

**SUPPORTING STATEMENT FOR AMENDED RULES
UNDER THE SECURITIES ACT OF 1933 AND
SECURITIES EXCHANGE ACT OF 1934**

This is a submission under the Paperwork Reduction Act of 1995, 44 U.S.C. §3501, *et seq.*, consisting of this supporting statement and the following attachment:

Adopting Release (Release No. 33-11070)

A. JUSTIFICATION

1. CIRCUMSTANCES MAKING THE COLLECTION OF INFORMATION NECESSARY

On June 2, 2022, the Securities and Exchange Commission (the “Commission”) adopted amendments to mandate the electronic filing or submission of documents that are currently permitted electronic submissions. Specifically, the amendments mandate the electronic filing or submission of the “glossy” annual report to security holders, notices of exempt solicitations and exempt preliminary roll-up communications, notices of sales of securities of certain issuers, filings of required reports by foreign private issuers and filings made by multilateral development banks on our Electronic Data Gathering, Analysis, and Retrieval (“EDGAR”) system.¹ The amendments will also mandate the electronic submission of the “glossy” annual report to security holders, the electronic filing of the certification made pursuant to the Exchange Act and its rules that a security has been approved by an exchange for listing and registration, the use of Inline eXtensible Business Reporting Language (“Inline XBRL”) for the filing of the financial statements and accompanying notes to the financial statements required in the annual reports of employee stock purchase, savings and similar plans, and that will allow for the electronic submission of certain foreign language documents.

These amendments are intended to continue and further the Commission’s ongoing efforts to make the EDGAR system more comprehensive by including more filings in the mandated electronic filing category. The amendments do not change the nature or extent of any of the information that is currently collected under Rule 101(b), the foreign language documents submitted under Rule 306 of Regulation S-T, or the certifications filed under Exchange Act Rule 12d1-3. However, as discussed below, we expect that the change to require an electronic format will result in certain changes in the information collection burden of associated forms, schedules, reports, and applications.

The Paperwork Reduction Act burdens associated with the following collections of information will be affected by the amendments:

¹ *Updating EDGAR Filing Requirements and Form 144 Filings*, Release No. 33-11070 (June 1, 2022)(the “Adopting Release”).

- Schedule 14A (OMB Control Number 3235-0059);
- Schedule 14C (OMB Control Number 3235-0057);
- Form 20-F (OMB Control Number 3235-0288);
- Form 40-F (OMB Control Number 3235-0381);
- Form 11-K (OMB Control Number 3235-0082); and
- Form ID (OMB Control Number 3235-0328).²

A copy of the Adopting Release is attached.

2. PURPOSE AND USE OF THE INFORMATION COLLECTION

The purpose of the amendments is to facilitate more efficient transmission, dissemination, analysis, storage and retrieval of documents that are currently filed in paper. This is intended to benefit investors, market participants, and other EDGAR users by enabling them to retrieve and use the information in the identified documents promptly, facilitating their analysis of this information. Previously, investors or other parties wishing to access and review paper filings were only able to do so in person at the Commission's public reference room or subscribe to a third-party information service that scans and distributes the information after a paper filing is made. For an investor or other user, it was both time consuming and cumbersome to obtain these filings in paper.

The amendments are also intended to improve the Commission's ability to track and process filings and modernize the Commission's records management process.

3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY

All of the affected forms will be filed electronically with the Commission using the Commission's EDGAR system.

4. DUPLICATION OF INFORMATION

The amendments do not duplicate, overlap, or conflict with other federal rules.

5. REDUCING THE BURDEN ON SMALL ENTITIES

The amendments mandate the electronic filing or submission of documents that are currently permitted electronic submissions and mandate the use of Inline XBRL for the filing of the financial statements and accompanying notes to the financial statements required in the annual reports of employee stock purchase, savings, and similar plans.

² The paperwork implications of the rule to mandate electronic filing of Form 144 are reflected in the paperwork burden estimate for Form ID. *See* footnote 98 of the Adopting Release.

The amendments apply to small entities to the same extent as other entities, irrespective of size.

The amendments will not substantively affect the filings currently made in paper, but the change to require an electronic format will result in certain changes in the information collection burden of associated forms, schedules, reports, and applications. For example, any persons who are not already EDGAR filers would be required to apply for EDGAR credentials using Form ID. In addition, we anticipate that Form 11-K filers would experience additional burdens related to the one-time costs associated with becoming familiar with Inline XBRL reporting. These costs could include the acquisition of new software or the services of consultants, and/or the training of staff.

