

SUPPORTING STATEMENT
for the Paperwork Reduction Act Information Collection Submission for Regulation of
NMS Stock Alternative Trading Systems – Rule 301

This submission is being made pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. Section 3501 et seq.

A. JUSTIFICATION

1. Necessity of Information Collection

In 1998, the Commission adopted Regulation ATS, which established a new regulatory framework for alternative trading systems (“ATS”), which allows entities that meet the definition of “exchange” under Section 3(a)(1) of the Exchange Act to choose between two regulatory structures: registering as a national securities exchange or registering as a broker-dealer and complying with Regulation ATS.

Regulation ATS allows an organization, association, or group of persons that meets the definition of an exchange, as define under Section 3(a)(1) of the Exchange Act and Rule 3b-16 thereunder,¹ to choose between two regulatory structures: registering as a national securities exchange or operating as an ATS pursuant to an exemption provided by Regulation ATS. An organization, association, or group of persons that chooses to operate as an ATS pursuant to the exemption provided by Exchange Act Rule 3a1-1(a)(2) must comply with Regulation ATS, including registering as a broker-dealer.

Regulation ATS is composed of Rules 300,² 301,³ 302,⁴ and 303.⁵ Rule 300 defines terms. Rule 301 sets forth the conditions that an ATS must meet to be exempt under Rule 3a1-1(a)(2), including the requirement that an ATS be registered as a broker-dealer. Rule 301 contains certain notice and reporting requirements, as well as additional obligations that only apply to ATSs with significant volume.⁶ Rule 302 establishes a set of records relating to trading

¹ See 17 CFR 240.3b-16. See generally Securities Exchange Act Release No. 40760 (December 8, 1998), 63 FR 70844, 70863 (December 22, 1998) (Regulation of Exchanges and Alternative Trading Systems); see also Securities Exchange Act Release No. 76474 (Nov. 18, 2015), 80 FR 80998, 81004 (Dec. 28, 2015) (“Proposal”) discussing the current exemption from the definition of exchange available to ATSs).

² Rule 300 does not include a collection of information.

³ OMB No. 3235-0509.

⁴ OMB No. 3235-0510.

⁵ OMB No. 3235-0505.

⁶ In November 2014, the Commission adopted Regulation Systems Compliance and Integrity (“Regulation SCI”) to require certain key market participants to, among other

activity that the ATS must make. Rule 303 establishes requirements for the preservation of certain records that ATSs must make.⁷

The equity markets have evolved substantially since the adoption of Regulation ATS, and the Commission has adopted amendments to Regulation ATS to improve the operational transparency of ATSs that trade in NMS stocks (“NMS Stock ATSs”).⁸ The majority of substantive changes in the new amendments are in Rule 304 and Form ATS-N of Regulation ATS. Rule 304 establishes new conditions for NMS Stock ATSs seeking to rely on the exemption from the definition of “exchange” provided by Rule 3a1-1(a) of the Exchange Act.⁹ Form ATS-N will require NMS Stock ATSs to publicly disclose, among other things, information about the broker-dealer operator, the NMS Stock ATS’s manner of operations, and the ATS-related activities of the broker-dealer operator and its affiliates.¹⁰ The collection of

things: (1) have comprehensive policies and procedures in place to help ensure the robustness and resiliency of their technological systems, and also that their technological systems operate in compliance with the federal securities laws and with their own rules; and (2) provide certain notices and reports to the Commission to improve Commission oversight of securities market infrastructure. Regulation SCI was adopted to update, formalize, and expand the Commission’s ARP Inspection Program, and, with respect to SCI entities, to supersede and replace the Commission’s ARP Policy Statements, as well as certain rules regarding systems capacity, integrity, and security in Rule 301(b)(6) of Regulation ATS that relate to ATSs that trade NMS and equity securities that are not NMS stocks. Securities and Exchange Act Release No. 34-73639 (November 19, 2014), 79 FR 72251 (December 5, 2014). Given the inclusion of ATSs that trade NMS stocks and equity securities that are not NMS stocks within the scope of Regulation SCI, the Commission amended Rule 301(b)(6) of Regulation ATS so that it will no longer apply to ATSs that trade NMS stocks and equities securities that are not NMS stocks.

