

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 3235-0462, titled Display of Customer Limit Orders (17 CFR 242.604). The collection of information in Rule 604 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 604 furthers these goals and objectives by requiring specialists and market makers to publish customer limit orders that are priced superior to the bids or offers being displayed by each such specialist or market maker.

The information collected pursuant to Rule 604 is necessary to further the above-described goals and objectives to facilitate the establishment of a national market system for securities. If the required dissemination procedures are not adhered to, or adhered to inconsistently, there would be a lack of transparency regarding trading interests that improve specialists’ and market makers’ quotes, which could adversely investors by minimizing favorable execution opportunities and diminishing access to the best available prices when they buy or sell securities. Emergency reinstatement would also enable the Commission to better monitor and regulate existing market participants that are subject to Rule 604. 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 604.

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.

