

SUPPORTING STATEMENT  
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION  
SUBMISSION FOR FORM 3

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

Pursuant to Section 16(a) of the Securities Exchange Act of 1934 (“Exchange Act”), every person who owns more than ten percent of any class of equity security (other than an exempted security) which is requested under Section 12 of the Exchange Act, or who is a director or an officer of the issuer of such security (collectively “reporting persons”) are required to file statements disclosing their ownership of the issuer’s equity securities. Form 3 must be filed within ten days after the event by which the person becomes a reporting person.

Congress enacted Section 16 in 1934 to combat the many abuses of insider trading. Congress also updated the Section 16 reporting requirements through the Sarbanes-Oxley Act of 2002. Congress found evidence of officers, directors, and major shareholders who manipulated stock prices and profited from information at their disposal. The section was intended to be a defense to curb such abuses through disclosure and short-swing profit recovery.

2. Purpose and Use of the Information Collection

The principal function of the Commission’s forms and rules under the disclosure provisions of the federal securities laws is to make information available to the securities market. Moreover, the information required by the Commission permits verification of compliance with securities law requirements and assures the public availability and dissemination of such information. The Commission uses little of the collected information itself (except on an occasional basis in the enforcement of the securities laws). In this respect, these information collections differ significantly from most other federal information collections that are primarily used for the benefit of the collecting agency.

3. Consideration Given to Information Technology

The Commission requires the electronic filing of Form 3 through the Electronic Data Gathering, Analysis and Retrieval (EDGAR) computerized filing system.

4. Duplication of Information

Although some of the Form 3 disclosure requirements may overlap with Form 144, Schedule 13D and Schedule 13G reporting requirements; such requirements typically serve different purposes and affect different classes of filers.

5. Reducing the Burden on Small Entities

Only reporting persons of small entities that have securities registered under Exchange Act Section 12 are subject to the information collection requirements of Forms 3.

6. Consequences of Not Conducting Collection

The legislative intent behind this information collection could not be met by fewer collections. The protection of investors as mandated by the federal securities laws requires insiders of companies with securities registered under Section 12 to disclose basic information about their securities ownership and transactions.

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-days 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

Form 3 is a public document.

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, address and zip code. 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**Estimated Reporting Burden**

Information Collection Title	OMB Control Number	Number of Responses	Burden Hours
Form 3	3235-0104	21,968	10,984

For purposes of the Paperwork Reduction Act (“PRA”), we estimate that Form 3 takes approximately 0.5 hours per response to comply with the collection of information requirements and is filed by 21,968 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. We further estimate that 100% of the collection of information burden is carried by the reporting person. Based on our estimates, we calculated the total reporting burden to be 10,984 hours (0.5 hours per response x 21,968 responses). For administrative convenience, the presentation of the total related to the paperwork burden hours has been rounded to the nearest whole number. The estimated burden hours are made solely for the purpose of the Paperwork Reduction Act.

13. Estimate of Total Annualized Cost Burden

We estimate that there is no cost associated with this information collection because we believe that Form 3 is generally prepared by the filer or by corporate counsel as opposed to outside counsel.

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 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

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

B. STATISTICAL METHODS

The information collection does not employ statistical methods.