanent registration regime and establish certain recordkeeping requirements for municipal advisors, as provided in Section 975 of the Dodd-Frank Act. The registration regime will allow the Commission to retrieve and analyze the data it needs more efficiently, which should enhance the Commission's ability to carry out its mission with respect to municipal advisory activities effectively. In addition, the registration regime could improve the process through which municipal entities and obligated persons select municipal advisors and incentivize municipal advisors not to engage in misconduct. Absent the collection of information, municipal advisors would not have a mechanism through which to satisfy the requirement in Section 15B of the Exchange Act that they register with the Commission. In addition, less frequent collection of this information would not allow the Commission and other regulators; municipal entities and obligated persons; or investors to access up-to-date information about municipal advisors.

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

Since Rule 15Ba1-5 requires registered municipal advisors to file amendments to Forms MA and MA-I if certain information contained in the forms become inaccurate, it is possible for a registered municipal advisor to report information to the Commission more often than quarterly. However, this collection of information is necessary to ensure that the Commission, municipal entities, obligated persons, as well as the public have access to current information regarding municipal advisors registered with the Commission.

Rule 15Ba1-8 requires registered municipal advisors to maintain and preserve books and records for a period of not less than five years, the first two in an easily accessible place. This rule is modeled on Exchange Act Rules 17a-3 and 17a-4, and Rule 204-2 under the Investment Advisers Act, and OMB has previously approved that collection with the same five-year retention period. This collection of information would help to ensure that records exist of the respondent's municipal advisory activities and of its associated persons, and that the records could be provided to the Commission and other regulators during an examination to evaluate the municipal advisory's compliance with the Exchange Act, the rules thereunder, and MSRB rules, as well as for other regulatory purposes.

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

Not applicable.

10. Confidentiality

To the extent the Commission receives confidential information pursuant to submissions on Form MA and Form MA-I, such information would be kept confidential, subject to the provisions of applicable law (e.g., Freedom of Information Act, 5 U.S.C. 552). In particular, the collection of information would include social security numbers (“SSN”) of natural persons in Form MA-I, sole proprietors in Form MA, and control persons of municipal advisory firm applicants who do not have a CRD number in Form MA. This information is necessary in connection with the Commission’s enforcement and examination functions pursuant to Section 15B(c) of the Exchange Act. Specifically, the forms ask for social security numbers to permit the electronic system to distinguish between persons who share the same name. Additionally, Form MA and Form MA-I require applicants to report their private residential addresses.

In the forms, in each place where an applicant is asked to provide a social security number, foreign identity number, private residential address, or a date of birth, guidance is provided stating that the information will not be included in publicly available versions of the form. In addition, at various other places in the forms that ask for an address, the applicant is asked to indicate whether the address provided in response is a private residence and is advised that, if so, the address would not be included in publicly available versions of the form.

11. Sensitive Questions

As discussed above in Item 10, the collection of information includes Personally Identifiable Information (“PII”).⁵ In particular, the collection of information would include SSNs of natural persons in Form MA-I, sole proprietors in Form MA only if the sole proprietor does not provide an IRS Employer Identification Number, and control persons of municipal advisory firm applicants in Form MA who do not have a CRD number.⁶ This information is necessary in connection with the Commission’s enforcement and examination functions pursuant to Section 15B(c) of the Exchange Act. The Instructions for the Form MA Series inform registrants that a SSN is required for regulatory purposes. Additionally, the Commission requests SSNs to permit EDGAR to distinguish between persons who share the same name. Furthermore, the forms inform registrants that the SSN will not be included in publicly available versions of the form. Forms MA and MA-I were promulgated pursuant to the Commission’s rulemaking authority under the Exchange Act. We also believe that the treatment of confidential information in Forms MA and MA-I is consistent with the Federal Information Security Management Act of 2002 and the Privacy Act of 1974.

⁵ 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.

⁶ In addition, the forms will also request data on date of birth, foreign identification number, and private residential addresses.

The Commission has also published a System of Records Notice for the collection of information relating to municipal advisors.⁷ In addition, a Privacy Impact Assessment (“PIA”) has been completed for the EDGAR system.⁸

12. Burden of Information Collection

- a. Rule 15Ba1-2: Registration of Municipal Advisors and Information Regarding Certain Natural Persons
 - i. Form MA: Application for Municipal Advisor Registration

The initial application for municipal advisor registration under Form MA is a one-time reporting burden. The Commission estimates this collection of information would apply to approximately 75 new municipal advisory firms that will submit a Form MA each year. This estimate is based on registration data for fiscal years 2015 and 2016. Over the three years of the information collection, the total estimated number of Form MA applicants would be 225, or 75 per year.⁹ The Commission estimates that the average amount of time for a municipal advisory firm to complete Form MA would be 3.5 hours. This figure is based on the estimated average amount of time for a municipal advisory firm to complete Form MA and the estimated average amount of time for an investment adviser to complete Part 1A of Form ADV. Thus, the Commission estimates that the aggregate annual reporting burden placed on Form MA applicants will be approximately 263 hours.¹⁰

In addition, municipal advisory forms will need to complete amendments to Form MA. Amendments to registration are ongoing annual reporting burdens. The Commission estimates that this collection of information would apply to up to approximately 893 municipal advisory firms, including sole proprietors, during the next three years.¹¹ The Commission estimates that the average amount of time for a municipal advisor to prepare an annual amendment to Form MA,

⁷ See Municipal Advisor Records (August 23, 2010, 75 FR 51854), available at <http://www.sec.gov/about/privacy/sorn/secorn61.pdf>.

