

SUPPORTING STATEMENT  
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION  
SUBMISSION FOR RULE 239

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

Rule 239 provides exemptions under the Securities Act of 1933, the Securities exchange Act of 1934 and the Trust Indenture Act of 1939 for security-based swaps issued by certain clearing agencies satisfying certain conditions. Rule 239 under the Securities Act of 1933 exempts the offer and sale of security-based swaps that are or will be issued to eligible contract participants by, and in a transaction involving, a clearing agency that is registered under Exchange Act Section 17A or exempt from such registration by rule, regulation or order of the Commission, from all provisions of the Securities Act, except the anti-fraud provisions of Section 17(a), subject to certain conditions. One condition to the availability of the exemption is that the registered or exempt clearing agency discloses, either in its agreement regarding the security-based swap or on its publicly available website, certain information with respect to the security-based swap.

2. Purpose and Use of the Information Collection

The purpose of the information collection in Rule 239 is to make certain information about security-based swaps that may be cleared by the registered or exempt clearing agency available to eligible contract participants and other market participants. The purpose of the Rule 239 information requirement is to inform investors about whether there is publicly available information about the issuer of the referenced security or the referenced issuer. We believe that a clearing agency likely already is collecting the type of information required by Rule 239.

3. Consideration Given to Information Technology

Rule 239 information will not be filed with the Commission.

4. Duplication of Information

We are not aware of any rules that will conflict with or substantially duplicate Rule 239.

5. Reducing the Burden on Small Entities

Under Section 605(b) of the Regulatory Flexibility Act, the Commission certified that Rule 239 would not have a significant economic impact on a substantial number of small entities.

6. Consequences of Not Conducting Collection

The objectives of making certain information about security-based swaps that may be cleared by the registered or exempt clearing agency available to eligible contract participants and other market participants could not be met with less frequent collection of this information.

7. Special Circumstances

There are no special circumstances.

8. Consultations with Persons Outside the Agency

Rule 239 was proposed for public comment. No comments were received during the 60-day comment period prior to OMB's approval of this submission.

9. Payment or Gift to Respondents

Not applicable.

10. Confidentiality

Rule 239 information will not be filed with the Commission; it will be made publicly available on the registered or exempt clearing agency's website or in an agreement the clearing agency provides or makes available to its counterparty in the security-based swap transaction. The collection of information will not be kept confidential.

11. Sensitive Questions

No information of a sensitive nature, including social security numbers, will be required under this collection of information. The information collection does not collect personally identifiable information (PII). The agency has determined that a system of records notice (SORN) and privacy impact assessment (PIA) are not required in connection with the collection of information.

12. Estimate of Respondent Reporting Burden

Rule 239 submissions take approximately 2 hours per response and are filed approximately 20 times each annually by approximately 6 respondents. We estimate that 75% of the 2 hours per response (1.5 hours) is prepared internally by the clearing agency for a total annual reporting burden of 180 hours (1.5 hours per response x 20 times x 6 respondents). 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. The estimate of burden hours is made solely for the purpose of the Paperwork Reduction Act. It is not derived from a comprehensive or even a representative survey or study of Commission rules and forms.

13. Estimate of Total Annualized Cost Burden

We estimate that 25% of the 2 hours per response (0.5 hours) is prepared by clearing agency outside counsel. We estimate that it will cost \$400 per hour (\$400 x 0.5 hours x 20 times x 6 respondents) for a total cost of \$24,000. 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. The estimated cost burden is made solely for the purposes of the Paperwork Reduction Act. The cost burden is not derived from a comprehensive or even a representative survey or study of the cost of Commission rules and forms.

14. Costs to Federal Government

There is no cost to the Federal Government because the Rule 239 information is not filed with the Commission.

15. Reason for Change in Burden

There is no change in burden.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to Omit OMB 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.