6. CONSEQUENCES OF NOT CONDUCTING COLLECTION

The regulations and associated schedules, forms and rules set forth the disclosure requirements for periodic and current reports filed by companies to help investors make informed investment decisions. Not conducting these collections would deprive investors of access to information that is important to their voting and investment decisions.

7. SPECIAL CIRCUMSTANCES

There are no special circumstances in connection with these amendments.

8. CONSULTATIONS WITH PERSONS OUTSIDE THE AGENCY

The Commission issued proposing releases soliciting comment on the new “collection of information” requirements and the associated paperwork burdens. Comments on Commission releases are generally received from registrants, investors, and other market participants.³ The Commission did not receive any comments that directly addressed the PRA analysis of the proposed amendments. All comments received on the proposal are available at <https://www.sec.gov/comments/s7-16-21/s71621.htm>. The Commission considered all comments received prior to publishing the final rules, as required by 5 CFR 1320.11(f).

9. PAYMENT OR GIFT TO RESPONDENTS

No payment or gift has been provided to any respondents.

10. CONFIDENTIALITY

All documents submitted to the Commission are available to the public.

³ See *Updating EDGAR Filing Requirements* Release No. 33-11005 (Nov. 4, 2021) [86 FR 66231]; *Rule 144 Holding Period and Form 144 Filings*, Release No. 33-10991(Dec. 22, 2020) [85 FR 79936].

11. SENSITIVE QUESTIONS

No information of a sensitive nature would be required under the following collections of information in connection with these rulemaking amendments: Form 144, Schedule 14A, Schedule 14C, Form 6-K, Form 20-F, Form 40-F, and Form ID. The information collections collect basic Personally Identifiable Information that may include a name and job title. However, the agency has determined that the information collections do 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. and 13. ESTIMATES OF HOUR AND COST BURDENS

We anticipate that the amendments will, in the aggregate, increase the burdens and costs for registrants to prepare and review disclosure under by the proposed amendments. Below we estimate the incremental change in internal burden and outside professional cost as a result of the amendments. These estimates represent the average burden for all registrants, both large and small. In deriving our estimates, we recognize that the burdens will likely vary among individual registrants based on a number of factors, including the nature of their business. Except for Form ID, we do not believe that the amendments will change the frequency of responses to the existing collections of information; rather, we estimate that the amendments will change only the burden per response.

The burden estimates were calculated by multiplying the estimated number of responses by the estimated average amount of time it would take a registrant to prepare and review the disclosures required under the amendments. For purposes of the PRA, the burden is allocated between internal burden hours and outside professional costs. For Schedules 14A and 14C, we estimate that 75% of the burden of preparation is carried by the company internally and that 25% of the burden of preparation is carried by outside professionals retained by the company. For Forms 20-F and 40-F we estimate that 25% of the burden of preparation is carried by the company internally and that 75% of the burden of preparation is carried by outside professionals retained by the company. For Form 11-K and Form ID, we estimate that 100% of the burden of preparation is carried by the company internally. We also estimate that the average cost of retaining an outside professional is \$400 per hour.⁴

⁴ We recognize that the costs of retaining outside professionals may vary depending on the nature of the professional services, but for purposes of the PRA analysis, we estimate that such costs would be an average of \$400 per hour. This estimate is based on consultations with several registrants, law firms, and other entities that regularly assist registrants in preparing and filing documents with the Commission.

The following table summarizes the requested paperwork burden, including the estimated total reporting burdens and costs, under the adopting amendments.

