

**Supporting Statement for the
Transfer Agent Registration and Amendment Form
(Form TA-1; OMB No. 7100-0099)**

Summary

The Board of Governors of the Federal Reserve System (Board), under delegated authority from the Office of Management and Budget (OMB), proposes to extend for three years, with minor revision, the mandatory Transfer Agent Registration and Amendment Form (Form TA-1; OMB No. 7100-0099).¹ The Securities Exchange Act of 1934 (the Act) requires any person acting as a transfer agent to register as such and to amend registration information when it changes. State member banks (SMBs) and their subsidiaries, bank holding companies (BHCs), savings and loan holding companies (SLHCs), and certain nondeposit trust company and other subsidiaries of BHCs that act as transfer agents must register with the Federal Reserve System by submitting Form TA-1. The information collected is available to the public upon request and includes the company name, all business addresses, and answers to three questions about the registrant's proposed activities as a transfer agent. The Federal Reserve uses the information to act upon registration applications and to aid in performing its supervisory duties. Similar data are not available from any other source.

The Board proposes to revise the form to require submission of the Form TA-1 to a designated Board e-mail address, as well as make other instructional clarifications. The current annual burden for the Form TA-1 is estimated to be 4 hours and would remain unchanged with the proposed revisions.

Background and Justification

Section 17A(c) of the Act requires all transfer agents for securities registered under section 12 of the Act to register "by filing with the appropriate regulatory agency . . . an application for registration in such form and containing such information and documents . . . as such appropriate regulatory agency may prescribe as necessary or appropriate in furtherance of the purposes of this section."² In general, an entity performing transfer agent functions for a security is required to register with its appropriate regulatory agency (ARA) if the security is registered on a national securities exchange or if the issuer of the security has total assets exceeding \$10 million and a class of equity security held of record by 2,000 persons or, for an issuer that is not a bank, BHC, or SLHC, by 500 persons who are not accredited investors. The Federal Reserve's Membership of State Banking Institutions in the Federal Reserve System (Regulation H) (12 CFR 208.31(a)) and Bank Holding Companies and Change in Bank Control (Regulation Y) (12 CFR 225.4(d)) implement these provisions of the Act.

To accomplish the registration of transfer agents, Form TA-1 was developed in 1975 as an interagency effort by the Securities and Exchange Commission (SEC) and the federal bank

¹ The Federal Deposit Insurance Corporation (FDIC) and Office of the Comptroller of the Currency (OCC) are concurrently extending the Form TA-1 with revisions and all three agencies will publish separate final *Federal Register* notices.

² See 15 U.S.C. § 78q-1(c)(1).

regulatory agencies, namely the Board, the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC). The Federal Reserve primarily uses the data collected on Form TA-1 to determine whether an application for registration should be approved, denied, accelerated or postponed. The staffs of the Board and Reserve Banks use the data in connection with their supervisory responsibilities.

Description of Information Collection

Currently, 31 transfer agents are registered with the Board, the majority of which are state member banks. To register, registrants must submit an original copy of the Form TA-1 to their ARA. In addition to the corporate name and all business addresses, registrants must report their Financial Industry Number Standard (FINS) number and answer three questions detailing their transfer agent activities. Board staff processes the data manually, reviewing each form for completeness and accuracy, and may contact registrants directly to verify data. The Division of Supervision and Regulation notifies registrants of their registration status by letter and sends them copies of transfer agent rules and regulations. Board staff forwards copies of completed registration forms and notification letters to the SEC and to the appropriate Reserve Bank. An acknowledgement letter is sent to any registrant who files a subsequent Form TA-1 to amend their registration data.

Transfer agents deregister by submitting either a letter or the SEC's Notice of Withdrawal from Registration as Transfer Agent (Form TA-W; OMB No. 3235-0151) to the Board. If the Board finds that a registrant has ceased doing business as a transfer agent, the Board may initiate deregistration of the transfer agent.

Proposed Revision

The Board proposes to revise the reporting instructions for the Form TA-1 to require respondents to submit a Portable Document Format (PDF) version of the forms and attachments to a designated Board e-mail address effective for December 31, 2016. In addition, the proposed revisions remove references to the Office of Thrift Supervision, clarify the definition of a "qualifying security" pursuant to regulatory changes, and alter the number of Form TA-1 copies registrants are required to file with the Board.

Time Schedule for Information Collection

Pursuant to the Act, registrants use Form TA-1 to register as a transfer agent prior to performing transfer agent functions (examples of which are found in the General Instructions) and to amend registration information as necessary. Registration becomes effective 30 days after receipt of an acceptable Form TA-1, unless the Board takes action to accelerate, postpone, or deny registration. Registered transfer agents must file amendments within 60 days of the date on which the information reported in previous filings has become inaccurate, incomplete, or misleading.

Legal Status

The Board's Legal Division has determined that Form TA-1 is authorized by section 3(a)(34)(B)(ii) of the Act (15 U.S.C. § 78c(a)(34)(B)(ii)) which provides that the Board is the ARA for purposes of various filings by SMBs and their subsidiaries, BHCs, SLHCs, and certain nondepository trust company subsidiaries of BHCs that act as a clearing agency or transfer agent. Section 23(a)(1) of the Act (15 U.S.C. § 78w(a)(1)) gives the Board the power to make rules and regulations to implement the Act. Sections 17(a)(3) and 17A(c) of the Act (15 U.S.C. §§ 78q(a)(3) and 78q-1(c)) require transfer agents to make reports required by their ARA and to register with the ARA. The obligation to respond is mandatory. The registrations are public filings and are not considered confidential.

Consultation Outside the Agency

Staff members of the SEC and the federal bank regulatory agencies jointly developed the reporting form and will continue to collaborate on any future revisions. On June 10, 2016, the Board, FDIC, and OCC jointly published an initial notice in the *Federal Register* (81 FR 37665) requesting public comment for 60 days on the extension, with revision, of Form TA-1. The comment period for this notice expired on August 9, 2016. The agencies did not receive any comments. On November 14, 2016, the Board published a final notice in the *Federal Register* (81 FR 79483).

Estimate of Respondent Burden

The current annual reporting burden of Form TA-1, including initial registration and subsequent amendments, is estimated to be 4 hours. Because the forms are event-generated, it is not possible to predict exactly how many forms will be filed in a given year. The burden estimate shown in the table below is based on the average number of responses received during the past three years. This reporting requirement represents less than 1 percent of total Federal Reserve System paperwork burden.

Form TA-1	<i>Number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Registrations	2	1	1.25	3
Amendments	4	1	10 minutes	<u>1</u>
<i>Total</i>				4

The total annual cost to the public for this information collection is estimated to be \$213.³

Sensitive Questions

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

Cost to the Federal Reserve System

The annual cost to the Federal Reserve System for printing, mailing and processing Form TA-1 is negligible.

³ Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at \$17, 45% Financial Managers at \$65, 15% Lawyers at \$66, and 10% Chief Executives at \$89). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages May 2015*, published March 30, 2016 www.bls.gov/news.release/ocwage.t01.htm. Occupations are defined using the BLS Occupational Classification System, www.bls.gov/soc/.