

SUPPORTING STATEMENT FOR AMENDMENTS TO THE RULES RELATING TO FACILITATING CAPITAL FORMATION AND EXPANDING INVESTMENT OPPORTUNITIES BY IMPROVING ACCESS TO CAPITAL IN PRIVATE MARKETS

This supporting statement is part of a submission under the Paperwork Reduction Act of 1995, 44 U.S.C. §3501, *et seq.*

A. JUSTIFICATION

1. CIRCUMSTANCES MAKING THE COLLECTION OF INFORMATION NECESSARY

In Release No. 33-10884,¹ the Commission adopted amendments to simplify, harmonize, and improve certain aspects of the exempt offering framework to promote capital formation while preserving or enhancing important investor protections. The amendments generally retain the current exempt offering structure and reduce potential friction points identified by commenters, which together are intended to facilitate capital formation while preserving and in some cases enhancing investor protections. More specifically, the amendments:

- Address the ability of issuers to move from one exemption to another;
- set clear and consistent rules governing offering communications between investors and issuers;
- Address potential gaps and inconsistencies in Commission rules relating to offering and investment limits; and
- Harmonize certain disclosure requirements and bad actor disqualification provisions.

The amendments contain “collection of information” requirements within the meaning of the Paperwork Reduction Act of 1995 (“PRA”). The titles of the collections of information impacted by the amendments are:²

- “Regulation A (Form 1-A)” (OMB Control No. 3235-0286);
- “Form D” (OMB Control No. 3235-0076); and
- “Form C” (OMB Control No. 3235-0716).

¹ *Facilitating Capital Formation and Expanding Investment Opportunities by Improving Access to Capital in Private Markets*, Release No. 33-10884 (Nov. 2, 2020), a copy of which is attached.

² The amendments also revise the confidential information standard used in our exhibit filing requirements to provide that information may be redacted if it is both not material and the type that the registrant treats as private or confidential. A number of collections of information could be affected by this amendment, including Form 10-K (OMB Control No. 3235-0063), Form 10-Q (OMB Control No. 3235-0070), Form 8-K (OMB Control No. 3235-0060), Form S-1 (OMB Control No. 3235-0065), and Form 10 (OMB Control No. 3235-0064); as well as Form S-6 (OMB Control No. 3235-0184); Form N-14 (OMB Control No. 3235-0336); Form 20-F (OMB Control No. 3235-0288); Form F-1 (OMB Control No. 3235-0258); Form N-1A (OMB Control No. 3235-0307); Form N-2 (OMB Control No. 3235-0026); Form N-3 (OMB Control No. 3235-0316); Form N-4 (OMB Control No. 3235-0318); Form N-5 (OMB Control No. 3235-0169); Form N-6 (OMB Control No. 3235-0503); and Form N-8B-2 (OMB Control No. 3235-0186). We believe that the standard does not change the paperwork burden associated with these collections of information because the revised standard will be applied in similar circumstances and in a similar way as the current standard.

We are combining the existing collections of information for Rule 504(b)(3), Rule 506(e), and Form D in a collection of information that covers all of the PRA compliance burdens for Regulation D. For administrative convenience and because the form itself is not changing, we intend to use the OMB Control Number for existing Form D for the combined collection of information and rename that existing collection of information “Regulation D (Form D)”.

2. PURPOSE AND USE OF THE INFORMATION COLLECTION

The regulations and forms listed above were adopted under the Securities Act and set forth filing and disclosure requirements associated with exempt offerings. The filing and disclosure requirements are intended to help investors make informed investment decisions by ensuring the adequacy of information available to investors and providing empirical data on the use of the exemptions.

The purpose of the amendments is to address gaps and complexities in the exempt offering framework and help provide viable alternatives to the dominant capital raising tools, such as offerings to accredited investors under Rule 506(b) of Regulation D, benefiting issuers and investors by creating an offering framework that is more consistent, transparent, and manageable, and that reflects the evolving capital needs of our markets.

3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY

The collection of information requirements of the amendments are set forth in Regulation A (Form 1-A), Regulation D (Form D), and Form C. The information required by these rules is either not filed or filed electronically with the Commission using the Commission’s Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system.