⁸ The PIA has been included in the PRA submission to OMB.

⁹ 75 (estimated number of Form MA applicants, year one) + 75 (estimated number of Form MA applicants, year two) + 75 (estimated number of Form MA applicants, year three) = 225 .

¹⁰ 75 (estimated number of Form MA applicants per year) x 3.5 hours (average time required to submit a completed Form MA) = 262.5 hours.

¹¹ 668 (estimated number of municipal advisors registered with the Commission as of September 30, 2016) + 75 (estimated number of Form MA applicants, year one) + 75 (estimated number of Form MA applicants, year two) + 75 (estimated number of Form MA applicants, year three) = 893 .

would be 1.5 hours. This figure is based in part on the burden estimates for Form N-CSR (“Certified Shareholder Report of Registered Management Investment Companies”) and Form N-Q (“Quarterly Schedule of Portfolio Holdings of Registered Management Investment Company”). The Commission further estimates that the average amount of time necessary to prepare any interim updating amendment to Form MA other than the required annual amendment would be 0.5 hours. This figure is based on the burden estimates for an interim updating amendment for Form ADV. The Commission estimates that each municipal advisor would likely amend Form MA two times during the year – one annual amendment and one interim updating amendment. Thus, the Commission estimates that for the total annual reporting burden to amend Form MA would be 1,486 hours in year one;¹² 1,636 hours in year two;¹³ and 1,786 in year three.¹⁴ The annual reporting burden per respondent to amend Form MA per year is 2.0 hours.

In summary, the Commission estimates that, over a three-year period, the total reporting burden for the completion, amendment and submission of Form MA would be 5,696 hours,¹⁵ or 1,899 hours per year when annualized over three years. The average reporting burden per respondent would be approximately 6.96 hours,¹⁶ or approximately 2.32 hours per year when annualized over three years.

¹² $((743 \text{ (number of municipal advisors required to submit an annual amendment to Form MA in year one)} \times 1.5 \text{ hours (average estimated time to prepare an annual amendment to Form MA)}) \times 1.0 \text{ (number of annual amendments per year)}) + ((743 \text{ (number of municipal advisors required to submit an interim updating amendment to Form MA in year one)} \times 0.5 \text{ hours (average estimated time to prepare an interim updating amendment to Form MA)}) \times 1.0 \text{ (number of interim updating amendments per year)}) = 1,486 \text{ hours.}$

¹³ $((818 \text{ (number of municipal advisors required to submit an annual amendment to Form MA in year two)} \times 1.5 \text{ hours (average estimated time to prepare an annual amendment to Form MA)}) \times 1.0 \text{ (number of annual amendments per year)}) + ((818 \text{ (number of municipal advisors required to submit an interim updating amendment to Form MA in year two)} \times 0.5 \text{ hours (average estimated time to prepare an interim updating amendment to Form MA)}) \times 1.0 \text{ (number of interim updating amendments per year)}) = 1,636 \text{ hours.}$

¹⁴ $((893 \text{ (number of municipal advisors required to submit an annual amendment to Form MA in year three)} \times 1.5 \text{ hours (average estimated time to prepare an annual amendment to Form MA)}) \times 1.0 \text{ (number of annual amendments per year)}) + ((893 \text{ (number of municipal advisors required to submit an interim updating amendment to Form MA in year three)} \times 0.5 \text{ hours (average estimated time to prepare an interim updating amendment to Form MA)}) \times 1.0 \text{ (number of interim updating amendments per year)}) = 1,786 \text{ hours.}$

¹⁵ $(225 \text{ (municipal advisory firms required to file Form MA, over three years)} \times 3.5 \text{ hours (average estimated time to complete Form MA)}) + 4,908 \text{ (total reporting burden to amend Form MA, over three years)} = 5,695.5 \text{ hours.}$

¹⁶ $5,696 \text{ (estimated average total burden to complete and amend Form MA, annually)} \div 818 \text{ (estimated average number of respondents annually)} = 6.96 \text{ hours.}$

ii. Form MA-I: Information Regarding Natural Persons Who Engage in Municipal Advisory Activities

The initial completion of Form MA-I for each natural person who is a person associated with a municipal advisor on Form MA-I is a one-time reporting burden. The Commission estimates that municipal advisors would need to submit a new Form MA-I for approximately 950 individuals annually. This estimate is based on existing MA-I submission data. Over the three years of the information collection, the total estimated number of Form MA-I submissions would be approximately 2,850.¹⁷ The Commission estimates that the average amount of time for a municipal advisory firm to complete each Form MA-I would be three hours. Accordingly, the Commission estimates that respondents will spend approximately 8,550 hours completing Form MA-I over the three-year period. The estimated average annual reporting burden per respondent to submit new Form MA-Is is approximately 3.50 hours.¹⁸

