

SUPPORTING STATEMENT
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION
SUBMISSION FOR SECURITIES ACT RULE 425

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

Securities Act Rule 425 requires written communications about a planned business combination transaction to be filed with the Commission. Rule 425 is used in connection with other Commission rules to permit parties to communicate about a planned business combination transaction before a Securities Act registration statement is filed.

2. Purpose and Use of the Information Collection

A primary purpose of the rule is to relax existing restrictions on oral and written communications with shareholders about tender offers, mergers and other business combination transactions by permitting the dissemination of more information on a timely basis as long as the written communications are filed on the date of first use.

3. Consideration Given to Information Technology

Rule 425 communications are filed using the Commission's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system.

4. Duplication of Information

Although the filer of the Rule 425 information may choose to publicly disseminate it, there are no other filing requirements that duplicate this information.

5. Reducing the Burden on Small Entities

All issuers, including small businesses have discretion as to whether or not they want to disseminate written communications required to be filed under Rule 425. Rule 425 was adopted in connection with other revisions, all of which were intended to decrease costs and burdens for all issuers, including small business issuers, and enhance communications between issuers and investors.

6. Consequences of Not Conducting Collection

Rule 425 requires filing of written communications only when issuers choose to disseminate them and only in connection with business combination transactions. Less frequent collection could compromise investor protection.

7. Special Circumstances

Not applicable.

8. Consultations with Persons Outside the Agency

Rule 425 was solicited for public comment. No comments were received on this request during the 60-day comment period prior to OMB's review of this extension request.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality

Not applicable.

11. Sensitive Questions

No information of a sensitive nature, including social security numbers, will be required under this collection of information. The information collection collects basic Personally Identifiable Information (PII) that may include name. 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 29, 2016, is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

12. Estimate of Respondent Reporting Burden

For purposes of the Paperwork Reduction Act ("PRA"), we estimate approximately 7,160 issuers file communications under Rule 425 and it takes approximately 0.25 hours per response. We derived our burden hour estimates by estimating the average number of hours it would take an issuer to compile the necessary information and data, prepare and review disclosure, file documents and retain records. In connection with rule amendments to the form, we occasionally receive PRA estimates from public commenters about incremental burdens that are used in our burden estimates. We believe that the actual burdens will likely vary among individual issuers based on the nature of their operations. We further estimate that 100% of the collection of information burden is carried by the issuer internally. Based on our estimates, we calculated the total reporting burden to be 1,790 hours (0.25 hours per response x 7,160 responses). For administrative convenience, the presentation of the total related to the paperwork burden hours have been rounded to the nearest whole number. The estimated burden hours are made solely for the purpose of the Paperwork Reduction Act.

13. Estimate of Total Annualized Cost Burden

We estimate that issuers will prepare 100% of the 1,790 total reporting burden hours and there is no additional cost associated with the information collection.

14. Costs to Federal Government

There is no cost to the federal government.

15. Reason for Change in Burden

The increase of 1,127 burden hours is due to an adjustment. The change in burden hours is due to an increase in the number of Rule 425 communications.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to Omit OMB Expiration Date

The Commission is not seeking approval to omit the expiration date.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

Not applicable.

B. STATISTICAL METHODS

Not applicable.