

SUPPORTING STATEMENT
for the Paperwork Reduction Act Information Collection Submission for
Rule 15Bc3-1 and Form MSDW - Withdrawal from Registration of Municipal Securities Dealers

A. JUSTIFICATION

1. Necessity of Information Collection

Rule 15Bc3-1 (17 CFR 240.15Bc3-1) under the Securities Exchange Act of 1934 (the “Act”) provides that bank municipal securities dealers must file a notice of withdrawal from registration on Form MSDW (17 CFR 249.1110). The Commission adopted Rule 15Bc3-1 and Form MSDW pursuant to Sections 15B(c), 17(a), and 23(a) of the Act, 15 U.S.C. 78o4(c), 78q(a), and 78w(a).

2. Purpose and Use of the Information Collection

The Commission uses information obtained through Form MSDW filings in determining whether it is in the public interest to permit a bank municipal securities dealer to withdraw its registration. This information is also important to the municipal securities dealer’s customers and to the public, because it provides, among other things, the name and address of a person to contact regarding any of the municipal securities dealer’s unfinished business. The information requested on Form MSDW includes disclosures concerning whether the registrant is involved in any legal action or proceeding, and the name and address of the person who has or will have custody of the registrant’s books and records that are required to be preserved pursuant to Section 17(a) of the Act.

3. Consideration Given to Information Technology

While the Commission continues to improve its systems for information gathering and compilation through the increasing use of computer technology, the burden associated with filing each Form MSDW is already negligible. Thus, improved information technology will have little effect in reducing the burden.

4. Duplication

One signed original and one signed copy of Form MSD must be filed with the SEC, and an exact copy should be retained by the registrant. In addition, an original signed copy of the form must be filed with registrant’s appropriate bank regulatory agency, determined in accordance with section 3(a)(34) of the Securities Exchange Act of 1934. The information requested on Form MSDW is not available from any other source and is necessary for the Commission to determine whether or not to grant an applicant’s application for registration.

5. Effect on Small Entities

Although some bank municipal securities dealers using Form MSDW may be characterized as small businesses, the need for information on bank municipal securities dealers (as described in item 2 above) is the same regardless of the size of the dealer.

6. Consequences of Not Conducting Collection

If the collection were not conducted, the Commission would not be able to use Form MSDW information for purposes such as evaluating applications for withdrawal from registration and developing risk assessment information about bank municipal securities dealers. Also, the public would not be able to obtain or verify form MSDW information on municipal securities dealers and their associated persons.

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

None.

10. Confidentiality

No assurances of confidentiality are provided.

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, job title, work address, and work telephone. 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. The information collection is collected in paper, but scanned into the EDGAR system. 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. Information Collection Burden

The Commission estimates that the average amount of time necessary to complete Form MSDW is approximately 30 minutes. Based upon past submissions of one filing in 2016, two

filings in 2017, zero filings in 2018, and 1 filing so far in 2019, the Commission estimates that approximately one respondent will utilize Form MSDW annually, with a total for all respondents of 0.5 hours. This estimate is based on the Commission staff's experience in administering the form. The form is available from the Commission, and can usually be completed by checking appropriate boxes and writing the name and address of the bank municipal securities dealer, and the name and address of the person who has or will have custody of the bank municipal securities dealer's books and records. The staff estimates that the average internal compliance cost per hour is approximately \$417.¹ Therefore, the estimated total annual cost of compliance is approximately \$209 per year (0.5 hours/year x \$417/hour = \$208.5/year, rounded up to \$209).

SUMMARY OF ANNUAL INFORMATION COLLECTION BURDEN TO RESPONDENTS

| Burden Type | Number of Annual Responses | Time Per Response (Hours) | Total Annual Burden (Hours) |
|-------------------------------|-----------------------------------|----------------------------------|------------------------------------|
| One-time reporting to the SEC | 1 | 0.5 | 0.5 |

13. Costs to Respondents

There are no costs to respondents other than those identified in item 12, above.

14. Costs to Federal Government

Currently, there are no developmental costs associated with Rule 15Bc3-1 or Form MSDW. The Commission receives approximately one Form MSDW filing per year, and processing or reviewing the filing does not require the Commission to hire any new employees or relocate any existing employees.

15. Changes in Burden

Since the last time Commission staff estimated the burden in 2016, the approximate number of Form MSDW filings received by the Commission each year has decreased from five to one, resulting in a decrease in the estimated total annual hour burden from the 2016 estimate of 2.5 hours to the current estimate of 0.5 hours as detailed in item 12 above.

16. Information Collection Planned for Statistical Purposes

¹ The estimate of \$417 per hour is for a compliance attorney, based on the Securities Industry and Financial Markets Association's Management & Professional Earnings in the Securities Industry 2013, modified by Commission staff to account for an 1800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

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

This collection complies with the requirements in 5 CFR 1320.9.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not employ statistical methods.