In addition, municipal advisory firms will need to complete amendments to Form MA-I. As discussed above, as of September 30, 2016, there were approximately 668 municipal advisors registered with the Commission, and the Commission estimates that approximately 225 firms will submit Form MA applications over the next three years.¹⁹ These firms would need to prepare amendments to Form MA-I for the approximately 6,635 associated persons in year one,²⁰ 7,585 associated persons in year two,²¹ and 8,535 associated persons in year three.²² In addition, the Commission estimates that the annual average amount of time for a municipal advisory firm to complete an updating amendment to Form MA-I would be 0.5 hours. This figure is based on the burden estimates for an updating amendment to Form ADV. During Fiscal Years 2015 and 2016, municipal advisors submitted approximately 0.44 Form MA-I amendments for each Form MA-I on

¹⁷ 950 (estimated number of Form MA-I submissions, year one) + 950 (estimated number of Form MA-I submissions, year two) + 950 (estimated number of Form MA-I submissions, year three) = 2,850.

¹⁸ $((2,850 \text{ (estimated total burden to complete Form MA-I, year one)} \div 743 \text{ (estimated number of respondents, year one)}) + (2,850 \text{ (estimated total burden to complete Form MA-I, year two)} \div 818 \text{ (estimated number of respondents, year two)}) + (2,850 \text{ (estimated total burden to complete Form MA-I, year three)} \div 893 \text{ (estimated number of respondents, year three)})) \div 3 = 3.50 \text{ hours.}$

¹⁹ See *supra* note 11.

²⁰ 5,685 (estimated number of Form MA-I submissions on file with the Commission as of September 30, 2016) + 950 (estimated number of Form MA-I submissions, year one).

²¹ 6,635 (estimated number of MA-I submissions on file with the Commission after year one) + 950 (estimated number of MA-I submissions, year two).

²² 7,585 (estimated number of Form MA-I submissions on file with the Commission after year two) + 950 (estimated number of MA-I submissions, year three).

file or, approximately, 1,247 Form MA-I amendments per year.²³ The Commission, however, expects that as the municipal advisor registration regime matures firms will file an increasing number of Form MA-I amendments. As a result, the Commission estimates that a Form MA-I respondent would submit an average of 1.7 updating amendments per year. Thus, the Commission estimates that the total annual burden municipal advisors will incur to prepare updating amendments to Form MA-I would be approximately 5,640 hours in year one,²⁴ 6,447 hours in year two,²⁵ and 7,255 hours in year three,²⁶ or approximately 19,342 hours over a three-year period. This results in an estimated average annual reporting burden of 7.87 hours per respondent.²⁷

In summary, the Commission estimates that, over a three-year period, the total reporting burden for the completion, amendment and submission of Form MA-I would be 27,892 hours,²⁸ or 9,297 hours per year when annualized over three years. The average

²³ $(1,329 \text{ (number of MA-I/As filed in Fiscal Year 2015)} + 1,165 \text{ (number of MA-I/As filed in Fiscal Year 2016)}) \div 5,685 \text{ (estimated total number of MA-Is on file with the Commission as of September 30, 2016)} = 0.44.$

²⁴ $(6,635 \text{ (estimated number of associated persons for whom updating amendments to Form MA-I would need to be filed, year one)} \times 1.7 \text{ (average number of amendments per year)}) \times (0.50 \text{ hours (average estimated time to prepare an updating amendment to Form MA-I)}) = 5,639.75 \text{ hours per year.}$

²⁵ $(7,585 \text{ (estimated number of associated persons for whom updating amendments to Form MA-I would need to be filed, year two)} \times 1.7 \text{ (average number of amendments per year)}) \times (0.50 \text{ hours (average estimated time to prepare an updating amendment to Form MA-I)}) = 6,447.25 \text{ hours per year.}$

²⁶ $(8,535 \text{ (estimated number of associated persons for whom updating amendments to Form MA-I would need to be filed, year three)} \times 1.7 \text{ (average number of amendments per year)}) \times (0.50 \text{ hours (average estimated time to prepare an updating amendment to Form MA-I)}) = 7,254.75 \text{ hours per year.}$

²⁷ $((5,640 \text{ hours (estimated total annual reporting burden for Form MA-I amendments, year one)} \div 743 \text{ (estimated number of respondents required to amend Form MA-I, year one)}) + (6,447 \text{ (estimated total annual reporting burden for Form MA-I amendments, year two)} \div 818 \text{ (estimated number of respondents required to amend Form MA-I, year two)}) + (7,255 \text{ (estimated total annual reporting burden for Form MA-I amendments, year three)} \div 893 \text{ (estimated number of respondents required to amend Form MA-I, year three)))) \div 3 = 7.87 \text{ hours.}$

²⁸ $8,550 \text{ (estimated total burden to complete and file Form MA-Is during three-year period)} + 19,342 \text{ (estimated total burden to complete and file Form MA-I amendments during three-year period)} = 27,892 \text{ hours.}$

reporting burden per respondent would be approximately 34 hours,²⁹ or approximately 11.4 hours per year when annualized over three years.

b. Form MA-W: Notice of Withdrawal from Registration as a Municipal Advisor

Withdrawal from municipal advisor registration is a one-time reporting burden. The Commission estimates that there would be approximately 40 withdrawals from Form MA registration annually.³⁰ Over the three years of the information collection, the total estimated number of Form MA-W applicants would be 120.³¹

The Commission estimates that the average amount of time for a municipal advisor to complete Form MA-W would be 0.5 hours. This figure is based on the burden estimates for completing Form ADV-W.