⁷ As discussed in the Proposal, the Commission is submitting separate information collections for Rules 301, 303, and 304 of Regulation ATS because we consider this method to be the most practical and efficient manner in which to organize the collections. The collections associated with each rule serve different purposes: the collection in Rule 301 relates in large part to Form ATS; Rule 304 relates primarily to Form ATS-N; and Rule 303 is the associated record preservation requirements. The Commission at one point combined these collections under OMB control number 3235-0509 during the proposing stage, but for the aforementioned reasons, we believe that separating the information collections for these rules is more effective.

⁸ See Exchange Act Release No. 83663 (July 18, 2018) (File No. S7-23-15).

⁹ We have adopted conforming amendments to Rule 300 of Regulation ATS and Exchange Act Rule 3a1-1(a).

¹⁰ Form ATS-N expands on the information contained in Form ATS and will be made public. The Commission will continue to collect information for Form ATS for non-NMS Stock

information in Rule 304 and Form ATS-N are discussed in the Supporting Statement for OMB No. 3235-XXXX. Thus, NMS Stock ATSS would no longer comply with the filing requirements of Rule 301(b)(2). Instead, NMS Stock ATSS must file Form ATS-N pursuant to Rule 304 of Regulation ATS.

In connection with the adoption of the Rule 304 and Form ATS-N, we adopted related amendments to existing Rule 301 of Regulation ATS. Specifically, we amended Rule 301(b)(10) of Regulation ATS¹¹ to require every ATS to memorialize in writing its safeguards and procedures to protect subscribers' confidential trading information. Such safeguards and procedures were already mandated under Rule 310(b)(10); however, the rule did not require that the safeguards and procedures be memorialized in writing. We believe that the requirement (which will apply to all ATSS and not just NMS Stock ATSS) to memorialize in writing the safeguards and procedures to protect subscribers' confidential trading information will help assist ATSS in more effectively complying with their existing legal requirements under Regulation ATS; in particular, the requirements to protect the confidentiality of subscribers' trading information under Rule 301(b)(10) of Regulation ATS.

2. Purpose and Use of the Information Collection

Rule 301 of Regulation ATS sets forth the conditions that an ATS must comply with to be exempt pursuant to Exchange Act Rule 3a1-1(a)(2). Rule 301 requires an ATS to register as a broker-dealer. Rule 301 requires all ATSS that wish to comply with Regulation ATS to file an initial operation report on Form ATS. The initial operation report requires information regarding operation of the system including the method of operation, access criteria, and the types of securities traded. ATSS are also required to supply updates on Form ATS to the Commission, describing material changes to the system.

In addition, Regulation ATS requires ATSS to provide quarterly transaction reports on Form ATS-R. ATSS are also required to file cessation of operations reports on Form ATS. The gathering of such information permits the Commission to oversee the operation of such systems and track the growth of their role in the securities markets.

ATSS with significant volume are required to comply with requirements for fair access and systems capacity, integrity and security pursuant to Rule 301(b)(5) of Regulation ATS. Such ATSS are required to establish standards for granting access to trading on the system and keep records of all grants of access including, for all subscribers, the reasons for granting such access, and all denials or limitations of access, and the reasons for each applicant for denying or limiting access. In addition, upon a decision to deny or limit an investor's access to the system, an ATS is required to provide notice to the investor of the denial or limitation and their right to an appeal

ATSS and Form ATS-R. Both the Form ATS and Form ATS-R will remain confidential. Although an ATS may voluntarily publish its Form ATS and Form ATS-R, these forms are otherwise available only to the examination of the Commission staff, state securities authorities, and self-regulatory organizations.

¹¹ See 17 CFR 242.301(b)(10).

to the Commission. Regulation ATS requires ATSs to preserve any records made in the process of complying with the systems' capacity, integrity and security requirements. In addition, such ATSs are required to notify Commission staff of material systems outages and significant systems changes.

We use the information provided pursuant to the Rule to comprehensively monitor the growth and development of ATSs to confirm that investors effecting trades through the systems are adequately protected, and that the systems do not impede the maintenance of fair and orderly securities markets or otherwise operate in a manner that is inconsistent with the federal securities laws. In particular, the information collected and reported to us by ATSs enables us to evaluate the operation of ATSs with regard to national market system goals, and monitor the competitive effects of these systems to ascertain whether the regulatory framework remains appropriate to the operation of such systems.

