

SUPPORTING STATEMENT  
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION  
SUBMISSION FOR SECURITIES ACT RULE 163

A. JUSTIFICATION

1. and 2. Circumstances Making the Collection of Information Necessary and Purpose and Use of the Information Collection

Rule 163 was adopted on July 19, 2005 in connection with new communication rules in Release No. 33-8591 (“Securities Offering Reform”). Rule 163 provides an exemption from Section 5(c) under the Securities Act for certain communications by, or on behalf of, a well-known seasoned issuer. A primary purpose of the rule is to give eligible well-known seasoned issuers freedom to communicate with investors at any time, including by means of a written offer other than a statutory prospectus.

3. Consideration Given to Information Technology

Rule 163 communications are filed with the Commission electronically using the Commission’s Electronic Data Gathering, Analysis and Retrieval System (EDGAR).

4. Duplication of Information

There are no other filing requirements that duplicate this information collection.

5. Reducing the Burden on Small Entities

All issuers, including small business issuers, have discretion as to whether or not they want to disseminate written communications under Rule 163. Furthermore, Rule 163 was adopted in connection with other revisions, all of which were intended to decrease costs and burdens for all issuers, including small business issuers, and enhance communications between issuers and investors.

6. Consequences of Not Conducting Collection

Rule 163 requires filing of written communications only when issuers choose to disseminate them. Less frequent collection could compromise investor protection.

7. Special Circumstances

There are no special circumstances.

8. Consultations with Persons Outside the Agency

No comments were received on this request during the 60-day comment period prior to OMB's review of this submission.

9. Payment or Gift to Respondents

No payment or gift has been provided to any respondents.

10. Confidentiality

The information filed under Rule 163 is publicly available.

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, work email address, and work phone number. 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. 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 February 5, 2020, is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

12. Estimate of Respondent Reporting Burden**Table of Reporting Burden Due to an Extension Request**

Information Collection Title	OMB Control Number	Number of Responses	Burden Hours
Rule 163	3235-0619	10	1

We estimate that it takes approximately 0.24 burden hours per response to provide the information required under Rule 163 and that the information is filed by approximately 10 issuers. 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. We further estimate that 25% of the collection of information burden is carried by the issuer internally and that 75% of the burden of preparation is carried by outside professionals retained by the company. Based on our estimate, we calculate that 25% of the 0.24 hours per response (0.06 hours) is prepared by the issuer for a total annual reporting burden of 1 hour (0.06 hours per response x 10 responses). For administrative convenience, the presentation of the totals related to the paperwork burden hours have been rounded to the nearest whole number and the cost totals have been rounded to the nearest dollar. The estimated burden hours are made solely for the purpose of the Paperwork Reduction Act.

13. Estimate of Total Annualized Cost Burden

**Table of Cost Burden Due to Extension Request**

Information Collection Title	OMB Control Number	Number of Responses	Cost Burden
Rule 163	3235-0619	10	\$720

We estimated that 75% of the 0.24 hours per response (0.18 hours) is prepared by the issuer outside counsel. We estimate that Rule 163 compliance will cost \$400 per hour (\$400 x 0.18 hours per response x 10 responses) for a total cost of \$720. 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. For administrative convenience, the presentation of the totals related to the paperwork burden hours have been rounded to the nearest whole number and the cost totals have been rounded to the nearest dollar. The cost estimate is made solely for the purpose of the Paperwork Reduction Act.

14. Costs to Federal Government

The annual cost of reviewing and processing disclosure documents, including registration statements, post-effective amendments, proxy statements, annual reports and other filings of operating companies amounted to approximately \$103,479,690 in fiscal year 2019, based on the Commission's computation of the value of staff time devoted to this activity and related overhead.

15. Reason for Change in Burden

There is no change in burden.

16. Information Collection Planned for Statistical Purposes

The information collection is not planned for statistical purposes.

17. Approval to Omit Expiration Date

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

18. Exceptions to Certification for Paperwork Reduction Act Submissions

There are no exceptions to certification for the Paperwork Reduction Act submissions.

B. STATISTICAL METHODS

The information collection does not employ statistical methods.