SUPPORTING STATEMENT
For the Paperwork Reduction Act Information Collection Submission for Form PF and Rule 204(b)-1

A. JUSTIFICATION

1. Necessity for the Information Collection

Form PF [17 CFR 279.9] and rule 204(b)-1 [17 CFR 275.204(b)-1] under the Investment Advisers Act of 1940 ("Advisers Act") (together, the "rules") require certain investment advisers registered with the Securities and Exchange Commission ("SEC") to report confidential information about the private funds they advise. The rules implement provisions of Title IV of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), which amended the Advisers Act to require the SEC to, among other things, establish reporting requirements for advisers to private funds.[1] The information collected on Form PF is designed to facilitate the Financial Stability Oversight Council's ("FSOC") monitoring of systemic risk in the private fund industry and assist FSOC in determining whether and how to deploy its regulatory tools with respect to nonbank financial companies.[2] The SEC and the Commodity Futures Trading Commission ("CFTC") also may use information collected on Form PF in their regulatory programs, including examinations, investigations, and investor protection efforts relating to private fund advisers.[3] Form PF is a joint form between the SEC and the CFTC with respect to sections 1 and 2; the SEC solely adopted the other sections of the form.[4]

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1 *See* 15 U.S.C. 80b-4(b) and 15 U.S.C. 80b-11(e).

2 *See* Form PF.

3 *Id.*

4 *See* 15 U.S.C. 80b-11(e).

The rules contain a "collection of information" within the meaning of the Paperwork Reduction Act of 1995 ("PRA").[5] The title for the collection of information is "Form PF and Rule 204(b)-1" (OMB Control Number 3235-0679), and includes both Form PF and rule 204(b)-1. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. Compliance with the information collection is mandatory.

The respondents are investment advisers who are (1) registered or required to be registered under Advisers Act section 203, (2) advise one or more private funds, and (3) managed private fund assets of at least $150 million at the end of their most recently completed fiscal year (collectively, with their related persons).[6] Form PF divides respondents into groups based on their size and types of private funds they manage, requiring some groups to file more information more frequently than others. The types of respondents are (1) smaller private fund advisers, that report annually (*i.e.*, private fund advisers that do not qualify as large private fund advisers), (2) large hedge fund advisers, that report more information quarterly (*i.e.*, advisers with at least $1.5 billion in hedge fund assets under management), (3) large liquidity fund advisers, that report more information quarterly (*i.e.*, advisers that manage liquidity funds and have at least $1 billion in combined money market and liquidity fund assets under management), and (4) large private equity advisers, that report more information annually (*i.e.*, advisers with at least $2 billion in private equity fund assets under management).

In addition to periodic filings, advisers must file limited information on Form PF in three situations. First, any adviser that transitions from filing quarterly to annually because it has

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5 44 U.S.C. 3501 through 3521.

6 *See* 17 CFR 275.204(b)-1.

ceased to qualify as a large hedge fund adviser or large liquidity fund adviser, must file a Form PF indicating that it is no longer obligated to report on a quarterly basis. Second, any adviser that is no longer subject to Form PF's reporting requirements, must file a final report indicating this. Third, an adviser may request a temporary hardship exemption if it encounters unanticipated technical difficulties that prevent it from making a timely electronic filing. A temporary hardship exemption extends the deadline for an electronic filing for seven business days. To request a temporary hardship exemption, the adviser must file a request on Form PF.

On August 10, 2022, the SEC proposed to amend rule 204(b)-1 and the CFTC and SEC proposed to amend the joint portions of Form PF.[7] The proposed amendments are designed to enhance FSOC's ability to monitor systemic risk as well as bolster the SEC's regulatory oversight of private fund advisers and investor protection efforts. As discussed more fully in the proposing release, the proposed amendments would amend the form's general instructions, as well as section 1 of Form PF, which would apply to all Form PF filers. The proposed amendments also would amend section 2 of Form PF, which would apply to large hedge fund advisers that advise qualifying hedge funds (*i.e.*, hedge funds with a net asset value of at least $500 million).[8]

2. Purpose and Use of the Information Collection

The rules implement provisions of Title IV of the Dodd-Frank Act, which amended the Advisers Act to require the SEC to, among other things, establish reporting requirements for advisers to private funds.[9] The information collected on Form PF is designed to facilitate

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[7] *See* Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers, Investment Advisers Act Release No. 6083 (Aug. 10, 2022) ("Proposed Joint Amendments to Form PF").

[8] *Id.*

[9] *See* 15 U.S.C. 80b-4(b) and 15 U.S.C. 80b-11(e).

FSOC's monitoring of systemic risk in the private fund industry and assist FSOC in determining whether and how to deploy its regulatory tools with respect to nonbank financial companies.[10] The SEC and the CFTC also may use information collected on Form PF in their regulatory programs, including examinations, investigations, and investor protection efforts relating to private fund advisers.[11] The proposed amendments are designed to enhance FSOC's ability to monitor systemic risk as well as bolster the SEC's regulatory oversight of private fund advisers and investor protection efforts.[12]

3. Consideration Given to Information Technology

Advisers must file Form PF electronically with the Form PF filing system.[13] The Financial Industry Regulatory Authority ("FINRA") maintains the Form PF filing system through the Private Fund Reporting Depository ("PFRD"), a subsystem of the Investment Adviser Registration Depository ("IARD"), through which registered advisers are already separately obligated to file annual reports on Form ADV [17 CFR 279.1]. Form PF may be filed either through a fillable form on the PFRD website or through a batch filing process utilizing the eXtensible Markup Language ("XML") tagged data format. Certain advisers may prefer to report in XML format because it allows them to automate aspects of their reporting and, therefore, minimize burdens and generate efficiencies for the adviser. Collecting information electronically is designed to reduce the regulatory burden upon investment advisers by providing

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10 *See* Form PF.

11 *Id.*

12 *See* Proposed Joint Amendments to Form PF, *supra* footnote 7.

