

SUPPORTING STATEMENT
For the Paperwork Reduction Act Information Collection Submission for
FORM 13F

A. JUSTIFICATION

1. Necessity for the Information Collection

In 1968, Congress directed the Securities and Exchange Commission to make a study of the purchase, sale, and holding of securities by institutional investors to determine the effect of those activities upon the maintenance of fair and orderly securities markets, the stability of those markets, and the interests of issuers of securities and of the public. As a result of that study, Congress in 1975 adopted Section 13(f) of the Securities Exchange Act of 1934 (the "1934 Act") as part of the Securities Acts Amendments of 1975. The reporting system required by Section 13(f) of the 1934 Act is intended, among other things, to create in the Commission a central repository of historical and current data about the investment activities of certain institutional investment managers, and to improve the body of factual data available in order to facilitate consideration of the influence and impact of institutional investment managers on the securities markets as well as the public policy implications of that influence.

Section 13(f) of the 1934 Act empowers the Commission to: (1) adopt rules that create a reporting and disclosure system to collect specific information; and (2) disseminate such information to the public. Pursuant to this statutory mandate, the Commission adopted Rule 13f-1 under the 1934 Act (17 CFR 240.13f-1), which requires institutional investment managers that exercise investment discretion over accounts that have in the aggregate a fair market value of at least \$100,000,000 of certain U.S. exchange-traded equity securities, as set forth in rule 13f-1(c), to file quarterly reports with the Commission on Form 13F.

2. Purpose and Use of the Information Collection

The purpose of Form 13F is twofold: (1) to provide a reporting and disclosure system to collect information about certain equity security holdings of institutional investment managers; and (2) to disseminate such information to the public.

3. Consideration Given to Information Technology

The Commission's electronic filing system (Electronic Data Gathering, Analysis, and Retrieval System, or "EDGAR") is designed to automate the filing, processing and dissemination of disclosure filings. Using the EDGAR system, publicly held companies generally transmit their filings to the Commission directly over the Internet. *See* Rulemaking for EDGAR System, Release No. 33-7855 (April 24, 2000) (part of the modernization of EDGAR). Such automation has increased the speed, accuracy and availability of information, generating benefits to investors and financial markets. In addition, Form 13F is filed in an online format that requires, among other things, that the Form 13F Information Table be submitted in XML (Extensible Markup Language), which helps filers avoid common mistakes and improves data quality.

4. Duplication

The Commission periodically evaluates reporting and recordkeeping requirements for duplication and reevaluates them whenever it proposes a rule or form or a change in a rule or form. The information required by Form 13F is not generally duplicated elsewhere.

5. Effect on Small Entities

Not applicable. The requirements of Form 13F are the same for all potential filers. An institutional investment manager is not subject to Form 13F reporting unless it exercises investment discretion over, in the aggregate, at least \$100,000,000 in certain equity securities.

6. Consequences of Not Conducting Collection

See Item 1, above. Not collecting the information would: (i) be a failure to comply with the requirements of Section 13(f) of the Securities Exchange Act of 1934; and (ii) eliminate disclosure about certain U.S. equity security holdings of institutional investment managers that currently is available to the Commission and the public.

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

Not applicable.

8. Consultation Outside the Agency

The Commission requested public comment on the information collection requirements in Form 13F before it submitted this request for extension and approval to the Office of Management and Budget. The Commission's solicitation of public comments included estimating and requesting public comments on updated burden estimates for all information collections under this OMB control number (i.e., both changes associated with the rulemaking and other burden updates). The Commission received no comments in response to its request.

9. Payment or Gift

Not applicable.

10. Confidentiality

Section 13(f)(4) of the 1934 Act (15 U.S.C. 78m(f)(4)) authorizes the Commission, upon request, to delay or prevent public disclosure of any information filed under Section 13(f) as it determines to be necessary or appropriate for public interest reasons or to protect investors. Section 13(f)(4) also prohibits the Commission from disclosing to the public information identifying securities held by the account of a natural person or any estate or trust (other than a

business trust or investment company).

