

**SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION
AMENDMENTS TO FORM ADV
UNDER THE INVESTMENT ADVISERS ACT OF 1940
(17 CFR 279.1)**

A. JUSTIFICATION

1. Necessity for the Information Collection

On August 25, 2016, the Securities and Exchange Commission (the “Commission” or “SEC”) adopted amendments to Part 1A of Form ADV¹, and related rules under the Investment Advisers Act of 1940 (the “Advisers Act” or “Act”), that are designed to provide additional information about investment advisers and their clients, including clients in separately managed accounts, provide for umbrella registration for private fund advisers and clarify and address technical and other issues in certain Form ADV items and instructions.²

Form ADV is the two-part investment adviser registration form. Part 1 of Form ADV contains information used primarily by Commission staff, and Part 2 is the client brochure. Rule 203-1³ under the Advisers Act requires every person applying for investment adviser registration with the Commission to file Form ADV. Rule 204-4⁴ under the Advisers Act requires certain investment advisers exempt from registration with the Commission to file reports with the Commission by completing a limited number of items on Form ADV (“exempt reporting advisers”). Rule 204-1⁵ under the

¹ 17 CFR 279.1.

² The adopting release is attached as Appendix A.

³ 17 CFR 275.203-1.

⁴ 17 CFR 275.204-4.

⁵ 17 CFR 275.204-1.

Advisers Act requires any adviser that is required to complete Form ADV to update the form at least annually, including exempt reporting advisers that report to the Commission pursuant to rule 204-4 and requires advisers to submit electronic filings through the Investment Adviser Registration Depository (“IARD”). The paperwork burdens associated with rules 203-1 and 204-1 are included in the approved annual burden associated with Form ADV and thus do not entail a separate collection of information. The paperwork burdens associated with rule 204-4 are also included in the approved annual burden associated with Form ADV and likewise do not entail a separate collection of information.

Form ADV contains “collection of information” requirements within the meaning of the Paperwork Reduction Act of 1995.⁶ Part 1A of Form ADV contains collections of information for which the annual aggregate burden will likely be affected as a result of the amendments. The collections are necessary to provide advisory clients, prospective clients, and the Commission with information about the adviser, and its business, conflicts of interest and personnel. Responses are not kept confidential.

The title of this collection of information is: “Form ADV under the Investment Advisers Act of 1940” and the Commission previously submitted this collection to the Office of Management and Budget (“OMB”) for review in accordance with 44 U.S.C. 3507(d) and 5 CFR 1320.11. OMB approved, and subsequently extended, this collection under control number 3235-0049 (expiring on February 28, 2018). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. This collection of information is codified at 17 CFR 279.1, 17 CFR 275.203-1, 17 CFR 275.204-1 and 17 CFR 275.204-

⁶ 44 U.S.C. 3501 to 3520.

4 and is mandatory. The respondents are investment advisers registered with the Commission or applying for registration with the Commission or exempt reporting advisers.

2. Purpose and Use of the Information Collection

The purpose of this collection of information is to provide advisory clients, prospective clients, and the Commission with information about an adviser, and its business, conflicts of interest and personnel. We use the information to determine eligibility for registration with us and to manage our regulatory, examination, and enforcement programs. Clients use certain of the information to determine whether to hire an adviser and, if hired, how to manage that relationship.

This collection of information is found at 17 CFR 275.203-1, 275.204-1, 275.204-4, and 275.279.1, and it is mandatory. Responses are not kept confidential. The majority of the respondents to the Form ADV collection of information are investment advisers registered with the Commission or applying for registration with the Commission while the additional respondents to the Form ADV collection of information are exempt reporting advisers. The information collected takes the form of disclosures to respondents' clients, potential clients, and the Commission.

3. Consideration Given to Information Technology

The information collected pursuant to Form ADV takes the form of disclosures made by investment advisers to their clients and potential clients and reporting to the Commission. Investment advisers currently file their Form ADV electronically on the IARD system. This method of collecting information reduces the regulatory burden upon investment advisers by permitting them to file applications for registration, and

amendments thereto, at one central location, rather than filing Form ADV separately with the Commission and the states for notice filing purposes.