13 *See* 17 CFR 275.204(b)-1(b).

a convenient portal for quickly transmitting reports and, for advisers that submit their reports in XML format in particular, allowing them to automate aspects of their reporting.

4. Duplication

The collection of information requirements of Form PF are not duplicated elsewhere.

5. Effect on Small Entities

For purposes of the Advisers Act and the Regulatory Flexibility Act of 1980, an investment adviser generally is a small entity if it (1) has assets under management having a total value of less than $25 million; (2) did not have total assets of $5 million or more on the last day of the most recent fiscal year; and (3) does not control, is not controlled by, and is not under common control with another investment adviser that has assets under management of $25 million or more, or any person (other than a natural person) that had total assets of $5 million or more on the last day of its most recent fiscal year.[14]

By definition, no small entity on its own, would meet rules' minimum reporting threshold of $150 million in regulatory assets under management attributable to private funds. Based on Form PF and Form ADV data as of December 2021, the SEC estimates that no small entity advisers are required to file Form PF. The SEC does not have evidence to suggest that any small entities are required to file Form PF but are not filing Form PF.

6. Consequences of Not Conducting Collection

The rules implement provisions of Title IV of the Dodd-Frank Act, which amended the Advisers Act to require the SEC to, among other things, establish reporting requirements for advisers to private funds.[15] The information collected on Form PF is designed to facilitate

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14 17 CFR 275.0-7.

15 *See* 15 U.S.C. 80b-4(b) and 15 U.S.C. 80b-11(e).

FSOC's monitoring of systemic risk in the private fund industry and assist FSOC in determining whether and how to deploy its regulatory tools with respect to nonbank financial companies.[16] The SEC and the CFTC also may use information collected on Form PF in their regulatory programs, including examinations, investigations, and investor protection efforts relating to private fund advisers.[17]

The frequency of collection varies depending on the size of the adviser and the types of private funds it manages, which balances the need for, and value of, current information against the relative reporting burden for different types of advisers. If the information either is not collected or is collected less frequently, FSOC's ability to monitor systemic risk and deploy its regulatory tools, as well as the SEC's ability to protect investors, may be reduced.

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

Not applicable.

8. Consultation Outside the Agency

The SEC and the staff of the Division of Investment Management participate in an ongoing dialogue with representatives of the investment management industry through public conferences, meetings, and informal exchanges. These various forums provide the SEC and the staff with a means of ascertaining and acting upon paperwork burdens confronting the industry. The SEC requested comment on its proposal to amend the rules.[18] The Commission's solicitation of public comments included estimating and requesting public comments on the

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16 *See* Form PF.

17 *Id.*

18 *See* Proposed Joint Amendments to Form PF, *supra* footnote 7.

burden estimates for all information collections under this OMB control number (*i.e*., both changes associated with the rulemaking and other burden updates).

9. Payment or Gift

Not applicable.

10. Confidentiality

Responses to the information collection will be kept confidential to the extent permitted by law.[19] Form PF elicits non-public information about private funds and their trading strategies, the public disclosure of which could adversely affect the funds and their investors. The SEC does not intend to make public Form PF information that is identifiable to any particular adviser or private fund, although the SEC may use Form PF information in an enforcement action and FSOC may use it to assess potential systemic risk.[20] SEC staff issues certain publications designed to inform the public of the private funds industry, all of which use only aggregated or masked information to avoid potentially disclosing any proprietary information.[21] The Advisers Act precludes the SEC from being compelled to reveal Form PF information except (1) to Congress, upon an agreement of confidentiality, (2) to comply with a request for information from any other Federal department or agency or self-regulatory organization for purposes within the scope of its jurisdiction, or (3) to comply with an order of a court of the United States in an action brought by the United States or the SEC.[22] Any department, agency, or self-regulatory organization that receives Form PF information must maintain its confidentiality consistent with

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19 *See* 5 CFR 1320.5(d)(2)(vii) and (viii).

20 *See* 15 U.S.C. 80b-10(c) and 15 U.S.C. 80b-4(b).

21 S*ee e.g.,* Private Funds Statistics, issued by staff of the SEC Division of Investment Management's Analytics Office, which we have used in this PRA as a data source, *available at* https://www.sec.gov/divisions/investment/private-funds-statistics.shtml.

22 *See* 15 U.S.C. 80b-4(b)(8).

the level of confidentiality established for the SEC.[23] The Advisers Act requires the SEC to make Form PF information available to FSOC.[24] For advisers that also are commodity pool operators or commodity trading advisers, filing Form PF through the Form PF filing system is filing with both the SEC and CFTC.[25] Therefore, the SEC makes Form PF information available to FSOC and the CFTC, pursuant to Advisers Act section 204(b), making the information subject to the confidentiality protections applicable to information required to be filed under that section. Before sharing any Form PF information, the SEC requires that any such department, agency, or self-regulatory organization represent to the SEC that it has in place controls designed to ensure the use and handling of Form PF information in a manner consistent with the protections required by the Advisers Act. The SEC has instituted procedures to protect the confidentiality of Form PF information in a manner consistent with the protections required in the Advisers Act.[26]

11. Sensitive Questions

Form PF elicits non-public information about private funds and their trading strategies, the public disclosure of which could adversely affect the funds and their investors. A System of Records Notice that covers the collection of information has been published in the Federal Register at 83 FR 6892 and can also be found at http://www.sec.gov/about/privacy/secprivacyoffice.htm. Instructions for obtaining the Privacy Impact Assessment for IARD can be found at http://www.sec.gov/about/privacy/secprivacyoffice.htm.

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23 *See* 15 U.S.C. 80b-4(b)(9).

24 *See* 15 U.S.C. 80b-4(b)(7).

25 *See* Reporting by Investment Advisers to Private Funds and Certain Commodity Pool Operators and Commodity Trading Advisors on Form PF, Investment Advisers Act Release No. 3308 (Oct. 31, 2011), 76 FR 71128, at n.17 (Nov. 16, 2011).

26 *See* 5 CFR 1320.5(d)(2)(viii).