4. DUPLICATION OF INFORMATION

We believe that the amendments do not duplicate, overlap, or conflict with other federal rules.

5. REDUCING THE BURDEN ON SMALL ENTITIES

The amendments affect issuers that are small entities, however the amendments are expected to promote capital formation through exempt offerings and create additional flexibility for all issuers. Because the amendments affect all issuers conducting offerings exempt from registration under the Securities Act, which includes companies not subject to ongoing reporting obligations under the Exchange Act, Regulation A, or Regulation Crowdfunding, it is difficult to estimate the number of small entities that are eligible to rely on the amendments.

Many of the amendments are expected to be of greatest benefit to the capital raising efforts of small entities that may lack existing external funding and appear to face the greatest constraints in obtaining external financing. Examples of this include: amendments to integration principles that are intended to facilitate multiple offerings, including offerings with general solicitation; amendments expanding investment limits and issuer eligibility under Regulation Crowdfunding; amendments tailoring the financial statement disclosure requirements for non-

accredited investor sales under Rule 506(b); and amendments expanding the offering limits for Regulation Crowdfunding, Rule 504, and Regulation A. In addition, certain of the amended exemptions, such as to Regulation Crowdfunding and Rule 504, have eligibility requirements and other restrictions that increase the likelihood that such rules will be relied upon by small businesses that are seeking to raise relatively small amounts of capital without incurring the costs of conducting a registered offering. We acknowledge that any costs of the amendments borne by the affected entities, such as those related to compliance with the amendments, or the implementation or restructuring of internal systems needed to adjust to the amendments, could have a proportionally greater effect on small entities, as they may be less able to bear such costs relative to larger entities.

6. CONSEQUENCES OF NOT CONDUCTING COLLECTION

The regulations and forms listed above set forth filing and disclosure requirements associated with exempt offerings to help investors make informed investment decisions. Failure to conduct these collections of information would reduce the information available to investors to make these decisions.

7. SPECIAL CIRCUMSTANCES

There are no special circumstances in connection with these amendments.

8. CONSULTATIONS WITH PERSONS OUTSIDE THE AGENCY

The rule amendments are part of an evaluation of the Commission's exempt offering framework. On June 18, 2019, the Commission issued a concept release that solicited public comment on possible ways to simplify, harmonize, and improve the exempt offering framework under the Securities Act to promote capital formation and expand investment opportunities while maintaining appropriate investor protections.³ On March 4, 2020, the Commission proposed the amendments and requested comment on its proposals to improve the exempt offering framework as well as specific provisions of the existing exemptions.⁴ In addition, the Commission receives input on small business issues from other market committees, such as the SEC Small Business Capital Formation Advisory Committee, and the SEC Government-Business Forum on Small Business Capital Formation.⁵

9. PAYMENT OR GIFT TO RESPONDENTS

³ *Concept Release on Harmonization of Securities Offering Exemptions*, Release No. 33-10649 (June 18, 2019) [84 FR 30460 (June 26, 2019)] (“Concept Release”).

⁴ *Facilitating Capital Formation and Expanding Investment Opportunities by Improving Access to Capital in Private Markets*, Release No. 33-10763 (Mar. 4, 2020) [85 FR 17956 (Mar. 31, 2020)].

⁵ *See, e.g.*, Recommendation of the SEC Small Business Capital Formation Advisory Committee regarding the exemptive offering framework (Dec. 13, 2019), *available at* <https://www.sec.gov/spotlight/sbcfac/recommendation-harmonization-general-principles.pdf>; and Report of the 2019 SEC Government-Business Forum on Small Business Capital Formation (Dec. 2019), *available at* <https://www.sec.gov/files/small-business-forum-report-2019.pdf>.

No payment or gift has been provided to any respondents.

10. CONFIDENTIALITY

Documents submitted to the Commission are available to the public. However, Rule 251(e) (§ 230.251(e)) of Regulation A allows for requests for confidential treatment to be made under existing Rule 406 (§ 230.406) for information required to be filed with the Commission and existing Rule 83 (§ 230.86) for information not required to be filed with the Commission. Rule 252(d) (§ 230.252(d)) also allows for a draft Form 1-A to be submitted for non-public review by the Commission's staff.