Table 1: Incremental Paperwork Burden under the Final Amendments

Collection of Information	Current Burden			Program Change			Revised Burden		
	Current Annual Responses (A)	Current Burden Hours (B)	Current Cost Burden (C)	Change in Annual Responses (D)	Change in Burden Hours (E)	Change in Professional Costs (F)	Annual Affected Responses (G)= (A) + (D)	Burden Hours for Affected Response (H) = (B)+(E)	Cost Burden for Affected Responses (I)= (C)+(F)
Schedule 14A	6,369	850,836	\$113,410,112	0	9,553	\$1,274,000	6,369	860,389	\$114,684,112
Schedule 14C	569	63,048	\$8,407,344	0	853	\$113,600	569	63,901	\$8,520,944
Form 20-F	729	479,303	\$576,533,425	0	364	\$437,400	729	479,667	\$576,970,825
Form 40-F	132	14,171	\$17,005,360	0	66	\$79,200	132	14,237	\$17,084,560
Form 11-K	1,302	39,060	0	(236)	70,153	\$8,021,650	1,066	109,213	\$8,021,650
Form ID	57,329	17,199	0	9,190	1,379	0	66,519	\$18,578	0
Total	66,430	1,463,617	\$715,356,241	8,954	82,368	\$9,925,850	75,384	1,545,985	\$725,282,091

1. We note that the decrease in responses on Form 11-K reflects the actual number of Forms received in 2020. This decrease is not the result of the amendments which we do not expect to affect the number of responses submitted on Form 11-K.

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 \$131,724,880 in fiscal year 2023, based on the Commission’s computation of the value of staff time devoted to this activity and related overhead. We anticipate that the rule to mandate electronic filing of documents that were previously filed in paper will reduce burdens and inefficiencies associated with the filing, dissemination, storage, and retrieval of paper submissions, and reduce staff processing time.

15. REASON FOR CHANGE IN BURDEN

With respect to the electronic submission of the “glossy” annual report to security holders, we estimate the amendments will impose a new burden that will be borne by all registrants required to submit “glossy” annual reports to security holders to the Commission. We estimate that the amendments will cause a registrant to incur an increase of two hours in the reporting burden for the annual report to security holders. We anticipate that this time would be required to prepare, convert into the required electronic format (currently PDF) if PDF is not already used for the report to security holders, and review the “glossy” annual reports to security holders to be submitted electronically in accordance with the EDGAR Filer Manual.

With respect to the amendment to require the submission of the financial statements in the Form 11-K in Inline XBRL, we do not expect a change in the number of Forms 11-K submitted to the Commission, but we do expect an increase in the burden per form. The Commission previously estimated that, per response, operating companies submitting financial information in Inline XBRL required 54 burden hours of internal time to prepare the tagged data and incurred a cost \$6,175 for outside services.⁵ The amendments would subject employee purchase plans, savings plans, and similar plans to the same Inline XBRL reporting requirements. Therefore, we assume that these plans would experience similar burden hours and costs as do operating companies. We have however increased that burden estimate to account for the particular circumstances applicable to Form 11-K filers.

As new XBRL filers, we anticipate that Form 11-K filers would experience additional burdens related to the one-time costs associated with becoming familiar with Inline XBRL reporting. These costs would include, for example, the acquisition of new software or the services of consultants, and/or the training of staff.⁶ We also assume that these one-time costs would decline in the second and third year of compliance with the amendments, as Form 11-K filers become more efficient at preparing submissions using Inline XBRL.⁷ We assume that the one-time cost would result in a 50% incremental increase in the internal burdens and external costs of structuring the data in the financial statements and accompanying footnotes of the financial statements to Form 11-K.⁸ These additional incremental costs would decline in the second and third years by 75%

⁵ See Inline XBRL Adopting Release, *supra* note 52.

⁶ Until now, the burden associated with the preparation of Form 11-K has been borne entirely by filers. In other words, registrants have not needed to retain outside professional services to prepare the submission. With the Inline XBRL tagging requirements under the amendments, we anticipate that registrants may retain outside professional services in order to tag the financial statements and accompanying notes to the financial statements properly. Accordingly, we are estimating increases for both burden hours and outside professional costs.

⁷ We also expect filers to benefit from access to an established vendor community experienced in applying Inline XBRL tagging to Commission filings.

⁸ We estimate, for the Form 11-K financial information Inline XBRL requirement, that in the first year the one-time cost would be an additional 27 hours (54 x 0.5) and \$3,087.5 in external costs (\$6,175 x 0.5).

from the immediately preceding year.⁹ Accordingly, we estimate that the amendment to require Form 11-K filers to submit the financial information in Inline XBRL would, for each filer, result in incremental PRA burdens of 11.81 hours of internal time and \$1,350.78 in costs for outside professional services, in addition to the 54 hours and \$6,175 in costs noted above. In aggregate, we estimate these burdens to be 70,153¹⁰ and \$8,021,650,¹¹ respectively.

