

SUPPORTING STATEMENT  
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION  
SUBMISSION FOR SECURITIES ACT RULE 163

A. JUSTIFICATION

1. and 2. Circumstances Making the Collection of Information Necessary and Purpose and Use of the Information Collection

Rule 163 was adopted on July 19, 2005 in connection with new communication rules in Release No. 33-8591 (“Securities Offering Reform”). Rule 163 provides an exemption from Section 5(c) under the Securities Act for certain communications by, or on behalf of, a well-known seasoned issuer. A primary purpose of the rule is to give eligible well-known seasoned issuers freedom to communicate with investors at any time, including by means of a written offer other than a statutory prospectus.

3. Consideration Given to Information Technology

Rule 163 communications are filed with the Commission electronically using the Commission’s Electronic Data Gathering, Analysis and Retrieval System (EDGAR).

4. Duplication of Information

There are no other filing requirements that duplicate this information collection.

5. Reducing the Burden on Small Entities

All issuers, including small business issuers, have discretion as to whether or not they want to disseminate written communications under Rule 163. Furthermore, Rule 163 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 163 requires filing of written communications only when issuers choose to disseminate them. Less frequent collection could compromise investor protection.

7. Special Circumstances

Not applicable.

8. Consultations with Persons Outside the Agency

Rule 163 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 submission.

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

We estimate that it takes approximately 0.24 burden hours per response to provide the information required under Rule 163 and that the information is filed by approximately 10 issuers. 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 25% of the collection of information burden is carried by the issuer internally and that 75% of the burden of preparation is carried by outside professionals retained by the company. Based on our estimate, we calculate that 25% of the 0.24 hours per response (0.06 hours) is prepared by the issuer for a total annual reporting burden of 1 hour (0.06 hours per response x 10 responses). For administrative convenience, the presentation of the totals related to the paperwork burden hours have been rounded to the nearest whole number and the cost totals have been rounded to the nearest dollar. The estimated burden hours are made solely for the purpose of the Paperwork Reduction Act.

13. Estimate of Total Annualized Cost Burden

We estimated that 75% of the 0.24 hours per response (0.18 hours) is prepared by the issuer outside counsel. We estimate that Rule 163 compliance will cost \$400 per hour (\$400 x 0.18 hours per response x 10 responses) for a total cost of \$720. We estimate an hourly cost of \$400 for outside legal and accounting services used in connection with public company reporting. This estimate is based on our consultations with registrants and professional firms who regularly assist registrants in preparing and filing disclosure documents with the Commission. Our estimates reflect average burdens, and therefore, some companies may experience costs in excess of our estimates and some companies may experience costs that are lower than our estimates. For administrative convenience, the presentation of the totals related to the paperwork burden hours have been rounded to the nearest whole number and the cost totals have been rounded to the nearest dollar. The cost estimate is made solely for the purpose of the Paperwork Reduction Act.

14. Costs to Federal Government

The estimated cost to the Commission of administering Rule 163 is approximately \$1,000.00

15. Reason for Change in Burden

The decrease of (2) burden hours and the decrease of (\$3,096) in cost burden is due to an adjustment because there was decrease in the number of Rule 163 written communications to the Commission.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to Omit 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.

B. STATISTICAL METHODS

Not applicable.