12. Burden of Information Collection

We are revising our total burden estimates to reflect the proposed amendments, updated data, and new methodology for certain estimates.[27] The tables below map out the Form PF requirements as they apply to each group of respondents and detail our burden estimates.

[27] For the previously approved estimates, *see* ICR Reference No. 202011-3235-019 (conclusion date Apr. 1, 2021), *available at* https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202011-3235-019. *See* Proposed Joint Amendments to Form PF, *supra* footnote 7.

a. Proposed Form PF Requirements by Respondent

Table 1: Proposed Form PF Requirements by Respondent

Form PF	**Smaller private fund advisers**	**Large hedge fund advisers**	**Large liquidity fund advisers**	**Large private equity advisers**
Section 1a and section 1b (basic information about the adviser and the private funds it advises) **Proposed revisions**	Annually	Quarterly	Quarterly	Annually
Section 1c (additional information concerning hedge funds) **Proposed revisions**	Annually, if they advise hedge funds	Quarterly	Quarterly, if they advise hedge funds	Annually, if they advise hedge funds
Section 2 (additional information concerning qualifying hedge funds) **Proposed revisions**	No	Quarterly	No	No
Section 3 (additional information concerning liquidity funds) **No proposed revisions**	No	No	Quarterly	No
Section 4 (additional information concerning private equity funds) **No proposed revisions**	No	No	No	Annually
Section 5 (temporary hardship request) **The proposal would revise filing instructions**	Optional, if they qualify	Optional, if they qualify	Optional, if they qualify	Optional, if they qualify
Transition Filings (indicating the adviser is no longer obligated to file on a quarterly basis) **No proposed revisions**	Not applicable	If they cease to qualify as a large hedge fund adviser	If they cease to qualify as a large liquidity fund adviser	Not Applicable
Final Filings (indicating the adviser is no longer subject to the rules) **No proposed revisions**	If they qualify	If they qualify	If they qualify	If they qualify

b. Annual Hour Burden Estimates

Below are tables with annual hour burden estimates for (1) initial filings, (2) ongoing annual and quarterly filings, and (3) transition filings, final filings, and temporary hardship requests.

Table 2: Annual Hour Burden Estimates for Initial Filings

Respondent[1]		Number of Respondents = Aggregate Number of Responses[2]	Hours Per Response[3]		Hours Per Response Amortized Over 3 Years[4]	Aggregate Hours Amortized Over 3 Years[5]
Smaller Private Fund Advisers	Requested	309 responses[6]	50 hours	÷ 3 =	17 hours	5,253 hours
	Previously Approved	272 responses	40 hours		23 hours	6,256 hours
	Change	37 responses	10 hours		(6) hour	(1,003) hours
Large Hedge Fund Advisers	Requested	15 responses[7]	345 hours	÷ 3 =	115 hours	1,725 hours
	Previously Approved	17 responses	325 hours		658 hours	11,186 hours
	Change	(2) responses	20 hours		(543) hours	(9,461) hours
Large Liquidity Fund Advisers	Requested	1 responses[8]	210 hours	÷ 3 =	70 hours	70 hours
	Previously Approved	2 responses	200 hours		588 hours	1,176 hours
	Change	(1) responses	10 hours		(518) hours	(1,106) hours
Large Private Equity Advisers	Requested	13 responses[9]	210 hours	÷ 3 =	70 hours	910 hours
	Previously Approved	9 responses	200 hours		133 hours	1,197 hours
	Change	4 responses	10 hours		(63) hours	(287) hours

Notes:

1. We expect that the hourly burden will be most significant for the initial report because the adviser will need to familiarize itself with the new reporting form and may need to configure its systems in order to efficiently gather the required information. In addition, we expect that some large private fund advisers will find it efficient to automate some portion of the reporting process, which will increase the burden of the initial filing but reduce the burden of subsequent filings.
2. This concerns the initial filing; therefore, we estimate one response per respondent. The proposed changes are due to using updated data to estimate the number of advisers.
3. Hours per response changes are due to the proposed amendments.
4. We propose to amortize the initial time burden over three years because we believe that most of the burden would be incurred in the initial filing. We propose to use a different methodology to calculate the estimate than the methodology staff used for the previously approved burdens. We believe the previously approved burdens for initial filings inflated the estimates by using a methodology that included subsequent filings for the next two years, which, for annual filers, included 2 subsequent filings, and for quarterly filers, included 11 subsequent filings. For the requested burden, we propose to calculate the initial filing, as amortized over the next three years, by including only the hours related to the initial filing, not any subsequent filings. This approach is designed to more accurately estimate the initial burden, as amortized over three years. (For example, to estimate the previously approved burden for a large hedge fund adviser making its initial filing, staff estimated that the adviser would have an amortized average annual burden of 658 hours: ((1 initial filing x 325 hours) + (11 subsequent filings (because it files quarterly) x 150 hours) = 1,975 hours. 1,975 hours / 3 years = approximately 658 previously approved hours per response, amortized over three years).) Changes are due to using the revised methodology and the proposed amendments.
5. (Number of responses) x (hours per response amortized over three years) = aggregate hours amortized over three years. Changes are due to (1) using updated data to estimate the number of advisers, (2) the new methodology to estimate the hours per response, amortized over three years, and (3) the proposed amendments.
6. Private Funds Statistics show 2,394 smaller private fund advisers filed Form PF in the third quarter of 2021. Based on filing data from the last five years, an average of 12.9 percent of them did not file for the previous due date. (2,394 x 0.129 = 309 advisers.)
7. Private Funds Statistics show 592 large hedge fund advisers filed Form PF in the third quarter of 2021. Based on filing data from the last five years, an average of 2.6 percent of them did not file for the previous due date. (592 x 0.026 = 15 advisers.)
8. Private Funds Statistics show 24 large liquidity fund advisers filed Form PF in the third quarter of 2021. Based on filing data from the last five years, an average of 1.5 percent of them did not file for the previous due date. (24 x 0.015 = 0.36 advisers, rounded up to 1 adviser.)
9. Private Funds Statistics show 369 large private equity advisers filed Form PF in the third quarter of 2021. Based on filing data from the last five years, an average of 3.5 percent of them did not file for the previous due date. (369 x 0.035 = 13 advisers.)