Exempt reporting advisers are subject to reporting, but not registration, requirements and must submit their reports through the IARD using the same process as registered investment advisers. Because exempt reporting advisers may be required to register on Form ADV with one or more state securities authorities, use of the existing form and filing system permits these advisers to satisfy both state and Commission requirements with a single electronic filing. Our approach permits an adviser to transition from filing reports with us to applying for registration under the Act by simply amending its Form ADV; the adviser would check the box to indicate it is filing an initial application for registration, complete the items it did not have to answer as an exempt reporting adviser, and update the pre-populated items that it already has on file.

4. Duplication

The collection of information requirements of the form, including the amendments to the form, are not duplicated elsewhere.

5. Effect on Small Entities

The requirements of Form ADV, including the amendments, are the same for all investment advisers registered with the Commission, and they are the same for all exempt reporting advisers, including (in both cases) those advisers that are small entities.

Investment advisers with less than \$100 million in assets under management generally are not permitted to register with the Commission and must register with state securities authorities.

6. Consequences of Not Conducting Collection

The collection of information required by the form is necessary to protect investors by providing clients and potential clients, as well as the Commission, with information about the adviser, and its business, conflicts of interest and personnel. The consequences of not collecting this information would be that clients and prospective clients may not have the information they need in order to evaluate the adviser's business practices and to determine whether to hire an adviser and, if hired, how to manage that relationship. In addition, if the information is either not collected or is collected less frequently, the Commission's ability to protect investors would be reduced.

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

Not applicable.

8. Consultation Outside the Agency

In the release adopting amendments to Form ADV and related rules, the Commission requested public comment on the effect of information collections under these amendments. In addition, the Commission and the staff of the Division of Investment Management participate in an ongoing dialogue with representatives of the investment adviser industry through public conferences, meetings and informal exchanges. These various forums provide the Commission and the staff with a means of ascertaining and acting upon paperwork burdens confronting the industry.

9. Payment or Gift

None.

10. Confidentiality

The information collected pursuant to Form ADV is through filings with the Commission. These disclosures are not kept confidential.

11. Sensitive Questions

- a. No information of a sensitive nature will be required under this collection of information. The IARD system contains an embedded check which prevents individuals' social security numbers from being subject to public view.
- b. The information collection collects basic Personally Identifiable Information (PII) that may include names, dates of birth and social security numbers (the social security numbers are screened from public view). The agency has determined that the information collection constitutes a system of record for purposes of the Privacy Act and is covered under System of Records Notice (SORN) SEC-50 "Investment Adviser Records". The Investment Adviser Records SORN is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>. A Privacy Act Statement is applicable for the information collection and is available on the paper form and web platform.
- c. In accordance with Section 208 of the E-Government Act of 2002, the agency has conducted a Privacy Impact Assessment (PIA) of the IARD system, in connection with this collection of information. The IARD PIA, published on July 8, 2014, is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

Form ADV collects Personally Identifiable Information (PII). Form ADV requires filers to provide names, dates of birth and social security numbers (the social security numbers are screened from public view). The IARD system contains an embedded check which prevents individuals from providing social security numbers. All individuals (and entities other than trusts) are required to obtain CRD numbers, which do not constitute PII. Such collection and usage is necessary for verification purposes.

Commission staff uses this information for positive verification of individuals and entities. Alternative identifiers are used for all individuals and entities other than trusts because a social security number is the only identifier available to them. The Commission complies with section 7 of the Privacy Act of 1974 because the Advisers Act authorizes the Commission to collect this information on Form ADV from advisers.⁷ Filing Form ADV is mandatory. A System of Records Notice has been published in the Federal Register at 66 FR 7820. It, along with instructions on how to obtain the applicable Privacy Impact Assessment, can be found at <http://www.sec.gov/about/privacy/secprivacyoffice.htm>.

12. Burden of Information Collection

The currently approved total annual burden estimate for all advisers of completing, amending and filing Form ADV (Part 1 and Part 2) with the Commission is 154,402 hours. This burden is based on an average total hour burden of 40.74 hours per Commission-registered adviser for the first year that an adviser completes Form ADV but excluding private fund reporting.⁸ We estimate that, as a result of the amendments to Form ADV Part 1A, other than those applicable to private fund reporting, the average total collection of information burden per registered advisers would increase 5 hours to 45.74 hours. Based on IARD system data as of May 2016, approximately 12,024 investment advisers are registered with the Commission. Not including private fund reporting, the estimated aggregate annual burden applicable to current registered advisers

⁷ See 15 U.S.C. §§ 80b-3 and 80b-4.

