

MEMORANDUM

TO: Dominic Mancini
Deputy Director, Office of Information & Regulatory Affairs
Office of Management and Budget

FROM: David L. Bottom
Office of Information Technology
Securities and Exchange Commission

RE: Emergency consideration of one collection of information pursuant to 44 U.S.C. 3507(j) as implemented at 5 CFR 1320.13.

The Securities and Exchange Commission (“Commission”) is requesting emergency consideration of one collection of information pursuant to 44 U.S.C. 3507(j) as implemented at 5 CFR 1320.13. The collection of information is in 3235-0435, titled Customer Account Statements (17 CFR 242.607). The collection of information in Rule 607 is part of the regulatory structure that implements the goals and objectives of the national market system, including the public availability of quotation information, fair competition, market efficiency, best execution and disintermediation. Rule 607 furthers these goals and objectives by requiring disclosure on each new account and on a yearly basis thereafter, on the annual statement, the firm's policies regarding receipt of payment for order flow from any market makers, exchanges or exchange members to which it routes customers' order in national market system securities for execution; and information regarding the aggregate amount of monetary payments, discounts, rebates or reduction in fees received by the firm over the past year.

The information collected pursuant to Rule 607 is necessary to further the above-described goals and objectives to facilitate the establishment of a national market system for securities. The purpose of the rule is to ensure that customers are adequately apprised of the broker-dealer's order routing practices with respect to the customer's order, in furtherance of the Commission's statutory mandate to protect investors. In the absence of these provisions, customers may not be informed fully of the firm's order routing practices. Emergency reinstatement would also enable the Commission to better monitor and regulate existing market participants that are subject to Rule 607. These functions, which are critical to the Commission's statutory mandate to facilitate the establishment of a national market system for securities, would be much more difficult without the information collected pursuant to Rule 607.

In connection with this request, the Commission has determined:

1. The collection of information is needed prior to the time periods established under the Paperwork Reduction Act of 1995, 44 U.S.C. 3501 et seq. (“PRA”) and applicable regulations, 5 CFR 1320.1 et seq.
2. The collection of information is essential to the mission of the Commission.
3. The existing approval expired on Dec. 31, 2021. Therefore the Commission cannot reasonably comply with the normal clearance requirement of the PRA and applicable regulations because the use of normal clearance procedures is reasonably likely to prevent or disrupt the collection of information.

4. The Commission requests that OMB approve or disapprove the collection of information by 4/29/2022.
5. Because the Commission is requesting a reinstatement of a previously approved information collection on an emergency basis, the Commission has not yet specifically solicited comments on this information collection. If reinstatement is granted, the Commission will publish a notice soliciting comments in the Federal Register prior to seeking an extension of the term of the information collection.
6. The Commission requests that OMB waive the notice requirement set forth in 5 CFR 1320.5(a)(1)(iv).

Thank you for considering this request.