Without the information provided on Forms ATS and ATS-R, the Commission would not have readily available information on a regular basis in a format that will allow it to determine whether such systems have adequate safeguards. Further, in the absence of the Rule, the Commission would not regularly obtain uniform trading data to identify areas where surveillance by self-regulatory organizations may be more appropriately tailored to the detection of fraudulent, deceptive and manipulative practices that may be peculiar to an automated trading environment. In sum, without the data required by the Rule, the Commission would be limited in its ability to comply with its statutory obligations, provide for the protection of investors, and promote the maintenance of fair and orderly markets.

Furthermore, in connection with the amendments to Regulation ATS, the requirement for an ATS to reduce to writing those safeguards and procedures under Rule 301(b)(10) will help Commission staff, and the staff of the SRO of which an ATS's broker-dealer operator is a member, evaluate whether an ATS has established such procedures and safeguards, whether the ATS has implemented and is abiding by them, and whether they comply with the requirements of Rule 301(b)(10). This will enable the Commission and the applicable SRO(s) to exercise more effective oversight of ATSs regarding the ATSs' compliance with Rule 301(b)(10) and other federal securities laws, rules, and regulations.

3. Consideration Given to Information Technology

Ultimately, all SEC filings, including Forms ATS and ATS-R, will be considered for electronic submission. Such automation would increase the speed, accuracy, and availability of information, generating benefits to investors and financial markets.

4. Duplication

Because most ATSs would maintain much of the information required by Rule 301, no duplication occurs with respect to such information. To the extent that Rule 301 establishes new collections of information, there is no similar information available that could replace the information required.

The Commission is adopting Rule 301(b)(2)(viii) of Regulation ATS to provide that an NMS Stock ATS shall file the reports and amendments required by Rule 304 of Regulation ATS

and would not be subject to the requirements of Rule 301(b)(2). Existing Rule 301(b)(2) requires an ATS to file with the Commission a Form ATS initial operation report, amendments to the Form ATS initial operation report, and cessation of operations reports on Form ATS, all of which are “deemed confidential when filed.”¹² Because the Commission is adopting rules to govern the content and manner in which an NMS Stock ATS would be required to disclose information to the public on Form ATS-N, existing Rule 301(b)(2) would be duplicative of the amendments and is no longer required for NMS Stock ATSs.

Because Regulation SCI would duplicate the requirements under Rule 301(b)(6) of Regulation ATS as applied to ATSs that trade NMS stocks and equity securities that are not NMS stocks, the Commission amended Rule 301(b)(6) so that it will no longer apply to ATSs that trade NMS stocks and equity securities that are not NMS stocks.

5. Effect on Small Entities

Rule 301 is one of general applicability that mostly does not depend on the size of the system. Fair access reporting requirements and system capacity, integrity and security requirements apply only to ATSs that have significant volume. The filing requirements on Forms ATS and ATS-R, however, apply to all ATSs regardless of size. Therefore, the Rule could apply to small businesses. Pursuant to 17 CFR 240.0-10(c), the term “small business” or “small organization” when used in reference to a broker-dealer means a broker-dealer that has total capital (net worth plus subordinated liabilities) of less than \$500,000 on the date in the prior fiscal year as of which its audited financial statements were prepared pursuant to 17 CFR 240.17a-5(d) or, if not required to file such statements, a broker-dealer that had total capital of less than \$500,000 on the last business day of the preceding fiscal year (or in the time that it has been in business); and is not affiliated with any person (other than a natural person) that is not a small business or small organization as defined in 17 CFR 240.0-10. We estimate that 10 ATSs that would register as broker-dealers are small entities as currently defined by the Act that would be subject to the filing requirements of Form ATS.

The amendment to Rule 301(b)(10) would apply to 15 small entities that are ATSs (including NMS Stock and non-NMS Stock ATSs),¹³ but we believe that there would be no significant economic impact on these entities because, to the extent they do not have these safeguards and procedures in writing, any resulting burden is minimal because the ATS would only be memorializing its existing safeguards and procedures.¹⁴

¹² See 17 CFR 242.301(b)(2).

¹³ We estimate that 5 of the estimated 15 small entities are NMS Stock ATSs that would not be subject to the filing requirements of Form ATS (and instead comply with Rule 304). As noted above, all 15 small entities would be subject to the filing requirements for Form ATS-R.

¹⁴ See Proposal, *supra* note 1, at 81093.

Because the risks that the Commission monitors in the operation of an ATS occur in any size business, we have determined that the Rule must apply in the same manner to small as well as large entities. Hence, the Rule does not contain an exemption for small entities. However, we note that Regulation ATS imposes additional duties on ATSs that have large volumes, which are not likely to be such small entities.