⁸ The currently approved one-time initial cost burden for outside legal and compliance consulting fees in connection with initial preparation of Part 2 of Form ADV is \$3,600,000. We are not adopting any amendments to Part 2 of Form ADV and therefore we are not modifying this estimate.

would be 549,978 hours (60,120 of it attributable to the amendments). We believe that most of the paperwork burden would be incurred in the registered adviser's initial submission of Form ADV. Thus, we have amortized the paperwork burdens of the revised form over a three-year period. Amortizing the burden imposed by Form ADV over a three-year period to reflect the anticipated period of time that advisers would use the revised Form would result in an average annual burden of an estimated 183,326 hours per year⁹ (20,040 hours per year of it attributable to the amendments),¹⁰ or 15.25 hours per year for each adviser currently registered with the Commission.¹¹

Respondents under this collection of information would be advisers currently registered with the Commission as well as new applicants for investment adviser registration with the Commission. Based on IARD system data, we estimate that there will be approximately 1,000 new SEC registered investment advisers filing Form ADV annually. Based on the estimated average collection of information burden of 45.74 hours including the amendments, we estimate that the total annual burden applicable to these SEC registered advisers for the first year that they complete Form ADV but excluding private fund reporting requirements is 45,740.¹² Amortizing the burden imposed by Form ADV for new registrants over a three-year period to reflect the anticipated period of time that advisers would use the revised Form would result in an average annual burden of an estimated 15,247 hours per year¹³ (1,667 of it attributable to

⁹ 549,978 hours/3 = 183,326 hours.

¹⁰ 60,120 hours/3 = 20,040 hours.

¹¹ 183,326 hours/12,024 advisers = 15.25 hours.

¹² 45.74 hours x 1000 SEC registered advisers = 45,740 hours.

¹³ 45,740 hours/3 = 15,247 hours.

the amendments).¹⁴ We therefore estimate the total hour burden to be 198,573 hours per year.¹⁵

Not including private fund reporting, the currently approved estimate of the average total collection of information burden per exempt reporting adviser for the first year that an exempt reporting adviser completes Form ADV (limited subset of Part 1 only) is 2 hours. We do not anticipate that the amendments to Form ADV would affect the per exempt reporting adviser burden estimate. Based on IARD system data, we estimate that there are currently 3,248 exempt reporting advisers filing Form ADV and there will be 500 new exempt reporting advisers filing Form ADV annually. Therefore, we estimate that the total annual burden applicable to these exempt reporting advisers excluding private fund reporting requirements is 7,496 hours per year.¹⁶ Amortizing this total burden over three years as we did for registered advisers results in an average annual burden of an estimated 2,499 hours per year.¹⁷

The currently approved estimate for private fund advisers, regardless of whether they are SEC registered advisers or exempt reporting advisers, is that they will spend, on average, 1 hour per private fund completing Item 7.B and Section 7.B of Schedule D on Form ADV. We do not anticipate that our amendments to Form ADV would affect the per private fund burden of completing Item 7.B and Section 7.B of Schedule D for either registered advisers to private funds or exempt reporting advisers. Based on IARD system

¹⁴ 5,000 hours/3 = 1,667 hours.

¹⁵ 15,247 hours for new registrants + 183,326 hours for existing registrants = 198,573 hours.

¹⁶ 2 hours x (3,248 current exempt reporting advisers + 500 new exempt reporting advisers) = 7,496 hours.

¹⁷ 7,496 hours / 3 = 2,499 hours.

data, we estimate that, approximately 4,469 registered advisers advise a total of 30,896 private funds, and, on average, 300 SEC registered advisers making their initial filing will report approximately 1,100 funds resulting in a total annual burden of 31,996 hours.¹⁸ Amortizing this burden over three years results in an average estimated burden of 10,665 hours per year.¹⁹ Based on IARD system data, we also estimate that, on average, 3,248 current exempt reporting advisers report 11,915 private funds and a projected 500 new exempt reporting advisers making their initial filing will report approximately 1,000 private funds, resulting in a total annual burden of 12,915 hours.²⁰ Amortizing this total burden over three years results in an average estimated burden of 4,305 hours per year.²¹ As a result, we estimate that the annual private fund reporting requirement applicable to advisers (both SEC registered advisers and exempt reporting advisers) will be 14,970 hours.²²