11. SENSITIVE QUESTIONS

No information of a sensitive nature will be required under these amendments. These information collections collect basic Personally Identifiable Information (PII) that may include a name and job title. However, the agency has determined that these information collections do 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. /13. ESTIMATES OF HOUR AND COST BURDENS

The estimated burden hours and cost burden are made solely for the purposes of the Paperwork Reduction Act and represent the average burden for all issuers. The cost burden is not derived from a comprehensive or even a representative survey of the costs of Commission rules and forms.

PRA Table 1 summarizes the estimated effects of the amendments on the paperwork burdens associated with the affected collections of information.

PRA Table 1. Estimated Paperwork Burden Effects of the Amendments

Amendments and Effects	Affected Collections of Information	Estimated Net Effect
<p>Regulation D:</p> <ul style="list-style-type: none"> • Revise and rename the existing Form D collection of information to provide a new collection of information to encompass disclosure required by Regulation D, including the following: <ul style="list-style-type: none"> ○ Form D; ○ Financial statement and non-financial statement information and delivery requirements, including the requirement to provide the purchaser with generic solicitation of interest materials (Rule 502(b)); and ○ Felon and bad actor disclosure requirements (Rules 504(b)(3)) and 506(e). 	<ul style="list-style-type: none"> • Regulation D (including Form D, Rule 502(b), Rule 504(b)(3), and Rule 506(e)) 	<ul style="list-style-type: none"> • 5 hour compliance burden per response to the combined new collection of information
<p>Regulation A:</p> <ul style="list-style-type: none"> • Requiring the filing of generic solicitation of interest materials. <i>Estimated burden increase: 0.5 hours per form.</i> • Simplifying compliance with Regulation A by conforming certain requirements with similar requirements for registered offerings (including permitting the redaction of confidential information in certain exhibits; permitting incorporation by reference of financial statements in the offering circular; and simplifying the requirements for making non-public documents available to the public on EDGAR). <i>Estimated burden decrease: 2.5 hours per form.</i> • We believe that increasing the offering limits under Regulation A will not affect the burden estimate per form, but we estimate that the increase in offering limit would increase the number of filings on Form 1-A by 25. 	<ul style="list-style-type: none"> • Regulation A (Form 1-A) 	<ul style="list-style-type: none"> • 2 hour net decrease in compliance burden per form • 25 additional responses
<p>Regulation Crowdfunding:</p> <ul style="list-style-type: none"> • Requiring the filing of generic solicitation of interest materials and solicitations of interest under Rule 206; and requiring disclosure about a co-issuer on Form C when an SPV is used. <i>Estimated burden increase: 1 hour per form.</i> • We believe that increasing the offering limits under Regulation Crowdfunding will not affect the burden estimate per form, but we estimate that the increase in the offering limit will increase the number of filings on Form C by 55. 	<ul style="list-style-type: none"> • Form C 	<ul style="list-style-type: none"> • 1 hour net increase in compliance burden per form • 55 additional responses

Although we estimate that the amendments to Regulation D will not have a net effect on the current burdens relating to Regulation D, we are changing how we allocate those burdens to an information collection for PRA purposes. In particular, the amendments establish a single

collection of information for Regulation D (Form D) to encompass all of the associated paperwork burdens. The estimates for this new collection of information include the existing burdens associated with Form D, Rule 504(b)(3), and Rule 506(e), as well as other burdens resulting from the implementation of Regulation D. As a result, the new collection of information for Regulation D (Form D) reflects an increase from the aggregated burdens for the existing Form D, Rule 504(b)(3), and Rule 506(e) collections of information.⁶

We estimate for purposes of the PRA that the changes to Regulation A described in PRA Table 1 will result in a net decrease in compliance burden of 2 hours per form. However, we also estimate 25 additional respondents. Although it is not possible to predict with any degree of certainty the increase in the number of Regulation A offerings following the amendments, we estimate for purposes of the PRA an approximate 20 percent increase in the number of new Regulation A offerings (from 125 filings in 2019) resulting in 25 additional respondents. It is possible that the increase in the offering limit may also increase the number of Form 1-K, Form 1-SA, Form 1-U, and Form 1-Z filings. However, due to uncertainties regarding whether any increase in Tier 2 offerings would be conducted by Exchange Act reporting companies, we are not increasing the number of responses for the associated collections of information at this time.