6. Consequences of Not Conducting Collection

Without the information provided on Forms ATS and ATS-R, we would not have readily available information on a regular basis in a format that will allow it to determine whether such systems have adequate safeguards. Further, in the absence of the amendments to Regulation ATS, we would not regularly obtain uniform trading data to identify areas where surveillance by self-regulatory organizations may be more appropriately tailored to the detection of fraudulent, deceptive and manipulative practices that may be peculiar to an automated trading environment. In sum, without the data required by Rule 304, we would be limited in our ability to comply with its statutory obligations, provide for the protection of investors and promote the maintenance of fair and orderly markets.

Additionally, requiring ATSs to reduce to writing the safeguards and procedures required by Rule 301(b)(10) of Regulation ATS, as well as its oversight procedures to ensure that such safeguards and procedures are followed, will strengthen the effectiveness of the ATS's safeguards and procedures and will better enable the ATS to protect confidential subscriber trading information and implement and monitor the adequacy of, and the ATS's compliance with, its safeguards and procedures.

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

All Commission rule proposals are published in the Federal Register for a comment period lasting at least 30-60 days. This comment period allowed the public an opportunity to respond to the proposal. In the Proposal, the Commission solicited comments on the collection of information burdens and asked whether commenters agree with our estimate of the number of respondents and paperwork burdens of the Proposal.¹⁵ The Commission received no comments pertaining to the information collection in Rule 301.

9. Payment or Gift

The respondents receive no payments or gifts.

10. Confidentiality

Form ATS and Form ATS-R are available only for the examination of the Commission

¹⁵ See Proposal, *supra* note 1, at 81107.

staff, state securities authorities, and the SROs. Subject to the provisions of the Freedom of Information Act, 5 U.S.C. § 522 (“FOIA”), and the SEC’s rules thereunder (17 CFR 200.80(b)(4)(iii)), the Commission does not generally publish or make available information contained in any reports, summaries, analyses, letters, or memoranda arising out of, in anticipation of, or in connection with an examination or inspection of the books and records of any person or any other investigation.

11. Sensitive Questions

Not applicable. No information of a sensitive nature is required under the rule.

12. Burden of Information Collection

a. Form ATS – Initial Operation Report

An ATS operating pursuant to the Exchange Act Rule 3a1-1(a)(2) exemption must file an Initial Operations Report on Form ATS prior to commencing operations. We estimate that approximately 3 respondents¹⁶ will file an Initial Operation Report on Form ATS each year, and that the average compliance burden for each respondent would be 20 hours, comprising 13 hours of in-house attorney work and 7 hours for a compliance clerk. Thus, the total compliance burden per year is 60 hours (3 responses x 20 hours = 60 hours).

b. Form ATS - Periodic Amendments to Update Information

An ATS operating pursuant to the Exchange Act Rule 3a1-1(a)(2) exemption must file amendments to the Initial Operations Report on Form ATS to provide notice of material systems changes and reflect other changes. We estimate that each of the approximately 46 ATSs¹⁷ will file 2 amendments per year for 92 responses, and that the average compliance burden for each response would be 2 hours, comprising 1.5 hours for an in-house attorney and 0.5 hours for a compliance clerk. Thus, the total compliance burden per year is 184 hours (92 responses x 2 hours = 184 hours).

c. Form ATS-R - Quarterly Reports

An ATS operating pursuant to the Exchange Act Rule 3a1-1(a)(2) exemption must file quarterly reports on Form ATS-R. Each of the approximately 87 ATSs¹⁸ will file 4 quarterly reports per year for 348 responses. We estimate that that the average compliance burden for each response would be 4 hours, comprising 3 hours for an in-house attorney and 1 hour for a compliance

¹⁶ We lowered the estimated number of respondents that will file a Form ATS to account for the NMS Stock ATSs that will file a Form ATS-N in lieu of Form ATS in accordance with Rule 304.

¹⁷ Following the adoption of Rule 304, we estimate that there are currently 46 ATSs that file Form ATS.

¹⁸ This is based on the number of ATSs as of March 31, 2018.

clerk. This would result in a compliance burden of 1392 hours (4 hours x 348 responses).