We anticipate that the mandated electronic filing of Form 144 with respect to securities issued by issuers subject to Exchange Act reporting requirements will result in a number of filers using EDGAR to file their Form 144 electronically who do not currently do so. Filers who have not previously filed electronically on EDGAR must apply for access to file on EDGAR on Form ID. As the majority of Form 144 filings currently are paper or email filings, most filers would have to modify their processes for submitting their Form 144 filings. Based on past filings, we estimate that approximately 12,250 filers will be required to switch from paper filings to electronic filing of their Form 144.¹²

Of those 12,250 filers, however, we estimate that 25 percent have already filed a Form ID through other EDGAR filing obligations.¹³ A filer must apply for access to file on EDGAR on Form ID. Accordingly, approximately 75 percent of Form 144 filers (9,188 filers¹⁴) would need to file a Form ID for the first time as a result of the amendment to mandate the electronic filing of Form 144. In addition, there are currently two Development Banks that have not previously made an electronic filing on EDGAR

⁹ We estimate that for the second year the additional one-time hour burden and cost of the Form 11-K financial information XBRL requirement would be 6.75 hours (27 hours - (27 x 0.75 = 20.25 hours)) and \$771.87 (\$3,087.5 - (\$3,087.5 x 0.75 = \$2,315.63)). For the third year, we estimate that these hour burdens and costs would be 1.69 hours (6.75 hours - (6.75 x 0.75 = 5.06 hours)) and \$192.97 (\$771.87 - (\$771.87 x 0.75 = \$578.90)). Thus, the three-year average of the additional incremental burden of the Form 11-K financial information XBRL requirement would be (27 + 6.75 + 1.69)/3 = 11.81 hours of internal in-house time, and (\$3,087.5 + \$771.87 + \$192.97)/3 = \$1,350.78 in external costs.

¹⁰ This estimate was calculated by adding the estimated XBRL hour burden for operating companies (54 hrs) plus the average additional incremental hour burden for Form 11-K filers (11.81), then multiplying the sum by the estimated number of Form 11-K filers (1,066), or (54 + 11.81) x 1,066 = 70,153.

¹¹ This estimate was calculated by adding the estimated XBRL cost burden for operating companies (\$6,175) plus the average additional incremental cost burden for Form 11-K filers (\$1,350), then multiplying the sum by the estimated number of Form 11-K filers (1,066), or (\$6,175 + \$1,350) x 1,066 = \$8,021,650.

¹² These estimates assume that filers of Form 144 submissions in our data are not also affiliates of other issuers. Because we lack data on the holdings of filers in securities of issuers other than those disclosed in the Form 144, we are unable to identify any filers that are such affiliates.

¹³ Specifically, we observe that approximately 23 percent of calendar year 2019 Form 144 filers also submitted Form 4 filings in EDGAR, while a remaining two percent without Form 4 filings in EDGAR submitted a miscellany of other forms in EDGAR related to beneficial ownership.

¹⁴ 12,250 x 0.75 = 9,187.5. This estimate represents an extreme upper bound because it assumes that each named individual who filed at least one Form 144 in calendar year 2019 who is not currently associated with a unique CIK would need to file a Form ID. To the extent that some Form 144 filers are affiliates of issuers who may use the issuer's CIK to file via EDGAR, the estimate likely overstates the required number of new Form IDs required and the burden hours associated with such applications.

that would also be required as a result of the amendments to file a Form ID to obtain the access codes that are required to file or submit a document on EDGAR.

We estimate that respondents require 0.15 hours to complete the Form ID and, for purposes of the PRA, that 100 percent of the burden of preparation for Form ID is carried by the respondent internally. Therefore, we estimate that this amendment will result in an incremental increase of 1,378.50 annual burden hours for Form ID.¹⁵

16. INFORMATION COLLECTIONS PLANNED FOR STATISTICAL PURPOSES

The information collections do not employ statistical methods.

17. EXPLANATION AS TO WHY EXPIRATION DATE WILL NOT BE DISPLAYED

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 the Paperwork Reduction Act submissions.

B. STATISTICAL METHODS

The information collections do not employ statistical methods.

¹⁵ 9,190 x 0.15 = 1,378.5.

