

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

**A. JUSTIFICATION**

**1. Necessity for the Information Collection**

Adopted by Congress in 1975, section 13(f) of the Securities Exchange Act of 1934 (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. Rule 13f-1 under the 1934 Act (17 CFR 240.13f-1) 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. The reports of such managers are filed as holdings reports or combination reports (together, "Form 13F-HR") under rule 13f-1. In some instances, two or more managers may exercise investment discretion with respect to the same securities. In these cases, subject to certain conditions, Form 13F permits one such institutional manager to report those securities on behalf of the other(s). A manager on whose behalf securities are reported, generally, must file an abbreviated "notice" report on Form 13F to identify the manager(s) reporting on its behalf ("Form 13F-NT").

On November 4, 2021, the Commission issued a release proposing amendments to Form 13F. Under the proposal, confidential treatment requests for filings made under section 13(f) of the Exchange Act ("13(f) Confidential Treatment Requests") that managers currently submit to the Commission in paper, typically through the mail or by express delivery, would be required to be submitted electronically via EDGAR. The proposal also would amend Form 13F to require managers to provide additional identifying information. The Commission is also proposing to

make certain technical amendments, including to modernize the structure of data reporting and amend the instructions on Form 13F for confidential treatment requests in light of a recent decision of the U.S. Supreme Court.

## **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**

Before adopting amendments to Form 13F, the Commission will receive and evaluate public comments on the proposal and its collection of information requirements. Specifically, the Commission's solicitation of public comments includes estimating and requesting public comments on the burden estimates for all information collections under this OMB control number (*i.e.*, both changes associated with the proposed rulemaking and other burden updates). Moreover, the Commission and the staff of the Division of Investment Management participate in an ongoing dialogue with representatives of the investment company industry through public conferences, meetings, and information exchanges. These various forums provide the

Commission and staff with a means of ascertaining and acting upon the paperwork burdens confronting the industry.

**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**

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.

**12. Burden of Information Collection**

In our most recent PRA submission for Form 13F, we estimated a total hour burden of 67,242 hours, with an internal cost burden of \$13,733,909, and an annual external cost burden of

\$4,846,374.<sup>1</sup>

The table below summarizes the initial and ongoing annual burden estimates associated with the proposed amendments to Form 13F. Staff estimates that the proposed amendments will not change the PRA hour burdens associated with making amended filings on Form 13F.

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<sup>1</sup> This estimate is based on the last time the rule's information collection was submitted for PRA renewal in 2021.



## Form 13F PRA Estimates

Initial  
hours

Annual hours

Wage rate

Internal time cost

External costs<sup>1</sup>

### PROPOSED AMENDMENTS TO FORM 13F

#### Estimated Form 13F-HR Burdens

Proposed Amendments to Form 13F-HR per filer (additional identifying information and technical amendments)	9 hours	3.5 hours <sup>2</sup>	x	\$202.50 (blended rate for senior programmer and compliance clerk) <sup>3</sup>	\$708.75	\$0
	2 hours	0.67 hours <sup>2</sup>	x	\$368 (compliance attorney rate) <sup>3</sup>	\$246.56	
Total burden of proposed amendments to Form 13F-HR per filer		4.17			\$955.31	
New annual estimated Form 13F-HR burden per filer		15.17 hours			\$3,348.31	\$789 <sup>5</sup>
Number of annual filers		x 5,466 filers <sup>6</sup>			× 5,466 filers	×5,466 filers
Total new annual burden		82,919.2 hours			\$18,301,862.5	\$4,312,674

#### Estimated Form 13F-NT Burdens

Proposed Amendments to Form 13F-NT (additional identifying information)	5 hours	2.17 hours <sup>2</sup>	x	\$202.50 (blended rate for senior programmer and compliance clerk) <sup>3</sup>	\$439.43	\$0
	1 hour	0.33 hours <sup>2</sup>		\$368 (compliance attorney rate) <sup>4</sup>	\$121.44	
Total burden of proposed amendments to Form 13F-NT		2.5 hours			\$560.87	
New annual estimated Form 13F-NT burden per filer		6.5 hours			\$844.87	\$300
Number of annual filers		1,535 filers <sup>7</sup>			1,535 filers	1,535 filers
Total new annual burden		9,977.5 hours			\$1,296,875.45	\$460,500

#### TOTAL ESTIMATED FORM 13F BURDEN

Currently approved burden estimates		67,242 hours			\$13,733,909	\$4,846,374
Burden estimates under the proposal		93,872.7 hours			\$19,816,569	\$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. Includes initial burden estimates annualized over a three-year period, plus 0.5 hours of ongoing annual burden hours for a senior programmer and compliance clerk. The estimates assume that a compliance attorney would only be involved in the initial implementation of the amendments.
3. These PRA estimates assume that the same types of professionals would be involved in satisfying the proposed amendments that we believe otherwise would be involved in preparing and filing reports on Form 13F-HR and Form 13F-NT. 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.
4. 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.
5. \$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.
6. This estimate is based on the number of 13F-HR filers as of December 2019.
7. This estimate is based on the number of Form 13F-NT filers as of December 2019.



### **13. Cost to Respondents**

Cost burden is the cost of goods and services purchased to prepare and submit reports on Form 13F. In our last PRA submission we estimated that there were \$4,846,374 in annual external costs associated with complying with Form 13F. If the proposed amendments are adopted, we believe that there will be no change to the total external cost burden to comply with Form 13F.

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. Changes in Burden**

The estimated total annual burden hours increased by 26,630.7 from 67,242 to 93,872.7 hours. The increase in annual burden hours is due to the Commission’s proposed amendments to Form 13F. The proposed amendments will not change the currently approved external cost burden to comply with Form 13F.

**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	28,004	28,004	0	67,242	93,872.7	+26,630.7	\$4,846,374	\$4,846,374	\$0

These changes in hourly and external cost burdens 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 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.