Under Rule 304 of Regulation ATS, 10 ATSs that trade in NMS stocks are required to file four additional quarterly reports for their NMS stock trading activity. Although we do not believe that those ATSs will incur any additional burden to collect the required information because they currently assemble that information when preparing their current Form ATS-R filings, we believe that they will incur an additional 0.5 hour burden to divide their trading statistics between two forms and file each form separately. Consequently, we estimate that the aggregate annual burden of filing Forms ATS-R should be increased by 20 hours to account for the increased filings by those ATSs that effect transactions in both NMS stocks and non-NMS stocks (10 NMS ATSs x 4 filings annually x 0.5 hours = 20 hours).¹⁹ Thus, the total compliance burden per year for Form ATS-R is 1412 hours (1392 hours + 20 hours).²⁰

d. Form ATS - Cessation of Operations Report

An ATS operating pursuant to the Exchange Act Rule 3a1-1(a)(2) exemption must file a Cessation of Operations report on Form ATS to notice that it has ceased operations. We estimate that 2 ATSs will be required to file a cessation of operations report each year, and that the average compliance burden for each response would be 2 hours, comprising 1.5 hours for an in-house attorney and 0.5 hours for a compliance clerk. Thus, the total compliance burden per year is 4 hours (2 responses x 2 hours = 4 hours).

e. Fair Access Standards Recordkeeping

An ATS operating pursuant to the Exchange Act Rule 3a1-1(a)(2) exemption that exceeds certain volume thresholds and is subject to Rule 301(b)(5)(fair access requirements) must establish standards for granting access on its trading system. Such ATSs are required to make and keep such criteria, so such a requirement creates a recordkeeping burden for ATSs. We estimate that 2 ATSs that register as broker-dealers and comply with Regulation ATS would meet the volume thresholds that trigger fair access obligations, and that the average compliance burden for each response would be 5 hours of in-house professional work. Thus, the total compliance burden per year is 10 hours (2 responses x 5 hours = 10 hours).

f. Fair Access Notices

An ATS operating pursuant to the Exchange Act Rule 3a1-1(a)(2) exemption that are subject to the requirements of Rule 301(b)(5) (fair access requirements) must report on Form ATS-

¹⁹ ((Attorney at .25 hour + Compliance Clerk at .25 hour) x (4 filings annually)) x 10 ATSs = 20 aggregate burden hours.

²⁰ The total responses on Form ATS-R are 388 (348 + 40 = 388 responses).

R²¹ any decision to grant, deny or limit the user's access to the system. We estimate that 2 ATSS that register as broker-dealers and comply with Regulation ATS would meet the volume thresholds that trigger fair access obligations approximately 27 times a year, and that the average compliance burden for each response would be 1 hour of in-house professional work. Thus, the total compliance burden per year is 54 hours (2 respondents x 27 responses each x 1 hour = 54 hours).

g. Systems Capacity, Integrity and Security Recordkeeping

An ATS operating pursuant to the Exchange Act Rule 3a1-1(a)(2) exemption must that exceeds certain volume thresholds and is subject to Rule 301(b)(6) must make records relating to any steps taken to comply with systems capacity, integrity and security requirements under Rule 301.²² We estimate that 1 ATS that operating pursuant to the Exchange Act Rule 3a1-1(a)(2) exemption would trigger this requirement, and that the average compliance burden for each response would be 10 hours of in-house professional work. Thus, the total compliance burden per year is 10 hours (1 respondents x 10 hours = 10 hours).

h. Systems Outage Notices

An ATS operating pursuant to the Exchange Act Rule 3a1-1(a)(2) exemption that exceeds certain volume thresholds and is subject to Rule 301(b)(6) must provide a notice to the Commission to report any systems' outages. We estimate that 1 ATS that operates pursuant to the Exchange Act Rule 3a1-1(a)(2) exemption would meet the volume thresholds that trigger systems' outage notice obligations approximately 5 times a year, and that the average compliance burden for each response would be .25 hours of in-house professional work. Thus, the total compliance burden per year is 1.25 hours (1 respondents x 5 responses each x .25 hours = 1.25 hours).²³

i. Written Safeguards and Procedures

Following the amendments to Rule 301(b)(10), ATSS that have not recorded in writing their safeguards and procedures to protect subscribers' confidential trading information and oversight procedures to ensure such safeguards and procedures are followed, there will be an initial, one-time burden to memorialize them in a written document(s). For ATSS that have already recorded in writing such safeguards and procedures, we believe that the current practices of those ATSS would already be in compliance with the rules and the amendments should not

²¹ Forms ATS-R are filed with the Commission on a confidential basis.

