

**SUPPORTING STATEMENT FOR PROPOSED RULES  
UNDER THE SECURITIES ACT OF 1933 AND  
THE SECURITIES EXCHANGE ACT OF 1934**

This submission, pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. §3501, et seq., consists of this supporting statement and the following attachments:

- A. Statutory Authority
- B. Proposing Release

**A. JUSTIFICATION**

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

On August 24, 2016, the Securities and Exchange Commission (the “Commission”) proposed rule and form amendments that would require registrants to include a hyperlink to the exhibits in their filings. Item 601 of Regulation S-K specifies the exhibits that registrants must file with registration statements filed under the Securities Act of 1933 (“Securities Act”) and Securities Exchange Act of 1934 (“Exchange Act”) and with periodic and current reports under the Exchange Act. Item 601 also requires registrants to include an exhibit index that lists each exhibit included with the filing. Specifically, the proposed amendments would require registrants that file registration statements and periodic and current reports that are subject to the exhibit requirements under Item 601 of Regulation S-K, or that file on Forms F-10 or 20-F, to include a hyperlink to each exhibit listed in the exhibit index of the filings. The amendments would also require that registrants submit all of these filings in HyperText Markup Language (HTML) format. A copy of Commission Release No. 33-10201, which contains the proposed amendments, is attached.

**2. PURPOSE OF THE INFORMATION COLLECTION**

The purpose of the proposed amendments is to assist investors and other users in identifying and locating exhibits. Under the current system, someone seeking to retrieve and access an exhibit that has been incorporated by reference must review the exhibit index to determine the filing in which the exhibit is included, and then must search through the registrant’s filings to locate the relevant filing to review for the particular exhibit. This process can be both time consuming and cumbersome. The Commission believes that the changes described above would substantially ease the difficulties in retrieving exhibits.

**3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY**

The collection of information requirements of the proposed amendments are set forth in amended rules and forms. All of the affected forms are filed electronically with the Commission using the Commission’s Electronic Data Gathering, Analysis and Retrieval (“EDGAR”) system.

**4. DUPLICATION OF INFORMATION**

The proposed amendments do not duplicate, overlap, or conflict with other federal rules.

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

The proposed amendments would affect all registrants that file the affected registration statements and periodic and current reports. However, the software tools to prepare and file documents in HTML and create hyperlinks are widely used and available at minimal cost. Accordingly, the Commission preliminarily believes that the proposed amendments would not have a significant impact on small businesses.

**6. CONSEQUENCES OF NOT CONDUCTING COLLECTION**

Item 601 of Regulation S-K specifies the exhibits that registrants must file with registration statements filed under the Securities Act and Exchange Act, and with periodic and current reports filed under the Exchange Act. Item 601 also requires registrants to include an exhibit index that lists each exhibit included with the filing. The proposed amendments amend Forms F-10 and 20-F, Item 601 of Regulation S-K, and Rules 11, 102 and 105 of Regulation S-T to require registrants to include a hyperlink to each filed exhibit as identified in the exhibit index, unless the exhibit is filed in paper pursuant to a temporary or continuing hardship exemption. Less frequent collection would deprive investors of access to information that is important to their voting and investment decisions.

**7. SPECIAL CIRCUMSTANCE**

Not applicable.

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

The Commission has amended the above mentioned rules and forms several times since their adoption. In addition, the Commission will solicit comment on the proposed amendments.

**9. PAYMENT OR GIFT TO RESPONDENTS**

Not applicable.

**10. CONFIDENTIALITY**

Not applicable.

## **11. SENSITIVE QUESTIONS**

No information of a sensitive nature would be required under the following collections of information in connection with this rulemaking amendments: Form S-1, Form S-3, Form S-8, Form S-11, Form F-1, Form F-3, Form F-10, Form 20-F, Form SF-1, Form SF-3, Form 8-K, Form 10-Q, and Form 10-D. The information collection collects basic Personally Identifiable Information (PII) that may include signature of the official signing on behalf of the entity. However, the agency has determined that the information collection does not constitute a system of record for purposes of the Privacy Act. Information is not retrieved by a personal identifier. In accordance with Section 208 of the E-Government Act of 2002, the agency has conducted a Privacy Impact Assessment (PIA) of the EDGAR system, in connection with this collection of information. The EDGAR PIA, published on January 19, 2016, is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

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

The Commission anticipates that the proposed amendments would increase the burdens and costs for registrants to prepare and file the affected forms. The Commission believes the burdens associated with hyperlinking exhibits would be small as the registrant would already be preparing the exhibits and exhibit index for the related filing and would have readily available all the information necessary to create the hyperlinks. The tables below show the total annual compliance burden, in hours and in costs, of the collection of information resulting from the proposed amendments.<sup>1</sup> The burden estimates were calculated by multiplying the estimated number of responses by the estimated average amount of time it would take an issuer to prepare and review the exhibit hyperlinks. The portion of the burden carried by outside professionals is reflected as a cost, while the portion of the burden carried by the issuer internally is reflected in hours. For purposes of the PRA, we estimate that 75% of the burden of preparation for Exchange Act reports is carried by the registrant internally and that 25% of the burden of preparation is carried by outside professionals retained by the registrant at an average cost of \$400 per hour.<sup>2</sup> For the registration statements on Forms 10, S-1, S-3, S-4, S-11, F-1, F-3, F-4, SF-1 and SF-3, and the Exchange Act report on Form 20-F, we estimate that 25% of the burden of preparation is carried by the company internally and that 75% of the burden of preparation is carried by outside professionals retained by the company at an average cost of \$400 per hour. For the registration statement on Form S-8, we estimate that 50% of the burden of preparation is carried by the company internally and that 50% of the burden of preparation is carried by outside professionals.

