

**SUPPORTING STATEMENT**  
**for the Paperwork Reduction Act Information Collection Submission for**  
**“Rule 15Ba2-5”**

A. Justification

1. Necessity of Information Collection

Section 15B(a)(2) of the Securities Exchange Act of 1934 (“Exchange Act”) requires any person who acts as a municipal securities dealer to register with the Commission. On July 7, 1976, effective July 16, 1976 (*see* 41 FR 28948, July 14, 1976), the Commission adopted Rule 15Ba2-5 under the Exchange Act to permit a duly-appointed fiduciary to assume immediate responsibility for the operation of a municipal securities dealer’s business. Without the rule, the fiduciary would not be able to assume operation until it registered as a municipal securities dealer. Under the rule, the registration of a municipal securities dealer is deemed to be the registration of any executor, administrator, guardian, conservator, assignee for the benefit of creditors, receiver, trustee in insolvency or bankruptcy, or other fiduciary, appointed or qualified by order, judgment, or decree of a court of competent jurisdiction to continue the business of such municipal securities dealer, provided that such fiduciary files with the Commission, within 30 days after entering upon the performance of his duties, a statement setting forth as to such fiduciary substantially the same information required by Form MSD or Form BD. The statement is necessary to ensure that the Commission and the public have adequate information about the fiduciary.

The Commission adopted Rule 15Ba2-5 pursuant to Sections 15B(a) and 23(a) of the Exchange Act, 15 USC 78o-4(a) and 78w(a).

2. Purpose and Use of the Information Collection

The rule is part of the Commission’s overall program of administering the municipal securities dealer registration requirements of the Exchange Act. The Commission uses the information disclosed in the fiduciary’s statement (a) to determine whether the fiduciary meets the standards for registration set forth in the Exchange Act, (b) to develop a central registry where members of the public may obtain relevant information about particular municipal securities dealers, (c) to provide information about specific municipal securities dealers to other governmental agencies or securities self-regulatory organizations for investigatory purposes, and (d) to develop in-house statistical information about municipal securities dealers. These things would be unavailable without Rule 15Ba2-5.

3. Consideration Given to Information Technology

The compilation and filing of the data required reflects the complexity of the municipal securities dealing business. Improved technology, in the form of the CRD system, may somewhat reduce the burden for non-bank municipal securities dealers. The CRD system is a computerized data processing and filing system operated by the Financial Industry Regulatory Authority (“FINRA”), which maintains registration information regarding FINRA member firms and their registered personnel for access by

state regulators, certain self-regulatory organizations, and the Commission. This collection system reduces the regulatory burden upon non-bank municipal securities dealers by permitting them to file applications for registration, and amendments thereto, at one central location, rather than having to file separately with the Commission, FINRA, and many state securities commissions. Information received by FINRA is entered into the CRD system and then electronically forwarded to the Commission.

4. Duplication

This rule endeavors to avoid duplication by allowing a fiduciary to continue a registered municipal securities dealer's business based only upon the disclosure of information necessary to protect the investing public.

5. Effect on Small Entities

The statements requested are not extensive, and therefore the collection of information is not unduly burdensome for small entities.

6. Consequences of Not Conducting Collection

These statements are required only upon the occurrence of a single event. Therefore, collection could be no less frequent.

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

Not applicable.

10. Confidentiality

Not applicable. Form MSD is a public document, and statements regarding a fiduciary continuing the business would be public as well. Respondents receive no assurance of confidentiality.

11. Sensitive Questions

No information of a sensitive nature, including social security numbers, will be required under this collection of information. The information collection constitutes a manual collection whereby forms are collected in paper and scanned into the EDGAR

system. The information collection collects basic Personally Identifiable Information (PII) that may include name, maiden name, alias, home address, telephone number, zip code, criminal/civil history, occupation, job title, work address, education, work telephone and work history. However, the agency has determined that the information collection does not constitute a system of records 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. Burden of Information Collection

The burden of information collection is estimated to involve approximately 1 respondent making 1 response per year. The response is estimated to require an average of 4 hours. Thus, the total compliance burden is estimated to be 4 burden hours per year. This burden is a one-time reporting burden. The approximate cost per hour is \$20, resulting in a total annual internal compliance cost of approximately \$80 (i.e., 4 hours x \$20).

<b>Rule</b>	<b>Burden Type</b>	<b>Number of Respondents</b>	<b>Number of Annual Responses Per Respondent</b>	<b>Time Per Response (Hours)</b>	<b>Total Burden Per Burden Type (Hours)</b>
15Ba2-5	Reporting	1	1	4	4

13. Costs to Respondents

None.

14. Costs to Federal Government

Currently, there are no developmental costs associated with Rule 15Ba2-5 or Form MSD. The Commission receives approximately 1 Form MSD filing per year from a respondent to comply with this rule. Processing or reviewing the filings does not require the Commission to hire any new employees or relocate any existing employees.

15. Changes in Burden

Not applicable. The burden is the same as the previous submission.

16. Information Collection Planned for Statistical Purposes

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

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. Collection of Information Employing Statistical Methods.

This collection does not involve statistical methods.