

SUPPORTING STATEMENT
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION
SUBMISSION FOR SECURITIES ACT RULE 433

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

The Commission adopted Rule 433 on July 19, 2005, in Release 33-8591 (“Securities Offering Reform”). The rule was designed to reduce current restrictions on communications that issuers can make to investors during a registered offering of securities. Specifically, it governs the use and filing of a free writing prospectus. Rule 433 applies to any free writing prospectus with respect to the securities of an issuer (except as set forth in Rule 164), that are the subject of a registration statement that has been filed under the Securities Act of 1933. The free writing prospectus can include information that is not included in the registration statement. A free writing prospectus that satisfies the conditions of Rule 433 will be a prospectus under Section 10(b) of the Securities Act and will, for purposes of considering it a prospectus, be deemed to be public, without regard to its method of use or distribution, because it is related to the public offering of securities that are the subject of a filed registration statement. Rule 433 sets forth conditions that issuers must meet to use a free-writing prospectus.

2. Purpose and Use of the Information Collection

The primary purpose of the rule is to relax restrictions on communications that issuers can make to investors during a registered offering of securities.

3. Consideration Given to Information Technology

Rule 433 communications are filed electronically on the Commission’s Electronic Data Gathering, Analysis and Retrieval (EDGAR) system, except under limited conditions set forth in Rule 433(d).

4. Duplication of Information

There are no other filing requirements that duplicate this information.

5. Reducing the Burden on Small Entities

All issuers, including small business issuers, have discretion as to whether or not they want to disseminate written communications in the form of a free-writing prospectus. Furthermore, Rule 433 was adopted in connection with other revisions, all of which were intended to decrease costs and burdens for all issuers, including small business issuers, and enhance communications between issuers and investors.

6. Consequences of Not Conducting Collection

Rule 433 requires filing of written communications only when issuers choose to disseminate them in a free-writing prospectus. Less frequent collection could compromise investor protection.

7. Special Circumstances

There are no special circumstances.

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 of this submission.

9. Payment or Gift to Respondents

No payment or gift has been provided to any respondents.

10. Confidentiality

A free writing prospectus meeting the conditions of Rule 433(d)(1) must be filed with the Commission and is publicly available.

11. Sensitive Questions

No information of a sensitive nature, including social security numbers, will be required under this collection of information. The information collection does not collect personally identifiable information (PII). The agency has determined that a system of records notice (SORN) and privacy impact assessment (PIA) are not required in connection with the collection of information.

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
Rule 433	3235-0617	20,179	49,391

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. In connection with rule amendments to the form, we occasionally receive PRA estimates from public commenters about incremental burdens that are used in our burden estimates. Based on our estimates, we calculated the total reporting burden to be 49,391 hours (2.44764 hours per response x 20,179 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
Rule 433	3235-0617	20,179	\$7,668,800

We estimate that Rule 433 compliance will cost \$7,668,800 on an annual basis (\$380.038654 per response x 20,179 responses) for the service of outside professionals. Our estimates reflect average burdens, and therefore, some companies may experience costs in excess of our estimates and some companies may experience costs that are lower than our estimates. For administrative convenience, the cost total 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

There is no change in burden.

16. Information Collection Planned for Statistical Purposes

The information collection is not planned for statistical purposes.

17. Approval to Omit OMB Expiration Date

The Commission is not seeking approval to omit the expiration date.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

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

B. STATISTICAL METHODS

The information collection does not employ statistical methods.