We estimate for purposes of the PRA that the changes to Regulation Crowdfunding described in PRA Table 1 will result in a net increase in compliance burden of 1 hour per form. We also estimate 55 additional respondents. Although it is not possible to predict with any degree of certainty the increase in the number of Regulation Crowdfunding offerings following the amendments, we estimate for purposes of the PRA an approximate 10 percent increase in the number of new Regulation Crowdfunding offerings (as applied to the 552 offerings in the second full year since effectiveness of the rules) resulting in 55 additional respondents.

We do not believe that the amendments with respect to the use of general solicitation in exempt offerings, integration of offerings, harmonization of bad actor disqualification provisions in Regulation A and Regulation Crowdfunding with those in Regulation D, excluding Exchange Act registrants that are delinquent filers from relying on Regulation A, or increasing the investment limits under Regulation Crowdfunding will modify the number of new filings or the burdens for those filings in a way that we can calculate.

Below we estimate the incremental and aggregate changes in paperwork burden as a result of the amendments. These estimates represent the average burden for all issuers, both large and small. In deriving our estimates, we recognize that the burdens will likely vary among individual issuers based on a number of factors, including the nature of their business. We believe that the amendments will change the frequency of responses to the existing collections of information and the burden per response.

⁶ See PRA Tables 6 and 7 below. We are including in the Regulation D (Form D) collection of information a burden for the financial statement and non-financial statement information and delivery requirements in Rule 502(b), however, we estimate this burden to be limited and is included in the additional 1 hour that is being added to Form D to account for the burdens from Rule 504(b)(3) and Rule 506(e). We believe the burden generally relates to the compiling and formatting of information already prepared and available to the issuer, such as providing additional copies of existing financial information in an issuer's offering materials.

The burden estimates were calculated by adding the estimated additional responses to the existing estimated responses and multiplying the estimated number of responses by the estimated average amount of time it takes an issuer to prepare and review disclosure required under the amendments. For purposes of the PRA, the burden is to be allocated between internal burden hours and outside professional costs. PRA Table 2⁷ sets forth the percentage estimates we typically use for the burden allocation for each collection of information and the estimated burden allocation for the collection of information for Regulation D (Form D). We also estimate that the average cost of retaining outside professionals is \$400 per hour.⁸

PRA Table 2. Estimated Burden Allocation for Specified Collections of Information

Collection of Information	Internal	Outside Professionals
Form 1-A, Form C	75%	25%
Regulation D (Form D)	25%	75%

PRA Table 3⁹ illustrates the incremental change to the total annual compliance burden of affected forms, in hours and in costs, as a result of the amendments' estimated effect on the paperwork burden per response.

PRA Table 3. Calculation of the Incremental Change in Burden Estimates of Current Responses Resulting from the Amendments

Collection of Information	Number of Estimated Affected Responses (A) ^{a10}	Burden Hour Affect per Current Affected Response (B)	Change in Burden Hours (C) = (A) x (B)	Change in Company Hours (D) = (C) x 0.75	Change in Professional Hours (E) = (C) x 0.25	Change in Professional Costs (F) = (E) x \$400
Form 1-A	204	(2)	(408)	(306)	(102)	(\$40,800)
Form C	5,907	1	5907	4,430	1,477	\$590,800

PRA Table 4 illustrates the incremental change to the total annual compliance burden of affected forms, in hours and in costs, as a result of the amendments' estimated effect on the number of responses.

⁷ Here and in the tables below, we derived current estimated burdens and burden allocations for Regulation D (Form D) using the estimates for Form D, Rule 504(b)(3), and Rule 506(e).

⁸ We recognize that the costs of retaining outside professionals may vary depending on the nature of the professional services, but for purposes of this PRA analysis, we estimate that such costs would be an average of \$400 per hour. This estimate is based on consultations with registrants, law firms, and other persons who regularly assist registrants in preparing and filing reports with the Commission.

⁹ The estimated reductions in Columns (C), (D) and (E) are rounded to the nearest whole number.

