

SUPPORTING STATEMENT  
for the Paperwork Reduction Act Information Collection Submission for  
Rule 17a-6

A. Justification

1. Necessity of Information Collection

National securities exchanges, national securities associations, registered clearing agencies, and the Municipal Securities Rulemaking Board ("MSRB") (collectively, "SROs") are required to maintain certain records for a period of not less than the five years. Rule 17a-6 under the Securities Exchange Act of 1934 ("Act"), however, permits SROs to destroy or convert to microfilm or other recording media records maintained under Rule 17a-1, if they have filed a record destruction plan with the Commission and the Commission has declared the plan effective. Rule 17a-6 is designed to reduce the burden of the five-year record retention requirements of Rule 17a-1.

2. Purpose and Use of the Information Collection

The record destruction plans submitted by SROs to the Commission list those documents that the SRO proposes to destroy before the end of the five-year retention period in Rule 17a-1. No plan need be filed if an SRO does not wish to destroy any class of documents in less than five years. The Commission reviews any record destruction plan filed by an SRO to ensure that the plan designates documents that the Commission believes appropriate for early destruction or conversion.

3. Consideration Given to Information Technology

The SEC's electronic filing system, called EDGAR (Electronic Data Gathering, Analysis, and Retrieval) is designed to facilitate the filing, processing, and dissemination of submissions made to the Commission. EDGAR permits registrants to transmit filings electronically to the Commission. Ultimately, all SEC filings, including plans submitted under Rule 17a-6, will be considered for electronic submission. Such automation will increase the speed, accuracy, and availability of information, generating benefits to investors and financial markets.

4. Duplication

Not applicable. This information cannot be obtained in any other manner.

5. Effect on Small Entities

The collection of information does not involve small entities.

6. Consequences of Not Conducting Collection

Record destruction plans do not need to be filed, unless an SRO wishes to destroy or convert to microfilm or other recording media any class of documents before the end of the five-year retention period specified in Rule 17a-1. Further, once the Commission declares effective an SRO's record

destruction plan, no further information need be filed with the Commission under Rule 17a-6.

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

There are no special circumstances. This collection is consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Consultations Outside the Agency

The required Federal Register notice with a 60-day comment period soliciting comments on this collection of information was published. No public comments were received.

9. Payment or Gift

The respondents receive no payments or gifts.

10. Confidentiality

There is no assurance of confidentiality provided by Rule 17a-6.

11. Sensitive Questions

No information of a sensitive nature is required to be disclosed by Rule 17a-6. The information collection does not collect any Personally Identifiable Information (PII).

12. Burden of Information Collection

Currently, there are 32 SROs required to maintain records under Rule 17a-1: 21 national securities exchanges, 1 national securities association, the MSRB, and 9 registered clearing agencies. Rule 17a-6 is not a mandatory filing requirement. SROs are required to file a record destruction plan only if they wish to destroy or convert records to microfilm or other recording media before the end of the five year retention period in Rule 17a-1. Only two SROs have filed a record destruction plan. The staff calculates that the preparation and filing of a new record destruction plan should take 160 hours. However, the staff notes that an SRO's record destruction plan may require revision, over time, in response to, for example, changes in document retention technology, which the staff estimates will take much less than the 160 hours estimated for a new plan. Given our experience to date with the number of plans that have been filed, 2 SROs, and the effort among SROs to revise their existing record destruction plans, the staff estimates that the total number of hours required for 2 SRO respondents to comply with Rule 17a-6 is 60 annually, based on 30 hours per year per SRO respondent. Therefore, we estimate the annual reporting burden to be approximately 60 hours per year. The approximate cost of compliance for respondents is \$422 per hour,<sup>1</sup> for an annualized cost burden of \$25,320 (\$422 per hour times 60 hours per year).

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<sup>1</sup> \$422 per hour figure for an Attorney is from SIFMA's Management & Professional Earnings in the Securities Industry 2013, 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.

13. Costs to Respondents

There is no annual cost burden other than that specified in item 12.<sup>2</sup>

14. Costs to Federal Government

Not applicable. The government does not incur any costs as a result of Rule 17a-6, a record retention rule.

15. Changes in Burden

Not applicable.

16. Information Collection Planned for Statistical Purposes

Not applicable. The information collection is not used for statistical purposes.

17. Displayed of OMB Approval Date

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

18. Exceptions to Certification for Paperwork Reduction Act Submissions

This collection complies with the requirements in 5 CFR 1320.9.

B. Collection of Information Employing Statistical Methods

The collection of information does not employ statistical methods.

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There is no annualized cost burden associated with collection of information because documents are prepared by respondents' in-house attorneys.