In summary, the Commission estimates that, over a three-year period, the total one-time reporting burden for the completion of Form MA-W would be 60 hours,³² or approximately 20 hours per year when annualized over three years. The one-time reporting burden would be 0.5 hours per respondent.³³

c. Form MA-NR: Designation of U.S. Agent for Service of Process for Non-Resident

The designation of a U.S. agent for service of process is a one-time reporting burden. The Commission estimates that three non-resident municipal advisors each year would be required to complete a new Form MA-NR.³⁴ In addition, the Commission estimates that each of these non-resident municipal advisors would have two non-resident general partners, non-resident managing agents, or associated persons on behalf of whom the municipal advisor would be required to

²⁹ $27,892 \text{ hours (average annual total burden to complete and amend Form MA-I, over three years)} \div 818 \text{ (average number of respondents, over three years)} = 34.09 \text{ hours.}$

³⁰ This estimate is based on MA-W data for fiscal years 2015 and 2016.

³¹ $40 \text{ (estimated number of Form MA-W submissions, year one)} + 40 \text{ (estimated number of Form MA-W submissions, year two)} + 40 \text{ (estimated number of Form MA-W submissions, year three)} = 120.$

³² $120 \text{ (estimated number of Form MA-W submissions, over three years)} \times 0.5 \text{ hours (average estimated time to complete Form MA-W)} = 60 \text{ hours.}$

³³ $60 \text{ hours (total burden to complete Form MA-W, over three years)} \div 120 \text{ (total number of MA-W submissions, over three years)} = 0.5 \text{ hours.}$

³⁴ For PRA purposes, the Commission assumes that the three new non-resident municipal advisors per year would not be natural persons and would thus each would be required to provide an opinion of counsel.

complete a new Form MA-NR. These estimates are based on existing municipal advisor registration data. Over three years, the nine non-resident municipal advisor respondents would file approximately 27 Form MA-NRs.³⁵

The Commission estimates that the average amount of time to complete Form MA-NR would be 1.5 hours. This figure is based on the burden estimates for completing Form ADV-NR. Thus, the Commission estimates that the total annual burden to complete Form MA-NR would be approximately 40.5 hours,³⁶ or approximately 13.5 hours per respondent annually.³⁷

In addition, each non-resident municipal advisor must provide an opinion of counsel on Form MA. The Commission estimates that the average annual reporting burden to provide an opinion of counsel would be three hours. This figure is based on burden estimates for Form 20-F, a form submitted by certain foreign private issuers, which has a similar opinion of counsel requirement to Rule 15Ba1-6(d). The Commission estimates that the total annual burden to provide the opinions of counsel would be approximately nine hours, or 27 hours over the three-year period.³⁸

In summary, the Commission estimates that, over a three-year period, the total reporting burden for the completion of Form MA-NR would be approximately 67.5 hours,³⁹ or approximately 22.5 hours per year when annualized over three years. The reporting burden per respondent would be approximately 7.5 hours, or approximately 2.5 hours per year when annualized over three years.⁴⁰

³⁵ 9 (estimated number of Form MA-NR submissions, year one) + 9 (estimated number of Form MA-NR submissions, year two) + 9 (estimated number of Form MA-NR submissions, year three) = 27.

³⁶ (9 (estimated Form MA-NR submissions each year) × 3 (estimated number of respondents each year)) × 1.5 hours (average estimated time to complete Form MA-NR) = 40.5 hours.

³⁷ 40.5 hours (estimated total annual burden to complete and file Form MA-NRs) ÷ 3 (estimated number of respondents, annually) = 13.5 hours.

³⁸ 3 (non-resident municipal advisory firms expected to provide opinion of counsel, annually) × 3.0 hours (average estimated time to provide an opinion of counsel) = 9 hours.

³⁹ 40.5 hours (total burden to complete Form MA-NR) + 27 hours (total burden to provide opinions of counsel) = 67.5 hours.