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 information on an institutional investment manager's name, Form 13F file number, business address, and name-title-business phone number of the person that signs the form on behalf of the reporting manager. 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 2/5/2020, is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

12. Burden of Information Collection

The currently approved burden estimates include a total hour burden of 472,521.6 hours, with an internal cost burden of \$31,186,425.60, to comply with Form 13F.¹ Consistent with a recent rulemaking proposal that made adjustments to these estimates due primarily to the Commission's belief that the currently approved estimates do not appropriately reflect the information collection costs associated with Form 13F,² the table below reflects the revised

¹ This estimate is based on the last time the rule's information collection was submitted for PRA renewal in 2018.

² See Electronic Submission of Applications for Orders under the Advisers Act and the Investment Company Act, Confidential Treatment Requests for Filings on Form 13F, and Form ADV-NR; Amendments to Form 13F, Investment Company Release No. 34415 (Nov. 4, 2021).

estimates.

Table: Form 13F Current and Revised Burden Estimates

	Initial hours	Annual hours		Wage rate	Internal time cost	External costs ¹
REVISIONS TO CURRENT PRA BURDEN ESTIMATES						
Revised Burdens for 13F-HR Filings						
Current estimated annual burden of Form 13F-HR per filer		80.8 hours	x	\$66 ²	\$5,332.80	
Revised current annual estimated burden per filer		10 hours ³	x	\$202.50 (blended rate for senior programmer and compliance clerk) ⁴	\$2,025	\$789 ⁶
		1 hour ³		\$368 (compliance attorney rate) ⁵	\$368	
Total revised estimated burden per filer		11 hours			\$2,393	\$789
Number of filers		5,466 filers ⁷			5,466 filers	5,466 filers
Revised current annual burden of Form 13F-HR filings		60,126 hours			\$13,080,138	\$4,312,674
Revised Burdens for 13F-NT Filings						
Current estimated annual burden of Form 13F-NT		80.8 hours				
Revised current annual burden of Form 13F-NT per filer		4 hours	x	\$71 (wage rate for compliance clerk)	\$284	\$300
Number of filers		1,535 filers ⁸			1,535 filers	1,535 filers
		6,140 hours			\$435,940	\$460,500
Revised Burdens for Form 13F Amendment Filings						
Current estimated burden per amendment filing		4 hours		\$66.00	\$264	

Revised current estimated burden per amendment		3.5 hours ⁹	x	\$202.50 (blended rate for senior programmer and compliance clerk)	\$708.75	\$300
		0.5 hour ⁹		\$368 (compliance attorney rate)	\$184	
Total revised estimates burden per amendment		4 hours			\$892.75	\$300
Number of amendments		244 amendments ¹⁰			244 amendments	244 amendments
Revised current annual estimated burden of all amendments		976 hours			\$217,831	\$73,200
TOTAL ESTIMATED FORM 13F BURDEN						
Currently approved burden estimates		472,521.6 hours			\$31,186,425.60	\$0
Revised current burden estimates		67,242 hours			\$13,733,909	\$4,846,374

Notes:

1. The external costs of complying with Form 13F can vary among filers. Some filers use third-party vendors for a range of services in connection with filing reports on Form 13F, while other filers use vendors for more limited purposes such as providing more user-friendly versions of the list of section 13(f) Securities. For purposes of the PRA, we estimate that each filer will spend an average of \$300 on vendor services each year in connection with the filer's four quarterly reports on Form 13F-HR or Form 13F-NT, as applicable, in addition to the estimated vendor costs associated with any amendments. In addition, some filers engage outside legal services in connection with the preparation of requests for confidential treatment or analyses regarding possible requests, or in connection with the form's disclosure requirements. For purposes of the PRA, we estimate that each manager filing reports on Form 13F-HR will incur \$489 for one hour of outside legal services each year.

2. \$66 was the estimated wage rate for a compliance clerk in 2018.

3. The estimate reduces the total burden hours associated with complying with the reporting requirements of Form 13F-HR from 80.8 to 11 hours. We believe that this reduction adequately reflects the reduction in the time managers spend complying with Form 13F-HR as a result of advances in technology that have occurred since Form 13F was adopted. The revised estimate also assumes that an in-house compliance attorney would spend 1 hour annually on the preparation of the filing, as well as determining whether a 13(f) Confidential Treatment Request should be filed. The remaining 10 hours would be divided equally between a senior programmer and compliance clerk.