Table 3: Annual Hour Burden Estimates for Ongoing Annual and Quarterly Filings

Respondent[1]		Number of Respondents[2]		Number of Responses[3]		Hours Per Response[4]		Aggregate Hours[5]
Smaller Private Fund Advisers	**Requested**	2,085 advisers[6]	x	1 response	x	20 hours	=	41,700 hours
	Previously Approved	2,055 advisers	x	1 response	x	15 hours	=	30,825 hours
	Change	30 advisers		0		5 hours		10,875 hours
Large Hedge Fund Advisers	**Requested**	577 advisers[7]	x	4 responses	x	160 hours	=	369,280 hours
	Previously Approved	537 advisers	x	4 responses	x	150 hours	=	322,200 hours
	Change	40 advisers		0		10 hours		47,080 hours
Large Liquidity Fund Advisers	**Requested**	23 advisers[8]	x	4 responses	x	75 hours	=	6,900 hours
	Previously Approved	20 advisers	x	4 responses	x	70 hours	=	5,600 hours
	Change	3 advisers		0		5 hour		1,300 hours
Large Private Equity Advisers	**Requested**	356 advisers[9]	x	1 response	x	105 hours	=	37,380 hours
	Previously Approved	313 advisers	x	1 response	x	100 hours	=	31,300 hours
	Change	43 advisers		0		5 hour		6,080 hours

Notes:

1. We estimate that after an adviser files its initial report, it will incur significantly lower costs to file ongoing annual and quarterly reports, because much of the work for the initial report is non-recurring and likely created system configuration and reporting efficiencies.
2. Changes to the number of respondents are due to using updated data to estimate the number of advisers.
3. Smaller private fund advisers and large private equity advisers file annually. Large hedge fund advisers and large liquidity fund advisers file quarterly.
4. Hours per response changes are due to the proposed amendments.
5. Changes to the aggregated hours are due to (1) using updated data to estimate the number of advisers and (2) the proposed amendments.
6. Private Funds Statistics show 2,394 smaller private fund advisers filed Form PF in the third quarter of 2021. We estimated that 309 of them filed an initial filing, as discussed in Table 2: Annual Hour Burden Estimates for Initial Filings. (2,394 total smaller advisers – 309 advisers that made an initial filing = 2,085 advisers that make ongoing filings.)
7. Private Funds Statistics show 592 large hedge fund advisers filed Form PF in the third quarter of 2021. We estimated that 15 of them filed an initial filing, as discussed in Table 2: Annual Hour Burden Estimates for Initial Filings. (592 total large hedge fund advisers – 15 advisers that made an initial filing = 577 advisers that make ongoing filings.)
8. Private Funds Statistics show 24 large liquidity fund advisers filed Form PF in the third quarter of 2021. We estimated that one of them filed an initial filing, as discussed in Table 2: Annual Hour Burden Estimates for Initial Filings. (24 total large liquidity fund advisers – 1 adviser that made an initial filing = 23 advisers that make ongoing filings.)
9. Private Funds Statistics show 369 large private equity advisers filed Form PF in the third quarter of 2021. We estimated that 13 of them filed an initial filing, as discussed in Table 2: Annual Hour Burden Estimates for Initial Filings. (369 total large private equity advisers – 13 advisers that made an initial filing = 356 advisers that make ongoing filings.)

Table 4: Annual Hour Burden Estimates for Transition Filings, Final Filings, and Temporary Hardship Requests

Filing Type[1]		Aggregate Number of Responses[2]		Hours Per Response		Aggregate Hours[3]
Transition Filing from Quarterly to Annual	**Requested**	68 responses[4]	x	0.25 hours	=	17 hours
	Previously Approved	45 responses	x	0.25 hours	=	11.25 hours
	Change	23 responses		0 hours		5.75 hours
Final Filings	**Requested**	233 responses[5]	x	0.25 hours	=	58.25 hours
	Previously Approved	54 responses	x	0.25 hours	=	13.5 hours
	Change[6]	179 responses		0 hours		44.75 hours
Temporary Hardship Requests	**Requested**	3 responses[7]	x	1 hour	=	3 hours
	Previously Approved	4 responses	x	1 hour	=	4 hours
	Change	(1) responses		0 hours		(1) hour

Notes:

1. Advisers make limited Form PF filings in three situations. First, any adviser that transitions from filing quarterly to annually because it has ceased to qualify as a large hedge fund adviser or large liquidity fund adviser, must file a Form PF indicating that it is no longer obligated to report on a quarterly basis. Second, any adviser that is no longer subject to Form PF's reporting requirements, must file a final filing indicating this. Third, an adviser may request a temporary hardship exemption if it encounters unanticipated technical difficulties that prevent it from making a timely electronic filing. A temporary hardship exemption extends the deadline for an electronic filing for seven business days. To request a temporary hardship exemption, the adviser must file a request on Form PF. The proposal would amend how advisers file temporary hardship exemption requests; however, the proposed amendment would not result in any changes to the hours per response.
2. Changes to the aggregate number of responses are due to using updated data. Changes for final filings also are due to using a different methodology, as discussed below.
3. Changes to the aggregate hours are due to the changes in the aggregate number of responses.
4. Private Funds Statistics show 616 advisers filed quarterly reports in the third quarter of 2021. Based on filing data from the last five years, an average of 11.1 percent of them filed a transition filing. (616 x 0.111 = 68 responses.)