⁴⁰ 22.5 (estimated annual burden to complete Form MA-NR and opinion of counsel) ÷ 3 (estimated number of non-resident municipal advisory firms) = 7.5 hours.

d. Consent to Service of Process from Certain Associated Persons

The consent to service of process for certain associated persons is a one-time recordkeeping burden. Over three years, the Commission estimates that 225 new municipal advisory firms will need to complete a written consent to service of process from each natural person engaged in municipal advisory activities on their behalf.⁴¹ The Commission estimates that each municipal advisory firm would spend approximately one hour to draft a template document to use in obtaining the written consents to service of process, amounting to an initial, one-time burden of approximately 225 hours.⁴²

In addition to the one-time burden borne by municipal advisory firms that register with the Commission during the three-year period, the Commission estimates that municipal advisory firms would spend approximately 285 hours over the three-year period obtaining written consents from their associated persons.⁴³ Based on existing registration data, the Commission estimates that approximately 191 of the 285 hours municipal advisory firms will spend obtaining written consents will be borne by newly registered firms, while approximately 94 of such hours will be borne by municipal advisory firms currently registered with the Commission.⁴⁴

In summary, the Commission estimates that, over a three-year period, the total recordkeeping burden for all municipal advisory firms to obtain written consents to service

⁴¹ Rule 15Ba1-8(a)(9) requires each municipal advisory firm to retain written consents to service of process from each natural person who is a person associated with the municipal advisor and engages in municipal advisory activities solely on behalf of such registered municipal advisor.

⁴² 225 (estimated number of applicants for municipal advisor registration over the three-year period) \times 1.0 hour (estimated time required to draft a template to use in obtaining the written consents to service of process) = 225 hours.

⁴³ $(950$ (estimated number of Form MA-I submissions, year one) + 950 (estimated number of Form MA-I submissions, year two) + 950 (estimated number of Form MA-I submissions, year three)) \times 0.10 hours (estimated time required to obtain the written consents to service of process) = 285 hours.

⁴⁴ Current registration data indicate that the average number of associated persons per municipal advisory firm is approximately 8.5. Accordingly, based on the Commission's assumption it will receive 75 new Form MA applications per year over the three-year period, those new applicants will also submit approximately 638 new Form MA-Is per year over the three-year period (75 number of new Form MA applications, annually) \times 8.5 (average number of associated persons per municipal advisory firm) = 638.

$(638$ (estimated number of Form MA-I submissions by new registrants, year 1) + 638 (estimated number of Form MA-I submission by new registrants, year 2) + 638 (estimated number of Form MA-I submissions by new registrants, year 3)) \times 0.10 hours (estimated time required to obtain the written consents to service of process) = 191.4 hours.

of process from each natural person engaged in municipal advisory activities on their behalf would be 510 hours,⁴⁵ or 170 hours per year when annualized over three years. The reporting burden per respondent would be approximately 0.62 hours,⁴⁶ or approximately 0.21 hours per year when annualized over three years.

e. Rule 15Ba1-8: Books and Records to Be Made and Maintained by Municipal Advisors

The maintenance of books and records is an ongoing annual recordkeeping burden. The Commission estimates that this collection of information currently applies to approximately 668 municipal advisory firms, and further estimates that it will apply to approximately 225 newly registered municipal advisory firms during the three-year period.⁴⁷

The Commission estimates that the average annual burden for a municipal advisory firm to comply with the recordkeeping requirements would be 182 hours. This figure is based on the estimated annual burden for broker-dealers to comply with Exchange Act Rules 17a-3 and 17a-4, and for investment advisers to comply with Investment Advisers Act Rule 204-2. Thus, the total estimated ongoing recordkeeping burden for the three-year period would be 446,628 hours.⁴⁸ The estimated annual recordkeeping burden over the three-year period would be 135,226 hours in year one;⁴⁹ 148,876 hours in year two;⁵⁰ and 162,526 in year three.⁵¹

⁴⁵ 170 hours (estimated burden for all municipal advisory firms to obtain written consents to service of process from each natural person engaged in municipal advisory activities on their behalf, year one) + 170 (estimated burden to obtain written consents to service of process from each natural person engaged in municipal advisory activities on their behalf, year two) + 170 (estimated burden to obtain written consents to service of process from each natural person engaged in municipal advisory activities on their behalf, year three) = 510 hours.

⁴⁶ 510 hours (total estimated annual burden for all municipal advisory firms to obtain written consents to service of process from each natural person engaged in municipal advisory activities on their behalf, during the three-year period) ÷ 818 (estimated average number of registered municipal advisory firms, during three-year period) = 0.62 hours.

⁴⁷ See supra note 11.

⁴⁸ (743 (estimated number municipal advisors after year one) × 182 hours (estimated time spent by municipal advisors to ensure annual compliance with the books and records requirement)) + 818 (estimated number of municipal advisors after year two) × 182 hours (estimated time spent by municipal advisors to ensure annual compliance with books and records requirement)) + 893 (estimated number of municipal advisors after year three) × 182 hours (estimated time spent by municipal advisors to ensure annual compliance with books and records requirement)) = 446,628 hours.