We also adopted a new Schedule R to Form ADV for umbrella filing for registered advisers to private funds submitting a single Form ADV on behalf of themselves and their relying advisers. Of the SEC-registered advisers, we estimate based on current Form ADV filings that approximately 743 registered advisers currently make a single filing for themselves and approximately 2,587 relying advisers. Taking into account the scope of information we are requesting and our understanding that much of

¹⁸ 1 hour x 30,896 private funds = 30,896 hours. 1 hour x 1,100 private funds = 1,100 hours. 30,896 + 1,100 = 31,996.

¹⁹ 31,996 hours / 3 = 10,665 hours.

²⁰ 11,915 private funds + 1,000 private funds = 12,915 private funds. 12,915 x 1 hour = 12,915 hours.

²¹ 12,915 hours / 3 years = 4,305 hours per year.

²² 10,665 hours attributable to SEC registered investment advisers + 4,305 hours attributable to exempt reporting advisers = 14,970 hours.

the information is readily available and is already reported by advisers, we estimate that advisers to private funds that elect to rely on umbrella registration will spend 1 hour per filing adviser completing new Schedule R. As a result, we estimate that umbrella registration would add 743 hours²³ to the annual burden applicable to registered advisers. We estimate that, on average, 51 SEC registered advisers annually would make their initial filing with us as filing advisers, increasing the overall annual burden for advisers to private funds an additional 51 hours, or 794 hours in total. Amortizing these hours for a three year period as with the rest of the burdens associated with Form ADV, results in 265 additional hours per year.²⁴

Based on IARD data, we continue to estimate that each SEC registered investment adviser filing Form ADV through the IARD system will amend its form two times per year. On average, these consist of one interim updating amendment, which we continue to estimate 0.5 hours per amendment,²⁵ and one annual updating amendment, which we have increased by 2 hours to 8 hours per amendment because of the amendments,²⁶ each year. Therefore we estimate the total annual burden for SEC registered advisers attributable to Form ADV amendments is 102,294 hours.²⁷ In addition, we continue to estimate that each SEC registered investment adviser will, on average, spend 1 hour per year making interim amendments to brochure supplements²⁸ and an additional 1 hour per year to prepare new brochure supplements as required by

²³ 743 filing advisers x 1 hour per completing Schedule R = 743 hours.

²⁴ 794 hours/3 = 265 hours.

²⁵ 12,024 SEC registered investment advisers x 0.5 hours = 6,012 hours.

²⁶ 12,024 SEC registered investment advisers x 8 hours = 96,192 hours.

²⁷ 6,012 hours + 96,192 hours = 102,204 hours.

²⁸ 12,024 SEC registered investment advisers x 1 hour = 12,024 hours.

Part 2.²⁹ We also continue to expect advisers to spend an average of 1.3 hours annually to meet obligations to deliver codes of ethics to clients.³⁰ Therefore we estimate the total annual burden for SEC registered advisers attributable to amendments, brochure supplements and obligations to deliver codes of ethics to be 141,883 hours.³¹

Based on IARD data, we continue to estimate that each exempt reporting adviser filing Form ADV through the IARD system will amend its form 2 times per year. On average, these consist of one interim updating amendment (at an estimated 0.5 hours per amendment)³² and one annual updating amendment (at an estimated 1 hour per amendment)³³ each year. In addition, we anticipate 200 final filings by exempt reporting advisers annually (at an estimated 0.1 hours per filing).³⁴ We do not anticipate that our amendments to Form ADV would affect the per exempt reporting adviser burden. The total annual burden associated with exempt reporting advisers filing amendments and final filings is 4,892 hours.³⁵

Based on the amendments, the revised total annual collection of information burden for SEC registered advisers to file and complete the revised Form ADV (Parts 1 and 2), including private fund reporting, plus the burden associated with amendments to the form, preparing brochure supplements and delivering codes of ethics to clients is

²⁹ 12,024 SEC registered investment advisers x 1 hour = 12,024 hours.

³⁰ 12,024 SEC registered investment advisers x 1.3 hours = 15,631 hours.

³¹ 102,204 hours + 12,024 hours + 12,024 hours + 15,631 hours = 141,883 hours.