5. Private Funds Statistics show 3,379 advisers filed Form PF in the third quarter of 2021. Based on filing data from the last five years, an average of 6.9 percent of them filed a final filing. (3,379 x 0.069 = approximately 233 responses.)
6. Changes for final filings are due to using a different methodology. The previously approved estimates used a percentage of quarterly filers to estimate how many advisers filed a final report. We propose to use a percentage of all filers to estimate how many advisers filed a final report, because all filers may file a final report, not just quarterly filers. Therefore, this proposed methodology is designed to more accurately estimate the number of responses for final filings.
7. Based on experience receiving temporary hardship requests, we estimate that 1 out of 1,000 advisers will file a temporary hardship exemption annually. Private Funds Statistics show 3,379 advisers filed Form PF in the third quarter of 2021. (3,379 / 1,000 = approximately 3 responses.)

c. Annual Monetized Time Burden Estimates

Below are tables with annual monetized time burden estimates for (1) initial filings, (2) ongoing annual and quarterly filings, and (3) transition filings, final filings, and temporary hardship requests.[28]

[28] The hourly wage rates are based on (1) SIFMA's *Management & Professional Earnings in the Securities Industry 2013*, modified by SEC staff to account for an 1,800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead; and (2) SIFMA's *Office Salaries in the Securities Industry 2013*, modified by SEC staff to account for an 1,800-hour work-year and inflation, and multiplied by 2.93 to account for bonuses, firm size, employee benefits and overhead.

Table 5: Annual Monetized Time Burden of Initial Filings

Respondent[1]		Per Response[2]				Per Response Amortized Over 3 years[3]		Aggregate Number of Responses[4]		Aggregate Monetized Time Burden Amortized Over 3 Years
Smaller Private Fund Advisers	**Requested**	$18,250[5]	÷	3	=	$6,083	x	309 responses	=	$1,879,647
	Previously Approved	$13,460					x	272 responses	=	$3,661,120
	Change	$4,790						37 responses		($1,781,473)
Large Hedge Fund Advisers	**Requested**	$118,680[6]	÷	3	=	$39,560	x	15 responses	=	$593,400
	Previously Approved	$103,123					x	17 responses	=	$1,753,091
	Change	$15,557						(2) responses		($1,159,691)
Large Liquidity Fund Advisers	**Requested**	$72,240[7]	÷	3	=	$24,080	x	1 responses	=	$24,080
	Previously Approved	$63,460					x	2 responses	=	$126,920
	Change	$8,780						(1) responses		($102,840)
Large Private Equity Advisers	**Requested**	$72,240[8]	÷	3	=	$24,080	x	13 responses	=	$313,040
	Previously Approved	$63,460					x	9 responses	=	$571,140
	Change	$8,780						4 responses		($258,100)

Notes:

1. We expect that the monetized time burden will be most significant for the initial report, for the same reasons discussed in Table 2: Annual Hour Burden Estimates for Initial Filings. Accordingly, we anticipate that the initial report will require more attention from senior personnel, including compliance managers and senior risk management specialists, than will ongoing annual and quarterly filings. Changes are due to using (1) updated hours per response estimates, as discussed in Table 2: Annual Hour Burden Estimates for Initial Filings, (2) updated aggregate number of responses, as discussed in Table 2: Annual Hour Burden Estimates for Initial Filings, and (3) updated wage estimates. Changes to the aggregate monetized time burden, amortized over three years, also are due to amortizing the monetized time burden, which the previously approved estimates did not calculate, as discussed below.
2. For the hours per response in each calculation, *see* Table 2: Annual Hour Burden Estimates for Initial Filings.
3. We propose to amortize the monetized time burden for initial filings over three years, as we do with other initial burdens in this PRA, because we believe that most of the burden would be incurred in the initial filing. The previously approved burden estimates did not calculate this.
4. *See* Table 2: Annual Hour Burden Estimates for Initial Filings.
5. For smaller private fund advisers, we estimate that the initial report will most likely be completed equally by a compliance manager at a cost of $339 per hour and a senior risk management specialist at a cost of $391 per hour. (($339 per hour x 0.5) + ($391 per hour x 0.5)) x 50 hours per response = $18,250.
6. For large hedge fund advisers, we estimate that for the initial report, of a total estimated burden of 345 hours, approximately 60 percent will most likely be performed by compliance professionals and 40 percent will most likely be performed by programmers working on system configuration and reporting automation (that is approximately 207 hours for compliance professionals and approximately 138 hours for programmers). Of the work performed by compliance professionals, we anticipate that it will be performed equally by a compliance manager at a cost of $339 per hour and a senior risk management specialist at a cost of $391 per hour. Of the work performed by programmers, we anticipate that it will be performed equally by a senior programmer at a cost of $362 per hour and a programmer analyst at a cost of $263 per hour. (($339 per hour x 0.5) + ($391 per hour x 0.5)) x 207 hours = $75,555. (($362 per hour x 0.5) + ($263 per hour x 0.5)) x 138 hours = $43,125. $75,555 + $43,125 = $118,680.
7. For large liquidity fund advisers, we estimate that for the initial report, of a total estimated burden of 210 hours, approximately 60 percent will most likely be performed by compliance professionals and approximately 40 percent will most likely be performed by programmers working on system configuration and reporting automation (that is approximately 126 hours for compliance professionals and 84 hours for programmers). Of the work performed by compliance professionals, we anticipate that it will be performed equally by a compliance manager at a cost of $339 per hour and a senior risk management specialist at a cost of $391 per hour. Of the work performed by programmers, we anticipate that it will be performed equally by a senior programmer at a cost of $362 per hour and a

programmer analyst at a cost of $263 per hour. (($339 per hour x 0.5) + ($391 per hour x 0.5)) x 126 hours = $45,990. (($362 per hour x 0.5) + ($263 per hour x 0.5)) x 84 hours = $26,250. $45,990 + $26,250 = $72,240.

8. For large private equity advisers, we expect that for the initial report, of a total estimated burden of 210 hours, approximately 60 percent will most likely be performed by compliance professionals and approximately 40 percent will most likely be performed by programmers working on system configuration and reporting automation (that is approximately 126 hours for compliance professionals and 84 hours for programmers). Of the work performed by compliance professionals, we anticipate that it will be performed equally by a compliance manager at a cost of $339 per hour and a senior risk management specialist at a cost of $391 per hour. Of the work performed by programmers, we anticipate that it will be performed equally by a senior programmer at a cost of $362 per hour and a programmer analyst at a cost of $263 per hour. (($339 per hour x 0.5) + ($391 per hour x 0.5)) x 126 hours = $45,990. (($362 per hour x 0.5) + ($263 per hour x 0.5)) x 84 hours = $26,250. $45,990 + $26,250 = $72,240.