⁴⁹ (668 (estimated number of municipal advisory firms currently registered with the Commission) + 75 (estimated number of Form MA submissions, year one)) × 182 hours

In summary, the Commission estimates that, over a three-year period, the total recordkeeping burden would be 446,628 hours,⁵² or 148,876 hours when annualized over three years. The estimated annual recordkeeping burden per respondent would be 182 hours.

f. Rule 15Ba1-1(d)(3)(vi): Exemption When a Municipal Entity or Obligated Person is Represented by an Independent Registered Municipal Advisor

The written representations required pursuant to the exemption when a municipal entity or obligated person is represented by an independent registered municipal advisor is a one-time third-party disclosure burden. The Commission estimates this collection of information would apply to approximately 150 respondents during the three-year period.⁵³ The Commission estimates that each respondent seeking to rely on this exemption would need approximately one hour to draft a template document to use in obtaining the written representation, amounting to an initial, one-time burden of 150 hours.⁵⁴

There will also be an ongoing burden each time a person seeks to rely on this exemption. The Commission estimates that, on average, there are approximately 7,400 negotiated deals

(estimated time spent by municipal advisors to ensure annual compliance with the books and records requirement) = 135,226 hours.

⁵⁰ (743 (estimated number of municipal advisory firms registered with the Commission after year one) + 75 (estimated number of Form MA submissions, year two)) x 182 hours (estimated time spent by municipal advisors to ensure annual compliance with the books and records requirement) = 148,876 hours.

⁵¹ (818 (estimated number of municipal advisory firms registered with the Commission after years one and two) + 75 (estimated number of Form MA submissions, year three)) x 182 hours (estimated time spent by municipal advisors to ensure annual compliance with the books and records requirement) = 162,526 hours.

⁵² See supra note 48.

⁵³ This estimate represents an average of the number of underwriters that participated in negotiated municipal bond transactions from 2013 to 2015, relying upon data obtained from Thomson Reuters' SDC Platinum database.

⁵⁴ 150 (estimated number of respondents that will seek to rely on the exemption) x 1.0 hours (estimated time required to draft the written representation) = 150 hours. The Commission believes that once these disclosures have been drafted, such language would become part of the standard municipal advice documentation and, accordingly, there would be no further ongoing associated burden.

involving an underwriter each year.⁵⁵ The Commission also estimates that a person seeking to rely on this exemption would need approximately 0.25 hours to obtain a written representation from a municipal entity or obligated person, amounting to an annual ongoing burden of approximately 1,850 hours,⁵⁶ or 5,550 hours over the three-year period.

In summary, the Commission estimates that, over a three-year period, the total one-time third party disclosure burden related to the exemption when a municipal entity or obligated person is represented by an independent registered municipal advisor would be 5,700 hours,⁵⁷ or 1,900 hours per year when annualized over three years. The third party disclosure burden per respondent would be approximately 38 hours,⁵⁸ or 12.67 hours per year when annualized over three years.

g. Rule 15Ba1-1(h)(2): Exception to Definition of Municipal Escrow Investments

The written representations required for the exception for reasonable reliance on representations related to municipal escrow investments is a one-time third-party disclosure burden. The Commission believes that state-registered investment advisers with municipal entity clients are the persons most likely to rely on this exception. The Commission estimates that approximately 700 persons may seek to rely on this exception. To calculate this estimate, the Commission staff examined data regarding investment advisers with assets under management under \$100 million as of May 3, 2010.

The Commission estimates that each person seeking to rely on this exception would need approximately one hour to draft a template document to use in obtaining the written representation, amounting to an initial, one-time burden of approximately 700 hours.⁵⁹ In addition, the Commission estimates that, once drafted, a person seeking to rely on this exception would need approximately 0.25 hours to obtain a written representation from its client. Based on

⁵⁵ This estimate represents an average of the number of negotiated deals each year from 2013 through 2015 relying upon data obtained from Thomson Reuters' SDC Platinum database.

⁵⁶ $7,400$ (estimated average number of negotiated deals per year) \times 0.25 hours (estimated time required to obtain the written representation) = $1,850$ hours.

⁵⁷ $(150$ hours (estimated time to draft a template document to use in obtaining the written representation, year one) $+ 5,550$ hours (estimated time to obtain a written representation from a municipal entity or obligated person, three-year period) = $5,700$ hours.

⁵⁸ $5,700$ hours (total burden related to the exemption when a municipal entity or obligated person is represented by an independent registered municipal advisor, over three years) \div 150 (estimated number of persons who will seek to rely on the exemption) = 38 hours.

⁵⁹ 700 (estimated number of persons who will seek to rely on the exemption) \times 1.0 hours (estimated time required to draft the written representation) = 700 hours.

responses to Form ADV, the Commission estimates that persons that would seek to rely on this exception have approximately 8,620 clients that are municipal entities. Thus, the Commission estimates that the burden to obtain the written representation would be 2,155 hours.⁶⁰

In summary, the Commission estimates that, over a three-year period, the one-time total third-party disclosure burden for all persons to rely on the exception for reasonable reliance on representations related to municipal escrow investments would be 2,855 hours,⁶¹ or 952 hours per year when annualized over three years. The one-time third-party disclosure burden would be approximately 4.08 hours per respondent,⁶² or approximately 1.36 hours per year when annualized over three years.

h. Rule 15Ba1-1(m)(3): Exception to Definition of Proceeds of Municipal Securities

The written representations required for the exception for reasonable reliance on representations related to proceeds of municipal securities is a one-time third-party disclosure burden. The Commission believes state-registered investment advisers with clients that are municipal entities or certain pooled investment vehicles in which municipal entities invest are the persons most likely to rely on this exception. Based on responses to Form ADV, the Commission estimates that approximately 880 persons may seek to rely on this exception.