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<sup>1</sup> For convenience, the estimated hour and cost burdens in the table have been rounded to the nearest whole number.

<sup>2</sup> We recognize that the costs of retaining outside professionals may vary depending on the nature of the professional services, but for purposes of this PRA analysis we estimate that such costs would be an average of \$400 per hour. This estimate is based on consultations with several registrants, law firms and other persons who regularly assist registrants in preparing and filing reports with the Commission.

Table 1. Incremental Paperwork Burden under the Proposed Amendments for Exchange Act Forms.

Exchange Act Forms	Proposed number of affected responses (A)	Incremental Burden Hours/Form (B)	Total Incremental Burden Hours (C)=(A)*(B)	75% Company (D)=(C)*0.75	25% Professional (E)=(C)*0.25	Professional Costs (F)=(E)*\$400
Form 10	238	2	476	119	357	\$142,800
Form 20-F	725	3	2,175	544	1,631	\$652,400
Form 10-K	8,137	3	24,411	18,308	6,103	\$2,441,200
Form 10-Q	22,907	2	45,814	34,361	11,454	\$4,581,600
Form 8-K	118,387	1	118,387	88,790	29,597	\$11,838,800
Form 10-D	13,014	1	13,014	9,761	3,254	\$1,301,600

Table 2. Incremental Paperwork Burden under the Proposed Amendments for Securities Act Registration Statements.

Securities Act Registration Statements	Proposed number of affected responses (A)	Incremental Burden Hours/Form (B)	Total Incremental Burden Hours (C)=(A)*(B)	25% Company (D)=(C)* 0.25	75% Professional (E)=(C)* 0.75	Professional Costs (F)=(E)*\$400
Form S-1	901	3	2,703	676	2,027	\$810,900
Form S-3	1,082	2	2,164	541	1,623	\$649,200
Form S-4	619	3	1,857	464	1,393	\$557,100
Form S-8 <sup>3</sup>	2,140	2	4,280	2,140	2,140	\$856,000
Form S-11	100	3	300	75	225	\$90,000
Form SF-1	6	3	18	5	13	\$5,400
Form SF-3	71	2	142	36	106	\$42,600
Form F-1	63	3	189	47	142	\$56,700
Form F-3	107	2	214	54	160	\$64,200
Form F-4	68	3	204	51	153	\$61,200
Form F-10	40	3	120	30	90	\$36,000

#### 14. COST TO FEDERAL GOVERNMENT

The estimated cost of preparing the proposed amendments was approximately \$150,000.

#### 15. REASON FOR CHANGES IN BURDEN

The proposed amendments will increase the burdens and costs for registrants to prepare and review exhibit hyperlinks. Table 2 below illustrates the changes in cost and hour burdens from the burden estimates currently approved by OMB. Columns (A) and (B) represent the most recent burden estimates submitted to OMB. Columns (C) and (D) represent the new burden

<sup>3</sup> The figures for Form S-8 have been calculated using a 50% burden carried internally by the company and a 50% burden carried by outside professionals.

estimates under the proposed amendments. Columns (E) and (F) represent the program change, which encompasses the change in the burden estimates attributable to the interim amendment.

Table 3:<sup>4</sup>

	Current Burden		Revised Burden		Program Change	
	Burden Hours (A)	Cost (B)	Burden Hours (C)	Costs (D)	Burden Hours (E)	Cost (F)
Form 10-K	12,228,620	\$1,631,470,000	12,246,928	\$1,633,911,200	18,308	\$2,441,200
Form 10-Q	3,220,037	\$429,368,808	3,254,398	\$433,950,408	34,361	\$4,581,600
Form 8-K	507,665	\$67,688,700	596,455	\$79,527,500	88,790	\$11,838,800
Form 10-D	361,139	\$48,151,800	370,900	\$49,453,400	9,761	\$1,301,600
Form 10	12,805	\$15,366,042	12,924	\$15,508,842	119	\$142,800
Form 20-F	479,501	\$575,400,600	480,045	\$576,053,000	544	\$652,400
Form S-1	150,242	\$180,290,100	150,918	\$181,101,000	676	\$810,900
Form S-3	127,806	\$153,367,008	128,347	\$154,016,208	541	\$649,200
Form S-4	634,425	\$761,310,576	634,889	\$761,867,676	464	\$557,100
Form S-8	25,680	\$10,272,000	27,820	\$11,128,000	2,140	\$856,000
Form S-11	19,476	\$23,371,200	19,551	\$23,461,200	75	\$90,000
Form SF-1	2,070	\$2,484,000	2,075	\$2,489,400	5	\$5,400
Form SF-3	24,495	\$29,394,000	24,531	\$29,436,600	36	\$42,600
Form F-1	26,917	\$32,300,100	26,964	\$32,356,800	47	\$56,700
Form F-3	4,467	\$5,360,700	4,521	\$5,424,900	54	\$64,200
Form F-4	24,769	\$29,722,800	24,820	\$29,784,000	51	\$61,200
Form F-10	250	\$300,000	280	\$336,000	30	\$36,000

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

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

Not applicable.

<sup>4</sup> Figures in Table 3 have been rounded to the nearest whole number.

**B. STATISTICAL METHODS**

Not applicable.