³² 3,248 exempt reporting advisers x .5 hours = 1,624 hours.

³³ 3,248 exempt reporting advisers x 1 hour = 3,248 hours.

³⁴ 200 exempt reporting advisers x 0.1 hours = 20 hours.

³⁵ 1,624 hours + 3,248 hours + 20 hours = 4,892.

estimated to be approximately 351,386 hours per year,³⁶ for a monetized total of \$89,427,737.³⁷ The total annual collection of information burden for exempt reporting advisers to file and complete the required Items of Part 1A of Form ADV, including the burden associated with amendments to the form, is estimated to be 11,696 hours per year,³⁸ for a monetized total of \$2,976,632.³⁹

We estimate that, based on the amendments to Form ADV, the total annual hour burden for the form would be 363,082 hours and a monetized total of \$92,404,369.⁴⁰ This is an increase of 208,680 hours and \$55,733,942 from the currently approved annual

³⁶ 198,573 hours per year attributable to initial preparation of Form ADV + 10,665 hours per year attributable to initial private fund reporting requirements + 265 hours attributable to initial umbrella registration + 141,883 hours per year attributable to amendments, brochure supplements and obligations to deliver codes of ethics = 351,386 hours.

³⁷ We expect that at most Commission registered advisers, the performance of this function will most likely be equally allocated between a senior compliance examiner and a compliance manager, or persons performing similar functions. Data from the SIFMA Management and Professional Earnings Report, modified by Commission staff to account for an 1,800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead, suggest that costs for these positions are \$221 and \$288 per hour, respectively. $(175,693 \text{ hours} \times \$221) + (175,693 \text{ hours} \times \$288) = \$89,427,737$. For a SEC registered adviser that does not already have a senior compliance examiner or a compliance manager, we expect that a person performing a similar function would have similar hourly costs.

³⁸ 2,499 hours per year attributable to initial preparation of Form ADV + 4,305 hours per year attributable to initial private fund reporting requirements + 4,892 hours per year for amendments and final filings = 11,696 hours.

³⁹ We expect that the performance of this function will most likely be equally allocated between a senior compliance examiner and a compliance manager, or persons performing similar functions. Data from the SIFMA Management and Professional Earnings Report, modified by Commission staff to account for an 1,800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead, suggest that costs for these positions are \$221 and \$288 per hour, respectively. $(5,848 \times \$221) + (5,848 \times \$288) = \$2,976,632$.

⁴⁰ $351,386 \text{ hours} + 11,696 \text{ hours} = 363,082 \text{ hours}$. $\$89,427,737 + \$2,976,632 = \$92,404,369$.

aggregate burden estimates,⁴¹ which is attributable primarily to the currently approved burden estimates not considering the amortized annual burden of Form ADV on existing registered advisers and exempt reporting advisers; but also to the larger registered investment adviser and exempt reporting adviser population since the most recent approval, adjustments for inflation, and the amendments to Form ADV. The resulting blended average per adviser burden for Form ADV is 23.77 hours (for a monetized total of \$6,051),⁴² which consists of an average annual burden of 29.22 hours⁴³ for each of the estimated 12,024 SEC registered advisers, and 3.60 hours⁴⁴ for each of the estimated 3,248 exempt reporting advisers.

13. Cost to Respondents

The currently approved total annual collection of information burden estimate for Form ADV has a one-time initial cost for outside legal and compliance consulting fees in connection with the initial preparation of Part 2 of Form ADV. We do not anticipate that the amendments we have adopted to Form ADV will affect the per adviser cost burden estimates for outside legal and compliance consulting fees. In addition to the estimated legal and compliance consulting fees, investment advisers of private funds incur costs with respect to the requirement for investment advisers to report the fair value of private fund assets.

⁴¹ $363,082 \text{ hours} - 154,402 \text{ hours} = 208,680 \text{ hours}$. $\$92,404,369 - \$36,670,427$ (currently approved monetized burden estimate) = $\$55,733,942$.

⁴² $363,082 \text{ hours} / (12,024 \text{ registered advisers} + 3,248 \text{ exempt reporting advisers}) = 23.77 \text{ hours}$. $\$92,404,369 / (12,024 \text{ registered advisers} + 3,248 \text{ exempt reporting advisers}) = \$6,051$.

⁴³ $351,386 \text{ hours} / 12,024 \text{ registered advisers} = 29.22 \text{ hours}$.

