

SUPPORTING STATEMENT FOR THE PAPERWORK REDUCTION ACT
INFORMATION COLLECTION SUBMISSION FOR FORM 1-Z

A. JUSTIFICATION

1. CIRCUMSTANCES MAKING THE COLLECTION OF INFORMATION NECESSARY

The Securities Act of 1933, as amended (the “Securities Act”), generally requires that a registration statement be filed with the Securities and Exchange Commission (the “Commission”) disclosing prescribed information before securities may be offered for sale to the public. While the Securities Act already authorizes the Commission to exempt certain securities and transactions from registration, Section 401 of the Jumpstart Our Business Startups Act added Section 3(b)(2) to the Securities Act, creating a new exemption from registration. The Commission has adopted various rules (collectively, “Regulation A”) establishing a limited offering exemption from the registration requirements of the Securities Act. Regulation A provides an exemption for offerings that satisfy certain conditions, such as filing an offering statement with the Commission, limiting the dollar amount of the offering and, in certain instances, filing ongoing reports with the Commission. Form 1-Z is filed with the Commission under Regulation A.

2. PURPOSE AND USE OF THE INFORMATION COLLECTION

The purpose of Forms 1-Z is to collect empirical data for the Commission on offerings conducted under Regulation A that have been terminated or completed, to indicate to the Commission that issuers that have conducted Tier 2 offerings are suspending their duty to file reports under Regulation A and to provide such information to the investment public.

3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY

Forms 1-Z will be filed electronically using the Commission’s Electronic Data Gathering, Analysis and Retrieval (“EDGAR”) system. Also, all of Form 1-Z will be an online fillable form.

4. DUPLICATION OF INFORMATION

The Commission makes every effort to coordinate with other regulatory entities when necessary or appropriate in the public’s interest and for the protection of investors and to streamline regulations to enhance the production of capital. We are not aware of any forms or rules that conflict with or substantially duplicate the requirements of Form 1-Z.

5. REDUCING THE BURDEN ON SMALL ENTITIES

Regulation A is an exemption from Securities Act registration relating to small issues and small issuers. Regulation A provides an exemption to small issuers while allowing them to conduct larger offerings that are exempt from Securities Act registration. We believe that many of the issuers in Regulation A offerings are small entities, but we currently do not collect information on total assets of companies that use Regulation A to determine if they are small entities.

6. CONSEQUENCES OF NOT CONDUCTING COLLECTION

The information required by Regulation A and its offering statement are used by public investors and serve the purpose of protecting our financial markets from fraud, which helps to instill investor confidence. The information required by all of Form 1-Z is also designed to collect empirical data for the Commission, which will provide a continuing basis for action by the Commission for amending existing rules and regulations or proposing new ones. The exemption from Securities Act registration made in reliance on the amendments would not be available without this collection of information.

7. SPECIAL CIRCUMSTANCES

There are no special circumstances.

8. CONSULTATIONS WITH PERSONS OUTSIDE THE AGENCY

No comments were received 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

Rule (§ 230.251(e)) allows for requests for confidential treatment to be made under existing Rule 406 (§ 230.406) for information required to be filed with the Commission and existing Rule 83 (§ 230.86) for information not required to be filed with the Commission. The collections of information required by Regulation A and its offering statement are public documents.

11. SENSITIVE QUESTIONS

No information of a sensitive nature, including social security numbers, will be required under this collection of information. The information collection collects basic Personally Identifiable Information (PII) that may include name, address, and zip code. 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 these/this collection(s) 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

Estimated Reporting Burden

Information Collection Title	OMB Control Number	Number of Responses	Burden Hours
Form 1-Z	3235-0723	51	77

We estimate that approximately 51 issuers annually file Form 1-Z (“Respondents”). We further estimate that 100% of the estimated 1.5 hours required to prepare and file a Form 1-Z (“response”) is prepared by the issuer for an annual reporting burden of 77 hours (1.5 hours per response x 51 responses). 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. We believe that the actual burdens will likely vary among individual issuers based on the nature of their operations. For administrative convenience, the presentation of the total related to the paperwork burden hours has been rounded to the nearest whole number. The burden estimate for the hours is made solely for the purpose of the Paperwork Reduction Act.

13. ESTIMATE OF TOTAL ANNUALIZED COST BURDEN

We estimate that there is no cost associated with this information collection because 100% of the burden is prepared by the issuer.

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.

15. REASON FOR CHANGE IN BURDEN

Change In Burden Hours Adjustment

Information Collection Title	OMB Control Number	Number of Responses Adjustment Increase	Burden Hours Adjustment Increase
Form 1-Z	3235-0723	34	51

The increase of 51 burden hours is due to an increase of 34 Forms 1-Z filed by respondents (34 x 1.5 hours per response) over the last three-year period ended December 31, 2023 (i.e., an average 22% yearly increase).

16. INFORMATION COLLECTION PLANNED FOR STATISTICAL PURPOSES

The information collection is not planned for statistical purposes.

17. APPROVAL TO OMIT EXPIRATION DATE

We request authorization to omit the expiration date on the electronic version of the forms. 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 EDGAR 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.