Table 6: Annual Monetized Time Burden of Ongoing Annual and Quarterly Filings

Respondent[1]		Per Response[2]		Aggregate Number of Responses		Aggregate Monetized Time Burden
Smaller Private Fund Advisers	**Requested**	$6,040[3]	x	2,085 responses[4]	=	$12,593,400
	Previously Approved	$4,173.75	x	2,055 responses	=	$8,577,056
	Change	$1,866.25		30 responses		$4,016,344
Large Hedge Fund Advisers	**Requested**	$48,320[5]	x	2,308 responses[6]	=	$111,522,560
	Previously Approved	$41,737.50	x	2,148 responses	=	$89,652,150
	Change	$6,582.50		160 responses		$21,870,410
Large Liquidity Fund Advisers	**Requested**	$22,650[7]	x	92 responses[8]	=	$2,083,800
	Previously Approved	$29,216.25	x	80 responses	=	$2,337,300
	Change[9]	($6,566.25)		12 responses		($253,500)
Large Private Equity Advisers	**Requested**	$31,710[10]	x	356 responses[11]	=	$11,288,760
	Previously Approved	$27,825	x	313 responses	=	$8,709,225
	Change	$3,885		43 responses		$2,579,505

Notes:

1. We expect that the monetized time burden will be less costly for ongoing annual and quarterly reports than for initial reports, for the same reasons discussed in Table 3: Annual Hour Burden Estimates for Ongoing Annual and Quarterly Filings. Accordingly, we anticipate that senior personnel will bear less of the reporting burden than they would for the initial report. Changes are due to using (1) updated wage estimates, (2) updated hours per response estimates, as discussed in Table 3: Annual Hour Burden Estimates for Ongoing Annual and Quarterly Filings, and (3) updated number of respondents, as discussed in Table 3: Annual Hour Burden Estimates for Ongoing Annual and Quarterly Filings. Changes to estimates concerning large liquidity fund advisers primarily appear to be due to correcting a calculation error, as discussed below.
2. For all types of respondents, we estimate that both annual and quarterly reports would be completed equally by (1) a compliance manager at a cost of $339 per hour, (2) a senior compliance examiner at a cost of $260, (3) a senior risk management specialist at a cost of $391 per hour, and (4) a risk management specialist at a cost of $218 an hour. ($339 x 0.25 = $84.75) + ($260 x 0.25 = $65) + ($391 x 0.25 = $97.75) + ($218 x 0.25 = $54.50) = $302. To calculate the cost per response for each respondent, we used the hours per

response from Table 3: Annual Hour Burden Estimates for Ongoing Annual and Quarterly Filings.

3. Cost per response for smaller private fund advisers: ($302 per hour x 20 hours per response = $6,040 per response.)
4. (2,085 smaller private fund advisers x 1 response annually = 2,085 aggregate responses.)
5. Cost per response for large hedge fund advisers: ($302 per hour x 160 hours per response = $48,320 per response.)
6. (577 large hedge fund advisers x 4 responses annually = 2,308 aggregate responses.)
7. Cost per response for large liquidity fund advisers: ($302 per hour x 75 hours per response = $22,650 per response.
8. (23 large liquidity fund advisers x 4 responses annually = 92 aggregate responses.)
9. The previously approved estimates appear to have mistakenly used 105 hours instead of the actual estimate for large liquidity fund advisers (which was 70 hours per response), causing the monetized time burden to be inflated in error. Therefore, the extent of these changes are primarily due to using the correct hours per response, which we now estimate as 75 hours, as discussed in Table 3: Annual Hour Burden Estimates for Ongoing Annual and Quarterly Filings.
10. Cost per response for large private equity advisers: ($302 per hour x 105 hours per response = $31,710 per response.)
11. (356 private equity advisers x 1 response annually = 356 aggregate responses.)

Table 7: Annual Monetized Time Burden for Transition Filings, Final Filings, and Temporary Hardship Requests

Filing Type[1]		Per Response		Aggregate Number of Responses[2]		Aggregate Monetized Time Burden
Transition Filing from Quarterly to Annual	**Requested**	$19.25[3]	x	68 responses	=	$1,309
	Previously Approved	$17.75	x	45 responses	=	$798.75
	Change	$1.50		23 responses		$510.25
Final Filings	**Requested**	$19.25[4]	x	233 responses	=	$4,485.25
	Previously Approved	$17.75	x	54 responses	=	$958.50
	Change	$1.50		179 responses		$3,526.75
Temporary Hardship Requests	**Requested**	$237.50[5]	x	3 responses	=	$712.50
	Previously Approved	$221.63	x	4 responses	=	$886.52
	Change	$15.87		(1) responses		($174.02)

Notes:

1. All changes are due to using updated data concerning wage rates and the number of responses.
2. *See* Table 4: Annual Hour Burden Estimates for Transition Filings, Final Filings, and Temporary Hardship Requests.
3. We estimate that each transition filing will take 0.25 hours and that a compliance clerk would perform this work at a cost of $77 an hour. (0.25 hours x $77 = $19.25.)
4. We estimate that each final filing will take 0.25 hours and that a compliance clerk would perform this work at a cost of $77 an hour. (0.25 hours x $77 = $19.25.)
5. We estimate that each temporary hardship request will take 1 hour. We estimate that a compliance manager would perform five-eighths of the work at a cost of $339 and a general clerk would perform three-eighths of the work at a cost of $68. (1 hour x ((5/8 of an hour x $339 = $212) + (3/8 of an hour x $68 = $25.50)) = $237.50 per response.

