

SUPPORTING STATEMENT
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION
SUBMISSION FOR RULE 12g3-2

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

The Securities Exchange Act of 1934 (“Exchange Act”) is intended to ensure that secondary markets for publicly traded securities are fair and honest. The principal means by which the Exchange Act carries out this purpose include regulation of broker-dealers, registration of exchanged-traded and other securities, remedial provisions for fraud in securities transactions and manipulation of regulated securities markets, and limits on the extension of credit for securities purposes. In addition, they include issuer registration and periodic reporting requirements prescribed by the Securities and Exchange Commission (“Commission”) pursuant to its authority in Sections 12(b), 12(g), 13(a) and 15(d) of the Exchange Act.

Exchange Act Section 12(g)(3) provides that the Commission may exempt from the registration requirements of Section 12(g)(1) any security of a foreign issuer if the Commission finds that such exemption is in the public interest and is consistent with the protection of investors. The Commission has exercised its authority under Section 12(g)(3) by providing an exemption from such requirements to a foreign private issuer that provides certain information to the Commission that is publicly available in accordance with the laws of the foreign jurisdiction in which the foreign private issuer is domiciled, incorporated or organized, or the rules of the foreign stock exchange on which its securities are traded, or that has been distributed or is required to be distributed to its security holders (together the issuer’s “non-U.S. disclosure documents”), and that otherwise satisfies other conditions as currently specified in Exchange Act Rule 12g3-2.

In 1992, the Commission received approval to use Forms 12-F and 12-FA to collect the information required by Rule 12g3-2. Those forms were never adopted, however. Therefore, the information required by Rule 12g3-2 currently is not submitted to the Commission on a prescribed form.

2. Purpose and Use of the Information Collection

The principal function of the Commission's forms, schedules and rules under the securities laws' disclosure provisions is to make information available to investors. The information required to be filed with and submitted to the Commission permits verification of compliance with securities law requirements and assures the public availability and dissemination of such information. Private contractors reproduce much of the submitted information and provide it to private parties. Many other persons obtain information directly from the Commission's files located in the Public Reference Room. Security holders, investors, broker-dealers, investment banking firms, professional securities analysts and

others can use this information to evaluate securities and make investment decisions with respect to such securities.

3. Consideration Given to Information Technology

The information required by Rule 12g3-2 is filed electronically using the Electronic Data Gathering, Analysis and Retrieval (“EDGAR”) System.

4. Duplication of Information

The information required by Rule 12g3-2 is designed to provide investors in foreign securities with information concerning such securities and the foreign issuer. This information is not otherwise readily available in the United States.

5. Reducing the Burden on Small Entities

There are no qualifications for use of Rule 12g3-2 based on size of the applying foreign private issuer. Thus, the rules do not discriminate against small issuers.

6. Consequences of Not Conducting Collection

Persons in the United States considering investment in securities issued by foreign companies would find it more difficult and expensive to obtain the necessary information if not required by the Commission.

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.

9. Payments or Gift to Respondents

No payment or gift has been provided to any respondents.

10. Confidentiality

Information submitted pursuant to Rule 12g3-2 is public.

11. Sensitive Questions

No information of a sensitive nature, including social security numbers, will be required under this collection of information. The information collection does not collect personally identifiable information (PII). The agency has determined that a system of records notice (SORN) and privacy impact assessment (PIA) are not required in connection with the collection of information.

12. Estimate of Respondent Reporting Burden

Estimated Reporting Burden

Information Collection Title	OMB Control Number	Number of Responses	Burden Hours
Rule 12g-3	3235-0119	16,632	37,206

For purposes of the Paperwork Reduction Act (“PRA”), we estimate that approximately 1,386 respondents claim the exemption. Each respondent publishes an estimated 12 submissions pursuant to Rule 12g3-2 per year for a total of 16,632 responses. We derived our burden hour estimates by estimating the average number of hours it would take a foreign private 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 foreign private issuers based on the nature of their operations. We further estimate that 25% of the collection of information burden is carried by the foreign private issuer internally and that 75% of the burden of preparation is carried by outside professionals retained by the company. Based on our estimates, we calculate the number of burden hours incurred by foreign private issuers to produce the Rule 12g3-2(b) publications to total 37,206, or approximately 2.237 burden hours per response (2.237 hours per responses x 16,632 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**Estimated Cost Burden**

Information Collection Title	OMB Control Number	Number of Responses	Burden Hours
Rule 12g-3	3235-0119	16,632	\$5,860,050

We estimate that the total annual cost burden for outside firms to perform services necessary to prepare a response is \$5,860,050 (\$352.33586 cost per response x 16,632 responses). 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 total cost has 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 Changes 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

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 Paperwork Reduction Act submissions.

B. STATISTICAL METHODS

The information collection does not employ statistical methods.