4. The \$202.50 wage rate reflects current estimates of the blended hourly rate for an in-house senior programmer (\$334) and in-house compliance clerk (\$71). \$202.50 is based on the following calculation: $(\$334 + \$71) / 2 = \$202.50$. The \$334 per hour figure for a senior programmer is based on salary information for the securities industry compiled by the Securities Industry and Financial Markets Association's Office Salaries in the Securities Industry 2013 ("SIFMA Report"), modified by Commission staff to account for an 1800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead. The \$71 per hour figure for a compliance clerk is based on salary information from the SIFMA Report, modified by Commission staff to account for an 1800-hour work-year and inflation, and multiplied by 2.93 to account for bonuses, firm size, employee benefits and overhead.

5. The \$368 per hour figure for a compliance attorney is based on salary information for the securities industry compiled by the Securities Industry and Financial Markets Association's Office Salaries in the Securities Industry 2013 ("SIFMA Report"), modified by Commission staff to account for an 1800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

6. \$789 includes an estimated \$300 paid to a third-party vendor in connection with the Form 13F-HR filing as well as an estimated \$489 for one hour of outside legal services. We estimate that Form 13F-HR filers will require some level of external legal counsel in connection with these filings.

7. This estimate is based on the number of 13F-HR filers as of December 2019.

8. This estimate is based on the number of Form 13F-NT filers as of December 2019.

9. The revised estimate assumes that an in-house compliance attorney would spend 0.5 hours annually on the preparation of the filing amendment, as well as determining whether a 13(f) Confidential Treatment Request should be filed. The remaining 3.5 hours would be divided equally between a senior programmer and compliance clerk.

10. This estimate is based on the number of Form 13F amendments filed as of December 2019.

13. Cost to Respondents

As detailed in the table in Item 12 above, the currently approved burden estimates have no annual external cost burden. The staff now estimates that the total cost imposed by Form 13F is \$4,846,374.

This cost estimate is made solely for purposes of the Paperwork Reduction Act. The estimate is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules.

14. Cost to the Federal Government

The annual cost to the Commission of processing Form 13F is approximately \$316,980. The majority of forms are received electronically via the Commission's EDGAR system. Notwithstanding the electronic filing requirement, the Commission still processes Form 13F confidential treatment requests, which are required to be filed in paper. Such processing is handled primarily by the Office of the Secretary and the Division of Investment Management's Dissemination and EDGAR Filer Support Branch (part of IM's Disclosure Review Office), as a small part of the usual and customary work of each office. In addition, the Division of Investment Management's Chief Counsel's Office reviews confidential treatment requests for Form 13F information, and, acting pursuant to delegated authority from the Commission, may grant, deny, or revoke confidential treatment of Form 13F. In addition, pursuant to a contract with the SEC, Interactive Data Pricing and Reference Data, Inc. provides services to compile and

deliver to the Commission each quarter a list of “Section 13(f) Securities,” as defined in rule 13f-1(c) under the 1934 Act. Such list, the Official List of Section 13(f) Securities, is made available to the public pursuant to Section 13(f)(4) for use in the preparation of Form 13F reports.

15. Change in Burden

The estimated total annual burden hours decreased by 405,279.6, from 472,521.6 to 67,242. The decrease in annual burden hours is due primarily to the Commission’s belief that the currently approved estimates do not appropriately reflect the information collection costs associated with Form 13F. The changes in burden also reflect the Commission’s revision and update of burden estimates for all information collections under this OMB control number, and the Commission requested public comment on all those information collection burden estimates for this OMB control number.

Table: Change in Burden Estimates

	Annual Number of Responses			Annual Time Burden (hours)			Cost Burden (dollars)		
	Previously approved	Proposed estimate	Change	Previously approved	Proposed estimate	Change	Previously approved	Proposed estimate	Change
Form 13F	23,348	28,004	4,656	472,522	67,242	-405,280	\$0	\$4,846,374	\$4,846,374

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to Omit OMB Expiration Date

We request authorization to omit the expiration date on the electronic version of the form, although the OMB control number will be displayed. Including the expiration date on the electronic version of this 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.

18. Exceptions to Certification Statement for Paperwork Reduction Act Submission

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.