The Commission estimates that each person seeking to rely on this exception would need approximately one hour to draft a template document to use in obtaining the written representation, amounting to an initial, one-time burden of approximately 880 hours.⁶³ In addition, the Commission estimates that, once drafted, a person seeking to rely on this exception would need approximately 0.25 hours to obtain a written representation from its client. Based on responses to Form ADV, the Commission estimates that persons that would seek to rely on this exception have approximately 25,420 clients that are state or municipal government entities or that are pooled investment vehicles (other than registered investment companies) with municipal

⁶⁰ 8,620 (estimated number of clients from which written representation will be obtained) × 0.25 hours (estimated time required to obtain the written representation) = 2,155 hours.

⁶¹ 700 hours (estimated time to draft a template document to use in obtaining the written representation, over three years) + 2,155 hours (estimated time required to obtain the written representations from clients, over three years) = 2,855 hours.

⁶² 2,855 hours (total burden related to the exception for reasonable reliance on representations related to municipal escrow investments, during three-year period) ÷ 700 (estimated number of persons who will seek to rely on the exception, during three-year period) = 4.08 hours.

⁶³ 880 (estimated number of respondents that will seek to rely on the exception) × 1.0 hours (estimated time required to draft the written representation) = 880 hours.

entity investors. Thus, the Commission estimates that the burden to obtain the written representation would be 6,355 hours.⁶⁴

In summary, the Commission estimates that, over a three-year period, the total one-time third-party disclosure burden for all persons to rely on the exception for reasonable reliance on representations related to proceeds of municipal securities would be 7,235 hours,⁶⁵ or 2,411 hours per year when annualized over three years. The one-time third-party disclosure burden would be approximately 8.22 hours⁶⁶ per respondent, or approximately 2.74 hours per year when annualized over three years.

i. Summary of Hourly Burdens

The table below summarizes the Commission’s estimates of the total hourly reporting burden for all respondents under Rules 15Ba1-1 to 15Ba1-8.

Name of Information Collection	Estimated Avg Number of Entities Impacted Per Year	Estimated Total Annual Burden Per Entity⁶⁷	Estimated Avg Total Industry Burden⁶⁸
Form MA: Application for Municipal Advisor Registration	818	2.32	1899
Form MA-I: Information Regarding Natural Persons Who Engage in Municipal Advisory Activities	818	11.4	9297
Form MA-W: Notice of Withdrawal from Registration as a Municipal Advisor	40	.5	20

⁶⁴ 25,420 (estimated number of clients from which written representation will be obtained) × 0.25 hours (estimated time required to obtain the written representation) = 6,355 hours.

⁶⁵ 880 hours (estimated time to draft a template document to use in obtaining the written representation, during three-year period) + 6,355 hours (estimated time required to obtain the written representations from clients, during three-year period) = 7,235 hours.

⁶⁶ 7,235 hours (total burden related to the exception for reasonable reliance on representations related to proceeds of municipal securities, over three years) ÷ 880 (estimated number of persons who will seek to rely on the exception, over three years) = 8.22 hours.

⁶⁷ Numbers may not foot due to rounding.

⁶⁸ Numbers may not foot due to rounding.

Name of Information Collection	Estimated Avg Number of Entities Impacted Per Year	Estimated Total Annual Burden Per Entity⁶⁷	Estimated Avg Total Industry Burden⁶⁸
Form MA-NR: Designation of U.S. Agent for Service of Process for Non-Resident	3	2.5	8
Consent to Service of Process for Certain Associated Persons	818	.21	170
Rule 15Ba1-8: Books and Records to be Made and Maintained by Municipal Advisors	818	182	148,876
Rule 15Ba1-1(d)(3)(vi): Exemption When a Municipal Entity or Obligated Person is Represented by an Independent Registered Municipal Advisor	150	12.67	1900
Rule 15Ba1-1(h)(2): Exception to Definition of Municipal Escrow Investments	700	1.36	952
Rule 15Ba1-1(m)(3): Exception to Definition of Proceeds of Municipal Securities	880	2.74	2411
		TOTAL	165,481

13. Costs to Respondents

- a. Rule 15Ba1-2: Registration of Municipal Advisors and Information Regarding Certain Natural Persons
 - i. Form MA: Application for Municipal Advisor Registration

The Commission believes that some municipal advisory firms would seek outside counsel to help them comply with the requirements of the final rules and to complete Form MA. For PRA purposes, the Commission assumes that all 225 municipal advisory firms registering on

Form MA during the three-year period would, on average, consult with outside counsel for one hour, and would cost \$90,000 for all municipal advisory firms.⁶⁹

In summary, the Commission estimates that, over a three-year period, the total labor cost for all municipal advisory firms to seek outside counsel to complete Form MA would be approximately \$90,000,⁷⁰ or \$30,000 per year when annualized over three years. The total labor cost per respondent would be approximately \$400,⁷¹ or approximately \$133.33 when annualized over three years.