²² See supra note 6 (explaining that ATSS that trade NMS stock and equity securities that are not NMS stock are not required to comply with Rule 301(b)(6) pursuant to Regulation SCI).

²³ We are adding this burden back into the Rule 301 burden because some ATSS (other than ATSS that trade NMS stocks and equities securities that are not NMS stocks) remain subject to 301(b)(6).

require these ATSS to take any actions in addition to those currently undertaken (and thus no additional burden).

In the Proposal for the amendments, we estimated that an ATS's initial, one-time burden to put in writing its safeguards and procedures to protect subscribers' confidential trading information and the oversight procedures to ensure such safeguards and procedures are followed would be 8 hours.²⁴ Because ATSS are already required to have safeguards and procedures to protect subscribers' confidential trading information and to have oversight procedures to ensure such safeguards and procedures are followed, we believe that recording these items in a written format would not impose a substantial burden on ATSS and rely on internal staff to record the ATS's Rule 301(b)(10) procedures in writing. Therefore, we estimate that an ATS's initial, one-time burden to put in writing its safeguards and procedures to protect subscribers' confidential trading information and the oversight procedures to ensure such safeguards and procedures are followed would be approximately 8 hours.²⁵

We estimate that, of the 87 current ATSS, 15 ATSS might not have their safeguards and procedures to protect subscribers' confidential trading information or oversight procedures to ensure such safeguards and procedures are followed in writing, and would therefore be subject to this one-time initial burden.²⁶ Accordingly, we estimate that the aggregate initial, one-time burden on all ATSS would be 120 hours.²⁷

We estimate that the average annual, ongoing burden per ATS to update and preserve written safeguards and written procedures to protect subscribers' confidential trading information, as well as to update and preserve the written standards controlling employees of the ATS trading for their own account and the written oversight procedures, would be 4 hours. As a result, we estimate that the total aggregate, ongoing burden per year for all ATSS would be 348 hours,²⁸ and thus, we are modifying the current PRA burden estimates for Rules 301 to account for this increased burden on ATSS.

j. Aggregate Respondent Reporting Burdens

The estimated average annual aggregate burden for ATSS to comply with Rule 301 of Regulation ATS would be 2,123.25 hours. This estimate is broken down as follows:

²⁴ See Proposal, *supra* note 1, at 81094.

²⁵ Attorney at 7 hours + Compliance Clerk at 1 hour = 8 burden hours.

²⁶ It is likely that most, if not all, ATSS already fulfill their Rule 301(b)(10) obligations in writing, given the practical difficulty in ensuring such safeguards and procedures, as well as oversight procedures, are "adequate," as required under Rule 301(b)(10), and contain all necessary components.

²⁷ (Attorney at 7 hours + Compliance Clerk at 1 hour) x (15 ATSS) = 120 burden hours. The annual burden is aggregated over a three-year period.

²⁸ (Attorney at 2 hours + Compliance Clerk at 2 hours) x 87 ATSS = 348 burden hours.

Initial Operating Reports on Form ATS =	60 hours
Amendments to Form ATS =	184 hours
Quarterly reports on Form ATS-R =	1,392 hours
Additional Forms ATS-R=	20 hours
Cessation of operations report on Form ATS =	4 hours
Fair access standards recordkeeping =	10 hours
Fair access notices =	54 hours
Systems capacity, integrity and security records =	10 hours
Written Confidentiality Procedures (Updates)=	348 hours
Systems outage notices =	1.25 hours
Written safeguards and procedures =	<u>40 hours</u>
	2,123.25 hours

13. Costs to Respondents

We do not estimate any costs to Respondents in addition to the burden hours discussed in Section 12.

14. Cost to Federal Government

There are no federal costs related to material costs for this information collection.

15. Changes in Burden

As compared to the burdens and costs identified in the Commission’s 2015 PRA Submission, the estimated burdens associated with Rule 301 of Regulation ATS have decreased – primarily as a result of NMS Stock ATSS no longer being required to comply with the filing requirements of Rule 301(b)(2). Instead, NMS Stock ATSS are required to comply with Rule 304 and file public disclosures with the Commission on Form ATS-N.

16. Information Collection Planned for Statistical Purposes

Not applicable. The information collections above are not planned for statistical purposes.

17. OMB Expiration Date Display Approval

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

18. Exceptions to Certification for Paperwork Reduction Act Submissions

This collection complies with the requirements in 5 CFR 1320.9.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not involve statistical methods.