⁴⁴ $11,696 \text{ hours} / 3,248 \text{ exempt reporting advisers} = 3.60 \text{ hours}$.

We expect that 1,000 new advisers will register annually with the Commission. We estimate that the initial cost related to preparation of Part 2 of Form ADV would be \$4,400 for legal services and \$5,000 for compliance consulting services, in each case, for those advisers who engaged legal counsel or consultants. We anticipate that a quarter of these advisers would seek the help of outside legal services and half would seek the help of compliance consulting services. Accordingly, we estimate that 250 of these advisers would use outside legal services, for a total cost burden of \$1,100,000,⁴⁵ and 500 advisers would use outside compliance consulting services, for a total cost burden of \$2,500,000,⁴⁶ resulting in a total cost burden among all respondents of \$3,600,000 for outside legal and compliance consulting fees related to drafting narrative brochures.⁴⁷

We estimate that 6% of registered advisers have at least one private fund client that may not be audited. These advisers therefore may incur costs to fair value their private fund assets. Based on current IARD data, 4,3469 registered advisers currently advise private funds. We therefore estimate that approximately 268 registered advisers may incur costs of \$37,625 each on an annual basis, for an aggregate annual total cost of \$10,083,500.⁴⁸

Together, we estimate that the total cost burden among all registered advisers for outside legal and compliance consulting fees related to third party or outside valuation services and for drafting outside legal and compliance consulting fees to be

⁴⁵ 25% x 1000 SEC registered advisers = approximately 250 advisers. \$4,400 for legal services x 250 advisers = \$ 1,100,000.

⁴⁶ 50% x 1000 SEC registered advisers = 500 advisers. \$5,000 for consulting services x 500 advisers = \$2,500,000.

⁴⁷ \$1,100,000 + \$2,500,000 = \$3,600,000.

⁴⁸ 268 advisers x \$37,625 = \$10,083,500.

\$13,683,500,⁴⁹ an increase of \$10,083,500 from the current approved cost burden estimate of \$3,600,000. The increase in annual cost burden is attributable to the currently approved burden not considering the cost to advisers to fair value private fund assets.

14. Cost to the Federal Government

There are no costs to the government directly attributable to Form ADV.

15. Change in Burden

We estimate that amendments to Form ADV, the revised total aggregate annual hour burden for the form will be approximately 363,082 hours.⁵⁰ This is an increase of 208,680 hours from the currently approved annual aggregate burden estimate,⁵¹ which is attributable primarily to the currently approved burden estimate not considering the amortized annual burden of Form ADV on existing registered advisers and exempt reporting advisers; but also to the larger registered investment adviser and exempt reporting adviser population since the most recent approval, adjustments for inflation, and the amendments to Form ADV. The resulting blended average per adviser burden for Form ADV is 23.77 hours,⁵² which consists of an average annual burden of 29.22 hours⁵³ for each of the estimated 12,024 SEC registered advisers, and 3.60 hours⁵⁴ for each of the estimated 3,248 exempt reporting advisers.

⁴⁹ $\$3,600,000 + \$10,083,500 = \$13,683,500.$

⁵⁰ $351,386 \text{ hours} + 11,696 \text{ hours} = 363,082 \text{ hours.}$.

⁵¹ $363,082 \text{ hours} - 154,402 \text{ hours} = 208,680 \text{ hours.}$.

⁵² $363,082 \text{ hours}/(12,024 \text{ registered advisers} + 3,248 \text{ exempt reporting advisers}) = 23.77 \text{ hours.}$

⁵³ $351,386 \text{ hours}/12,024 \text{ registered advisers} = 29.22 \text{ hours.}$

⁵⁴ $11,696 \text{ hours}/3,248 \text{ exempt reporting advisers} = 3.60 \text{ hours.}$

Registered investment advisers are also expected to incur an annual cost burden of \$13,683,500, an increase of \$10,083,500 from the current approved cost burden estimate of \$3,600,000. The increase in annual cost burden is attributable to the currently approved burden not considering the cost to advisers to fair value private fund assets. We do not anticipate that the amendments we are adopting to Form ADV will affect the per adviser cost burden estimates.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to Omit OMB Expiration Date

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

18. Exceptions to Certification Statement for Paperwork Reduction Act Submission

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.