ii. Form MA-I: Information Regarding Natural Persons Who Engage in Municipal Advisory Activities

Not applicable.

b. Form MA-W: Notice of Withdrawal from Registration as a Municipal Advisor

Not applicable.

c. Form MA-NR: Designation of U.S. Agent for Service of Process for Non-Resident

The Commission believes that non-resident municipal advisors would seek outside counsel to comply with the opinion of counsel requirements of Form MA-NR. The Commission estimates this would add \$1,200 in outside legal costs per respondent.⁷² Thus, the Commission estimates that the total annual cost for all non-resident municipal advisory firms to hire outside

⁶⁹ 225 (estimated number of municipal advisory firms that would hire outside counsel) × 1 hour (average estimated time spent by outside counsel to help a municipal advisory firm comply with the rule) × \$400 (hourly rate for an outside attorney) = \$90,000. The hourly cost estimate of \$400 on average for an attorney is based on Commission staff conversations with law firms that regularly assist regulated financial firms with compliance matters.

⁷⁰ Id.

⁷¹ \$90,000 (total labor cost to seek outside counsel, over three years) ÷ 225 (estimated number of registered municipal advisory firms, over three years) = \$400.

⁷² The \$1,200 figure is based on an hourly cost estimate of \$400 on average for an outside attorney and three hours of work. Based on previous burden estimates, the Commission estimated that outside counsel will take, on average, three hours to assist in preparation of the opinion of counsel, for an average cost of \$1,200 per respondent.

counsel as part of providing an opinion of counsel would be \$3,600,⁷³ or \$10,800 over the three-year period.

In summary, the Commission estimates that, over a three-year period, the total cost for all non-resident municipal advisory firms to hire outside counsel as part of providing an opinion of counsel would be approximately \$10,800,⁷⁴ or \$3,600 per year when annualized over three years. The total labor cost per respondent would be \$1,200,⁷⁵ or \$400 per year when annualized over three years.

d. Consent to Service of Process from Certain Associated Persons

Not applicable.

e. Rule 15Ba1-8: Books and Records to be Made and Maintained by Municipal Advisors

Not applicable.

f. Rule 15Ba1-1(d)(3)(vi): Exemption When a Municipal Entity or Obligated Person is Represented by an Independent Registered Municipal Advisor

Not applicable.

g. Rule 15Ba1-1(h)(2): Exception to Definition of Municipal Escrow Investments

Not applicable.

h. Rule 15Ba1-1(m)(3): Exception to Definition of Proceeds of Municipal Securities

Not applicable.

i. Summary of Cost Burdens

⁷³ 3 (non-resident municipal advisory firms expected to provide opinion of counsel, annually) × \$1,200 (average estimated cost to hire outside counsel to provide an opinion of counsel) = \$3,600.

⁷⁴ \$3,600 (estimated total annual cost for respondents to provide opinions of counsel) x 3 (number of years) = \$10,800.

⁷⁵ \$10,800 (total labor cost to hire outside counsel as part of providing an opinion of counsel, during three-year period) ÷ 9 (total number of non-resident municipal advisory firms providing an opinion of counsel, during three-year period) = \$1,200.

The table below summarizes the Commission’s estimate of the annual cost burdens for municipal advisors engaged in municipal advisory activities.

	<u>Nature of Information Collection Burden</u>	<u>Burden Estimate in Dollars Industry-Wide</u>	<u>Burden Estimate in Dollars Per Respondent</u>
a.	Form MA: Application for Municipal Advisor Registration	\$30,000	\$133.33
b.	Form MA-I: Information Regarding Natural Persons Who Engage in Municipal Advisory Activities	N/A	N/A
c.	Form MA-W: Notice of Withdrawal from Registration as a Municipal Advisor	N/A	N/A
d.	Form MA-NR: Designation of U.S. Agent for Service of Process for Non-Resident	\$3,600	\$1,200
e.	Consent to Service of Process from Certain Associated Persons	N/A	N/A
f.	Rule 15Ba1-8: Books and Records to be Made and Maintained by Municipal Advisors	N/A	N/A
g.	Rule 15Ba1-1(d)(3)(vi): Exemption When a Municipal Entity or Obligated Person is Represented by an Independent Registered Municipal Advisor	N/A	N/A
h.	Rule 15Ba1-1(h)(2): Exception to Definition of Municipal Escrow Investments	N/A	N/A
i.	Rule 15Ba1-1(m)(3): Exception to Definition of Proceeds of Municipal Securities	N/A	N/A
TOTAL		\$33,600	\$1,333.33

14. Costs to Federal Government

There would be no additional costs to the Federal Government.

15. Reason for Change

The burdens and costs in the currently approved paperwork collection associated with the rules governing the registration of municipal advisors were developed when Exchange Act Rules

15Ba1-1 to 15Ba1-8 and 15Bc4-1 were proposed new rules. The Commission has revised its estimates of burdens and costs based upon actual registration data obtained over the past several years since these Exchange Act rules became effective.

16. Information Collection Planned for Statistical Purposes

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

17. Approval to Omit the OMB Expiration Date

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

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.