d. Summary of Estimates and Change in Burden

Table 8: Aggregate Annual Estimates

Description[1]	Requested	Previously Approved	Change
Respondents	3,379 respondents[2]	3,225 respondents	154 respondents[3]
Responses	5,483 responses[4]	5,056 responses	427 responses[5]
Time Burden	463,296 hours[6]	409,768 hours	53,528 hours[7]
Monetized Time Burden (Dollars)	$140,305,194[8]	$122,152,100.25	$18,153,094[9]
External Cost Burden (Dollars)	$2,297,290[10]	$3,628,850	($1,331,560)[11]

Notes:

1. Changes are due to (1) the proposed amendments, (2) using updated data, and (3) using different methodologies to calculate certain estimates, as described in this PRA.
2. Private Funds Statistics show the following advisers filed Form PF in the third quarter of 2021: 2,394 smaller private fund advisers + 592 large hedge fund advisers + 24 large liquidity fund advisers + 369 large private equity advisers = 3,379 advisers.
3. Changes are due to using updated data.
4. For initial filings (Table 2): (309 smaller private fund adviser responses + 15 large hedge fund adviser responses + 1 large liquidity fund adviser response + 13 large private equity adviser responses = 338 responses.) For ongoing annual and quarterly filings (Table 6): (2,085 smaller private fund adviser responses + 2,308 large hedge fund adviser responses + 92 large liquidity fund adviser responses + 356 large private equity adviser responses = 4,841 responses.) (338 responses for initial filings + 4,841 responses for ongoing annual and quarterly filings + 68 responses for transition filings + 233 responses for final filings + 3 responses for temporary hardship requests = 5,483 responses.)
5. Changes are due to using updated data concerning the number of filers.
6. For initial filings: (5,253 hours for smaller private fund advisers + 1,725 hours for large hedge fund advisers + 70 hours for large liquidity fund advisers + 910 hours for large private equity advisers = 7,958 hours). For ongoing annual and quarterly filings: (41,700 hours for smaller private fund advisers + 369,280 hours for large hedge fund advisers + 6,900 for hours large liquidity fund advisers + 37,380 hours for large private equity advisers = 455,260 hours). (7,958 hours for initial filings + 455,260 for ongoing

annual and quarterly filings + 17 hours for transition filings + 58.25 hours for final filings + 3 hours for temporary hardship requests = 463,296 hours.

7. Although we would expect the time burden to increase more, given the proposed amendments, we estimate a smaller increase primarily because we propose to use a different methodology to calculate initial burden hours, as discussed in Table 2: Annual Hour Burden Estimates for Initial Filings, because the previously approved burdens for initial filings appear to have inflated the estimates.
8. For initial filings: ($1,879,647 for smaller private fund advisers + $593,400 for large hedge fund advisers + $24,080 for large liquidity fund advisers + $313,040 for large private equity advisers = $2,810,167). For ongoing annual and quarterly filings: ($12,593,400 for smaller private fund advisers + $111,522,560 for large hedge fund advisers + $2,083,800 for large liquidity fund advisers + $11,288,760 for large private equity advisers = $137,488,520). ($2,810,167 for initial filings + $137,488,520 for ongoing annual and quarterly filings + $1,309 for transition filings + $4,485.25 for final filings + $712.50 for temporary hardship requests = $140,305,194.
9. Although we would expect the monetized time burden to increase more, given the proposed amendments, we estimate a smaller increase primarily because we propose to use a different methodology to calculate it. We believe the previously approved burden inflated the estimates by using a methodology that inflated an element of the total: the monetized time burden for initial filings. To calculate the monetized time burden for initial filings, the previously approved estimates included subsequent filings. For the requested total burden, we propose to calculate the initial filing element by including only the hours related to the initial filing, not any subsequent filings. We also propose to amortize the monetized time burden for an initial filing over three years, by dividing the initial filing burden by three years, as discussed in Table 5: Annual Monetized Time Burden of Initial Filings. The proposed methodology is designed to more accurately reflect the estimates.
10. For the external cost burden: $1,388,997 for smaller private fund advisers + $605,205 for large hedge fund advisers + $31,067 for large liquidity fund advisers + $272,021 for large private equity advisers = $2,297,290. *See* Table 9: Annual External Cost Burden for Ongoing Annual and Quarterly Filings as well as Initial Filings.
11. Although we would expect the external cost burden to increase, given the proposed amendments, we estimate it would decrease primarily because we propose to use a different methodology to calculate it. We believe the previously approved burden inflated the estimates by (1) multiplying the filing fees by three years and (2) not amortizing the external costs for initial filings: ($742,950 aggregate annual filing fees x 3 years = $2,228,850 in filing fees) + $1,400,000 external costs of initial filings = $3,628,850). We propose to not multiply the aggregate annual filing fees by three years because we are estimating the external cost burden for one year, not three. We propose to amortize the external cost for initial filings over three years, by dividing the external cost of an initial filing by three years, as discussed in Table 9: Annual External Cost Burden for Ongoing Annual and Quarterly Filings as well as Initial Filings. The proposed methodology is designed to more accurately reflect the estimates.

13. Cost to Respondents

We estimate an aggregate annual estimated external cost burden of $2,297,290, which represents a decrease of $1,331,560 from the previously approved estimate of $3,628,850. See Table 8: Aggregate Annual Estimates, above, which summarizes the total aggregate annual estimated external cost burden. Also see the table below, which details the annual external cost burden estimates for initial filings as well as ongoing annual and quarterly filings. There are no filing fees for transition filings, final filings, or temporary hardship requests and we continue to estimate there would be no external costs for those filings, as previously approved.