¹⁰ The number of estimated affected responses is based on the number of responses in the Commission's current OMB PRA filing inventory plus the number of additional responses we estimate as a result of the amendments (25 responses for Regulation A (Form 1-A), and 55 responses for Form C). The OMB PRA filing inventory represents a three-year average.

PRA Table 4. Calculation of the Change in Burden Estimates as a Result of Change in Number of Responses Resulting from the Amendments

Collection of Information	Current Burden			Program Change		
	Current Annual Responses (A)	Current Burden Hours (B)	Current Cost Burden (C)	Estimated Additional Responses (D)	Change in Company Hours (E) = ((B)/(A)) x (D)	Change in Professional Costs (F) = ((C)/(A)) x (D)
Form 1-A	179	98,396	\$13,111,912	25	13,742	\$1,932,390
Form C	5,852	214,928	\$28,500,000	55	2,020	\$267,857

PRA Table 5 summarizes the requested paperwork burden, including the estimated total reporting burdens and costs, under the amendments. Column (D) of PRA Table 5 includes additional responses estimated as a result of the amendments.

PRA Table 5. Requested Paperwork Burden under the Amendments

Collection of Information	Current Burden			Program Change			Requested Change in Burden		
	Current Annual Responses (A)	Current Burden Hours (B)	Current Cost Burden (C)	Number of Affected Responses (D)	Change in Company Hours (E) ¹¹	Change in Professional Costs (F) ¹²	Annual Responses (G)	Burden Hours (H) = (B) + (E)	Cost Burden (I) = (C) + (F)
Form 1-A	179	98,396	\$13,111,912	204	13,436	\$1,891,590	204	111,832	\$15,003,502
Form C	5,852	214,928	\$28,500,000	5,907	6,450	\$858,657	5,907	221,378	\$29,358,657

PRA Table 6 summarizes the current burden estimates for 3235-0746), 3235-0704); and “Form D” (OMB Control No. 3235–0076).

¹¹ From Column (D) in PRA Table 3 and Column (E) in PRA Table 4.

¹² From Column (F) in PRA Table 3.

PRA Table 6. Existing Paperwork Burden for Form D¹³ under Regulation D

Collection of Information	Paperwork Burden		
	Annual Responses	Burden Hours	Cost Burden
Regulation D Rule 504(b)(3)	808	880	\$9,600
Regulation D Rule 506(e)	19,908	22,108	\$264,000
Form D	23,571	23,571	\$28,285,200

PRA Table 7 summarizes the requested paperwork burden for the new Regulation D (Form D) collection of information, which for administrative convenience will be provided under the existing Form D OMB Control Number, including the estimated total reporting burdens and costs, under the amendments. As discussed above, we estimate that there is no burden increase or increase in the number of filings from the amendments. However, we are combining the burdens from the existing Form D, Rule 504(b)(3), and Rule 506(e) collections of information as well as the additional burden relating to Rule 502(b).¹⁴ For purposes of the PRA, we estimate that new Regulation D (Form D), which was formerly Form D, will entail a 5 hour compliance burden per response with 23,571 annual responses (derived from the current 23,571 annual responses for Form D). Compared to the existing Form D collection of information, this results in an increase of 5,893 burden hours and an increase of \$7,071,300 for the services of outside professionals in the newly named and configured Regulation D collection of information.

PRA Table 7. Requested Paperwork Burden for Regulation D (Form D)

Collection of Information	Current Burden			Program Change			Requested Change in Burden		
	Current Annual Responses (A)	Current Burden Hours (B)	Current Cost Burden (C)	Number of Affected Responses (D)	Change in Company Hours (E)	Change in Professional Costs (F)	Annual Responses (G)	Burden Hours (H) = (B) + (E)	Cost Burden (I) = (C) + (F)
Regulation D (Form D)	23,571	23,571	\$28,285,200	23,571	5,893	\$7,071,300	23,571	29,463.75	\$35,356,500

¹³ At the time of the rule proposal, we relied on the then current estimate for the number of annual responses, 26,000. In extending the collection of information, the estimated annual responses was revised down to 23,571. This supporting statement uses the current OMB inventory.