SCHEDULE 14A SHORT STATEMENT

The amendments are intended to continue and further the Commission's ongoing efforts to make the EDGAR system more comprehensive by including more filings in the mandated electronic filing category. We anticipate that the amendments would, in the aggregate, increase the burdens and costs to registrants associated with compliance with the federal securities disclosure regime. These estimated burden and cost increases are expected to result primarily from the time required to prepare, convert into the required electronic format (currently PDF) if PDF is not already used for the report to security holders, and review the "glossy" annual reports to security holders to be submitted electronically in accordance with the EDGAR Filer Manual. For purposes of the PRA, we estimate that the amendments to Schedule 14A will result in a net increase of 9,553 burden hours and a net increase in the cost burden of \$1,274,000 for the services of outside professionals.

SCHEDULE 14C SHORT STATEMENT

The amendments are intended to continue and further the Commission's ongoing efforts to make the EDGAR system more comprehensive by including more filings in the mandated electronic filing category. We anticipate that the amendments would, in the aggregate, increase the burdens and costs to registrants associated with compliance with the federal securities disclosure regime. These estimated burden and cost increases are expected to result primarily from the time required to prepare, convert into the required electronic format (currently PDF) if PDF is not already used for the report to security holders, and review the "glossy" annual reports to security holders to be submitted electronically in accordance with the EDGAR Filer Manual. For purposes of the PRA, we estimate that the amendments to Schedule 14C will result in a net increase of 853 burden hours and a net increase in the cost burden of \$113,600 for the services of outside professionals.

FORM 20-F SHORT STATEMENT

The amendments are intended to continue and further the Commission's ongoing efforts to make the EDGAR system more comprehensive by including more filings in the mandated electronic filing category. We anticipate that the amendments would, in the aggregate, increase the burdens and costs to registrants associated with compliance with the federal securities disclosure regime. These estimated burden and cost increases are expected to result primarily from the time required to prepare, convert into the required electronic format (currently PDF) if PDF is not already used for the report to security holders, and review the "glossy" annual reports to security holders to be submitted electronically in accordance with the EDGAR Filer Manual. For purposes of the PRA, we estimate that the amendments to Form 20-F will result in a net increase 364 burden hours and a net increase in the cost burden of \$437,400 for the services of outside professionals.

FORM 40-F SHORT STATEMENT

The amendments are intended to continue and further the Commission's ongoing efforts to make the EDGAR system more comprehensive by including more filings in the mandated electronic filing category. We anticipate that the amendments would, in the aggregate, increase the burdens and costs to registrants associated with compliance with the federal securities disclosure regime. These estimated burden and cost increases are expected to result primarily from the time required to prepare, convert into the required electronic format (currently PDF) if PDF is not already used for the report to security holders, and review the "glossy" annual reports to security holders to be submitted electronically in accordance with the EDGAR Filer Manual. For purposes of the PRA, we estimate that the amendments to Form 40-F will result in a net increase 66 burden hours and a net increase in the cost burden of \$79,200 for the services of outside professionals.

FORM 11-K SHORT STATEMENT

The amendments are intended to continue and further the Commission's ongoing efforts to make the EDGAR system more comprehensive by including more filings in the mandated electronic filing category. We anticipate that the amendments would, in the aggregate, increase the burdens and costs to registrants associated with compliance with the federal securities disclosure regime. These estimated burden and cost increases are expected to result primarily from the costs of structuring the data in the financial statements and accompanying footnotes of the financial statements to Form 11-K, including, for example, the time required to becoming familiar with Inline XBRL reporting, the acquisition of new software or the services of consultants, and/or the training of staff. For purposes of the PRA, we estimate that the amendments to Form 11-K will result in a net decrease of 236 in the estimated number of annual responses, a net increase of 70,153 burden hours, and a net increase in the cost burden of \$8,021,650 for the services of outside professionals.

FORM ID SHORT STATEMENT

The amendments are intended to continue and further the Commission's ongoing efforts to make the EDGAR system more comprehensive by including more filings in the mandated electronic filing category. We anticipate that the amendments would, in the aggregate, increase the burdens and costs to registrants associated with compliance with the federal securities disclosure regime. These estimated burden and cost increases are expected to result primarily from the costs for filers who must apply on Form ID for access to file on EDGAR and must modify their processes for submitting their Form 144 filings electronically rather than in paper or by email. For purposes of the PRA, we estimate that the amendments to Form ID will result in an increase in the estimated number of annual responses of 9,190 and a net increase of 1,379 burden hours.