Table 9: Annual External Cost Burden for Ongoing Annual and Quarterly Filings as well as Initial Filings

Respondent[1]		Number of Responses Per Respondent[2]		Filing Fee Per Filing[3]		Total Filing Fees	External Cost of Initial Filing[4]		External Cost of Initial Filing Amortized Over 3 Years[5]		Number of Initial Filings[6]		Aggregate External Cost of Initial Filing Amortized Over 3 Years[7]	Total Aggregate External Cost[8]
Smaller Private Fund Advisers	**Requested**	1	x	$150	=	$150	$10,000	÷ 3 =	$3,333	x	309	=	$1,029,897	$1,388,997[9]
	Previously Approved	1	x	$150	=	$150	Not Applicable							$349,050
	Change	0		$0		$0	Not Applicable							$1,039,947
Large Hedge Fund Advisers	**Requested**	4	x	$150	=	$600	$50,000	÷ 3 =	$16,667	x	15	=	$250,005	$605,205[10]
	Previously Approved	4	x	$150	=	$600	$50,000			x	17	=	$850,000	$1,182,400
	Change	0		$0		$0	$0				(2)		($599,995)	($577,195)
Large Liquidity Fund Advisers	**Requested**	4	x	$150	=	$600	$50,000	÷ 3 =	$16,667	x	1	=	$16,667	$31,067[11]
	Previously Approved	4	x	$150	=	$600	$50,000			x	2	=	$100,000	$113,200
	Change	0		$0		$0	$0				(1)		($83,333)	($82,133)
Large Private Equity Advisers	**Requested**	1	x	$150	=	$150	$50,000	÷ 3 =	$16,667	x	13	=	$216,671	$272,021[12]
	Previously Approved	1	x	$150	=	$150	$50,000			x	9	=	$450,000	$498,300
	Change	0		$0		$0	$0				4		($233,329)	($226,279)

Notes:

1. We estimate that advisers would incur the cost of filing fees for each filing. For initial filings, advisers may incur costs to modify existing systems or deploy new systems to support Form PF reporting, acquire or use hardware to perform computations, or otherwise process data that Form PF requires.
2. Smaller private fund advisers and large private equity advisers file annually. Large hedge fund advisers and large liquidity fund advisers file quarterly.
3. The SEC established Form PF filing fees in a separate order. Since 2011, filing fees have been and continue to be $150 per annual filing and $150 per quarterly filing. *See* Order Approving Filing Fees for Exempt Reporting Advisers and Private Fund Advisers, Advisers Act Release No. 3305 (Oct. 24, 2011) [76 FR 67004 (Oct. 28, 2011)].
4. In the previous PRA submission for the rules, staff estimated that the external cost burden for initial filings would range from $0 to $50,000 per adviser. This range reflected the fact that the cost to any adviser may depend on how many funds or the types of funds it manages, the state of its existing systems, the complexity of its business, the frequency of Form PF filings, the deadlines for completion, and the amount of information the adviser must disclose on Form PF. Staff also estimated that smaller private fund advisers would be unlikely to bear such costs because the information they must provide is limited and will, in many cases, already be maintained in the ordinary course of business. Given the proposed amendments, we propose to estimate that the external cost burden for smaller private fund advisers would range from $0 to $10,000, per smaller private fund adviser. This range reflects the proposed amendments and is designed to reflect that the cost to any smaller private fund adviser may depend on how many funds or the type of funds it manages, the state of its existing systems, and the complexity of its business. We propose to use the upper range to calculate the estimate for smaller private fund advisers: $10,000. Also, given the proposed amendments, we continue to estimate that the external cost burden for initial filings for large hedge fund advisers, large liquidity fund advisers, and large private equity advisers would continue to range from $0 to $50,000 for the same reasons as the current estimates for those types of advisers. We propose to use the upper range to calculate the estimates: $50,000.
5. We propose to amortize the external cost burden of initial filings over three years, as we do with other initial burdens in this PRA, because we believe that most of the burden would be incurred in the initial filing. The previously approved burden estimates did not calculate this.
6. *See* Table 2: Annual Hour Burden Estimates for Initial Filings.
7. Changes to the aggregate external cost of initial filings, amortized over three years are due to (1) the proposed amendments, (2) using updated data, and (3) amortizing the external cost of initial filings over three years, which the previously approved PRA did not calculate.
8. Changes to the total aggregate external cost are due to (1) the proposed amendments, (2) using updated data, and (3) amortizing the external cost of initial filings over three years, which the previously approved PRA did not calculate.
9. Private Funds Statistics show 2,394 smaller private fund advisers filed Form PF in the third quarter of 2021. (2,394 smaller private fund advisers x $150 total filing fees) + $1,029,897 aggregate external cost of initial filing amortized over three years = $1,388,997 total aggregate external cost.
10. Private Funds Statistics show 592 large hedge fund advisers filed Form PF in the third quarter of 2021. (592 large hedge fund advisers x $600 total filing fees) + $250,005 aggregate external cost of initial filing amortized over three years = $605,205 total aggregate external cost.

11. Private Funds Statistics show 24 large liquidity fund advisers filed Form PF in the third quarter of 2021. (24 large liquidity fund advisers x $600 total filing fees) + $16,667 aggregate external cost of initial filing amortized over three years = $31,067 total aggregate external cost.
12. Private Funds Statistics show 369 large private equity advisers filed Form PF in the third quarter of 2021. (369 large private equity advisers x $150 total filing fees) + $216,671 aggregate external cost of initial filing amortized over three years = $272,021 total aggregate external cost.

14. Cost to the Federal Government

There are no costs to the government directly attributable to the rules.

15. Change in Burden

The aggregate annual estimate of 3,379 respondents represents an increase of 154 respondents from the previously approved estimate of 3,225 respondents. The aggregate annual estimate of 5,483 responses represents an increase of 427 responses from the previously approved estimate of 5,056 responses. The aggregate annual estimated time burden of 463,296 hours represents an increase of 53,528 hours from the previously approved estimate of 409,768 hours. The aggregate annual estimated monetized time burden of $140,305,194 represents an increase of $18,153,094 from the previously approved estimate of $122,152,100.25. The aggregate annual estimated external cost burden of $2,297,290 represents a decrease of $1,331,560 from the previously approved estimate of $3,628,850. The changes are due to proposed amendments, updated data, and using a new methodology for certain estimates. These changes in burden also reflect the Commission's revision and update of burden estimates for all information collections under this OMB control number (whether or not associated with rulemaking changes), and the Commission requested public comment on all information collection burden estimates for this OMB control number.

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 Form PF, 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.