¹⁴ We expect the amendments providing an additional method to verify an investor's accredited investor status and increasing the offering limit under Rule 504 could lead to additional Rule 506(c) or Rule 504 offerings. However, some of these offerings may be conducted by issuers switching from other Regulation D exemptions. Additionally, some of the issuers conducting the additional Regulation A or Regulation Crowdfunding offerings may be switching from Regulation D offerings. Because it is difficult to predict the net impact of the amendments on the overall number of Regulation D responses, we are not adjusting the current estimate of responses at this time.

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 \$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

15. REASON FOR CHANGE IN BURDEN

As explained in further detail in Items 1, 12 and 13 above, we expect that changes in burden for Regulation A/Form 1-A, Regulation Crowdfunding/Form C, and Regulation D (Form D) will result from the amendments. Together the amendments are intended to facilitate capital formation while preserving and in some cases enhancing investor protections. Additionally, the changes in burden for Regulation D (Form D) result from combining the burdens of the existing Form D, Rule 504(b)(3), and Rule 506(e) collections of information as well as the other burdens resulting from the implementation of Regulation D.

16. INFORMATION COLLECTION PLANNED FOR STATISTICAL PURPOSES

The information collections do not employ statistical methods.

17. APPROVAL TO OMIT OMB EXPIRATION DATE

We request authorization to omit the expiration date on the electronic version of the forms. Including the expiration date on the electronic version of the forms will result in increased costs, because the need to make changes to the forms may not follow the application's scheduled version release dates. The OMB control number will be displayed.

¹⁵ The paperwork burdens for Regulation S-K that are imposed for Regulation S-K are imposed through the forms that are subject to the requirements in these regulations and are reflected in the analysis of those forms. OMB has discontinued the OMB Control Number for this regulation so that the PRA inventory would not reflect duplicative burdens.

18. **EXCEPTIONS TO CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS**

There are no exceptions for the Paperwork Reduction Act submissions.

B. STATISTICAL METHODS

The information collections do not employ statistical methods.

Regulation A (Form 1-A) Short Statement

The amendments simplify compliance with Regulation A by conforming certain requirements with similar requirements for registered offerings (including permitting the redaction of confidential information in certain exhibits; permitting incorporation by reference of financial statements in the offering circular; and simplifying the requirements for making non-public documents available to the public on EDGAR). Additionally, the amendments require the filing of generic solicitation of interest materials and increase the offering limit under Regulation A. As a result of these amendments, we estimate that the impact will be an increase in the number of filers and paperwork burden of affected entities. For purposes of the PRA, we estimate that, for Regulation A (Form 1-A), the amendments will result in a net increase of 25 Form 1-A filings, a net increase of 13,436 burden hours, and a net increase of \$1,891,590 in cost burden for the services of outside professionals.

Form C Short Statement

The amendments: limit the types of securities offered, permit the use of certain special purpose vehicles, require disclosure about co-issuers when such vehicles are used; permit the use of generic and Regulation Crowdfunding-specific solicitation of interest materials and the filing of such materials; increase the offering limit and investment limit; and harmonize bad actor disqualification provisions with Regulation A and Regulation D. As a result of these amendments, we estimate that the impact would be an increase in the number of filers and paperwork burden of affected entities. For purposes of the PRA, we estimate that, for Form C, the amendments will result in a net increase of 55 Form C filings, a net increase of 6,450 burden hours, and a net increase of \$858,657 in cost burden for the services of outside professionals.

Regulation D (Form D) Short Statement

The amendments revise the financial statement and non-financial information and delivery requirements (including the requirement to provide the purchaser with generic solicitation materials), provide an additional method to verify an investor's accredited investor status, and raise the offering limit under Rule 504. We estimate for purposes of the PRA that there is no net effect on the current burden hours per response relating to Regulation D as a result of the amendments.

However, we are establishing a single collection of information for Regulation D (Form D) to encompass all of the associated paperwork burdens under Regulation D. The estimates for this new collection of information include the existing burden estimated for Form D, Rule 504(b)(3), and Rule 506(e), as well as other burdens resulting from the implementation of Regulation D. For purposes of the PRA, we estimate the new Regulation D (Form D) collection of information to be 29,464 burden hours and \$35,356,500 for the services of outside professionals.