

SUPPORTING STATEMENT
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION
SUBMISSION FOR FORM CB

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

The Commission rules exempt from the tender offer and registration rules cross-border tender offers, exchange offers, rights offerings and business combinations when U.S. ownership of the foreign company is not significant. The purpose of these exemptions is to facilitate inclusion of U.S. security holders of foreign companies in these types of transactions. The rules are intended to reduce the regulations applicable to some cross-border transactions.

2. Purpose and Use the Information Collection

Rules 801(c)(4)(i) and 802(c)(3)(i) under the Securities Act of 1933 (the “Securities Act”) and Rules 13e-3(g)(6), 13e-4(h)(8)(2)(i), 14d-1(c)(2)(i) and 14e-2(d)(1) under the Securities Exchange Act of 1934 (the “Exchange Act”) require an entity conducting an exempt cross-border business combination or rights offering to file a Form CB to the extent the party would have had a filing obligation if the transaction were not eligible for the exemption. Form CB is a cover sheet that incorporates the offering documents sent to security holders pursuant to the requirements of the country in which the issuer is incorporated. It also requires disclosure of the identity of the entity conducting the tender offer or rights offering. This collection of information is necessary so that the Commission can determine whether the transaction meets the eligibility requirements of the exemptive rules. We also have to collect information to ensure that information about the transaction is publicly available. Security holders thus have the opportunity to make informed investment decisions, particularly since the transactions relate to potential changes in control. For the business combination exemptions, domestic and foreign entities engaged in cross-border transactions are the likely respondents. Also, the company that is the target of the tender offer is required to respond.

3. Consideration Given to Information Technology

Issuers are required to file Form CB electronically using the Electronic Data Gathering, Analysis and Retrieval (EDGAR) system.

4. Duplication of Information

There are no other public sources for this information.

5. Reducing the Burden on Small Entities

Small entities can rely on the exemptions on the same basis as larger entities, provided that they meet the conditions for relying on them. The exemptions eliminate certain existing reporting requirements for entities conducting an exempt tender offer, business combination or rights offering. Form CB does not discriminate against, or otherwise unduly burden, small entities.

6. Consequences of Not Conducting Collection

Persons considering investment in securities issued by foreign companies would find it more difficult and expensive to obtain the necessary information if the specified persons were not required to file the necessary information with the Commission.

7. Special Circumstances

Form CB is filed electronically as described in Item 3 above. Form CB may be filed in paper in accordance with Rule 101(b)(8) of Regulation S-T or a hardship exemption; filers must furnish five copies of the form in paper. Under current procedures for paper copies, one of the Form CB copies is sent to an independent contractor to be placed on microfiche. Another copy gets sent to the Commission's Public Reference Room. A third copy is used to update our records system. The other two copies are distributed to staff in the Office of Mergers and Acquisitions, Division of Corporation Finance.

8. Consultations with Persons Outside the Agency

No comments were received on this request during the 60-day comment period prior to OMB's review.

9. Payment or Gift to Respondents

No payment or gift to respondents.

10. Confidentiality

Form CB is a public document.

11. Sensitive Questions

The information collection collects basic personally identifiable information that may include name, job title, address, telephone number, and signature. However, the agency has determined that the information collection does not constitute a system of record 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 March 22, 2023, is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

12. Estimate of Respondent Reporting Burden

Table of Reporting Burden Due to an Extension Request

Information Collection Title	OMB Control Number	Number of Responses	Burden Hours
Form CB	3235-0518	58	7

Form CB takes approximately 0.5 hours per response to prepare and is filed by 58 foreign private issuers annually. We derived our burden hour estimates by estimating the average number of hours it would take an issuer to compile the necessary information and data, prepare and review disclosure, file documents and retain records. We believe that the actual burdens will likely vary among individual filers based on the nature of their operations. We further estimate that 25% of the collection of information burden is carried by the foreign private issuer internally and that 75% of the burden of preparation is carried by outside professionals retained by the company. Based on our estimates, we calculated the total reporting burden to be 7 hours (0.125 hours per response x 58 responses). For administrative convenience, the presentation of the total related to the paperwork burden hours has been rounded to the nearest whole number. The estimated burden hours are made solely for the purpose of the Paperwork Reduction Act.

13. Estimate of Total Annualized Cost Burden**Table of Cost Burden Due to Extension Request**

Information Collection Title	OMB Control Number	Number of Responses	Cost Burden
Form CB	3235-0518	58	\$13,050

We estimate that 75% of the 0.5 hours per response (0.375 hours) is prepared by outside counsel. We estimate that it will cost \$600 per hour (\$600 per hour x 0.375 hours per response x 58 responses) for a total cost of \$13,050. We recognize that the costs of retaining outside professionals may vary depending on the nature of the professional services, but for purposes of this PRA analysis, we estimate that such costs would be an average of \$600 per hour. We are increasing the cost estimate to \$600 per hour to adjust the estimate for inflation from August 2006 to the present. For administrative convenience, the presentation of the total related to the paperwork cost burden has been rounded to the nearest dollar. The cost estimate is made solely for the purpose of the Paperwork Reduction Act.

14. Costs to Federal Government

The annual cost of reviewing and processing disclosure documents, including registration statements, post-effective amendments, proxy statements, annual reports and other filings of operating companies amounted to approximately \$129,168,390 in fiscal year 2022, based on the Commission's computation of the value of staff time devoted to this activity and related overhead.

15 Reason for Change in Burden**Summary of the Adjustments to the Burden Hours and Cost Burden**

IC Title	Annual Time Burden (Hours) Adjustment			Annual Burden Cost Burden (\$) Adjustment		
	Previously Approved	Requested	Decrease In Burden	Previously Approved	Request	Decrease In Cost Burden
Form CB	14	7	-7	\$16,650	\$13,050	(\$3,600)

The decrease of 7 burden hours and the decrease in cost burden of (\$3,600) is due to a decrease in the number of filings filed with the Commission.

16. Information Collection Planned for Statistical Purposes

The information collection is not planned for statistical purposes.

17. Approval to Omit OMB Expiration Date

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

18. Exceptions to Certification for Paperwork Reduction Act Submissions

There are no exceptions to certification for Paperwork Reduction Act submissions.

B. STATISTICAL METHODS

The information collection does not employ statistical methods.