

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

A. JUSTIFICATION

1. Necessity for the Information Collection

In 1968, Congress directed the Securities and Exchange Commission to make a study of the purchase, sale, and holding of securities by institutional investors to determine the effect of those activities upon the maintenance of fair and orderly securities markets, the stability of those markets, and the interests of issuers of securities and of the public. As a result of that study, Congress in 1975 adopted Section 13(f) of the Securities Exchange Act of 1934 (the "1934 Act") as part of the Securities Acts Amendments of 1975. The reporting system required by Section 13(f) of the 1934 Act is intended, among other things, to create in the Commission a central repository of historical and current data about the investment activities of certain institutional investment managers, and to improve the body of factual data available in order to facilitate consideration of the influence and impact of institutional investment managers on the securities markets as well as the public policy implications of that influence.

Section 13(f) of 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.

On June 23, 2022, the Commission adopted amendments to Form 13F to require, among other things, institutional investment managers that make confidential treatment requests for filings made under Section 13(f) of the 1934 Act to submit them electronically via EDGAR.¹

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.

¹ *See* Electronic Submission of Applications for Orders under the Advisers Act and the Investment Company Act, Confidential Treatment Requests for Filings on Form 13F, and Form ADV-NR; Amendments to Form 13F, Release No. IC-34635 (June 23, 2022). The amendments to Form 13F also require managers to provide additional identifying information and allow managers to disclose, for any security reported on Form 13F, the security's share class level Financial Instrument Global Identifier. The rules also 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.

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

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

The Commission requested public comment on the information collection requirements in Form 13F before it submitted this request for extension and approval to the Office of Management and Budget. The Commission's solicitation of public comments included estimating and requesting public comments on updated burden estimates for all information collections under this OMB control number. The Commission received no comments in response to its request.

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

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 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. 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 2/5/2020, is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

12. Burden of Information Collection

In our most recent PRA submission for Form 13F, we estimated a total hour burden of 101,339.29 hours, with an external cost burden of \$ 4,846,374.² Estimates concerning the burdens associated with the information collections required by rule 13f-1 and Form 13F are set forth in the table below. The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act. The estimate is not derived from a comprehensive or even a representative survey or study of Commission rules. Reporting burdens may differ substantially across respondents.

² This estimate is based on the last time the rule's information collection was submitted for PRA renewal in 2022.

Table: Form 13F PRA Estimates

	Initial hours	Annual hours		Wage rate	Internal time cost	External costs ¹
PRA BURDEN ESTIMATES						
Burdens for 13F-HR Filings						
Estimated burden per filing		2 hours	x	\$314 (blended rate for compliance attorney, senior programmer, and compliance clerk) ²	\$628	\$221 ³
Number of filings		28,925 filings ⁴			28,925 filings	28,925 filings
Annual burden of Form 13F-HR filings		57,850 hours			\$18,164,900	\$6,392,421
Burdens for 13F-NT Filings						
Estimated burden of per filing		2 hours	x	\$247 (blended rate for senior programmer and compliance clerk) ⁶	\$494	\$75 ⁷
Number of filings		6,935 filings ⁵			6,935 filings	6,935 filings
Annual burden of Form 13F-NT filings		13,870 hours			\$3,425,890	\$520,125
Burdens for Form 13F Amendment Filings						
Estimated burden per amendment		2 hours	x	\$314 (blended rate for compliance attorney, senior programmer, and compliance clerk) ²	\$628	\$75 ⁷
Number of amendments		1,450 amendments ⁸			1,450 amendments	1,450 amendments
Annual estimated burden of all amendments		2,900 hours			\$910,600	\$108,750
TOTAL ESTIMATED FORM 13F BURDEN						
Currently approved burden estimates		101,339.29 hours			\$22,092,421.60	\$4,846,374
Revised current burden estimates		74,620 hours			\$22,501,390	\$7,021,300

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 (13F Holdings or Combination Report) or Form 13F-NT (13F Notice), 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 \$584 for one hour of outside legal services each year. The Commission's estimates of the relevant wage rates for external time costs, such as outside legal services, take into account staff experience, a variety of sources including general information websites, and adjustments for inflation.

2. This estimated burden is from Securities Industry and Financial Markets Association's Management & Professional Earnings in the Securities Industry 2013, 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 ("SIFMA Wage Report"). The wage rate reflects current estimates from the SIFMA Wage Report of the blended hourly rate for a compliance attorney (\$449), senior programmer (\$408), and compliance clerk (\$86) $((\$449 + \$408 + \$86) / 3 = \$314.33)$.

3. This includes an estimated \$300 paid to a third-party vendor in connection with the Form 13F-HR filing as well as an estimated \$584 for one hour of outside legal services $(\$884 / 4 \text{ filings per year} = \$221 \text{ per filing})$. We estimate that Form 13F-HR filers will require some level of external legal counsel in connection with these filings.

4. This estimate is based on the number of 13F-HR filings averaged over three years as of December 2024.

5. This estimate is based on the number of Form 13F-NT filings averaged over three years as of December 2024.

6. The wage rate reflects current estimates from the SIFMA Wage Report of the blended hourly rate for a senior programmer (\$408) and compliance clerk (\$86) $((\$408 + \$86) / 2 = \$247)$.

7. This includes an estimated \$300 paid to a third-party vendor in connection with the Form 13F-NT filing and Form 13F amendments $(\$300 / 4 \text{ filings per year} = \$75 \text{ per filing})$.

8. This estimate is based on the number of Form 13F amendments filed averaged over three years as of December 2024.

13. Cost to Respondents

Cost burden is the cost of goods and services purchased to comply with Form 13F, such as legal services. The cost burden does not include the hour burden discussed in Item 12 above. As outlined in the table above, we estimate the total external cost burden to comply to be \$7,021,300.

14. Cost to the Federal Government

The SEC is in the process of revising its methodologies to estimate annualized costs to the Federal government for all its relevant collections of information. The SEC anticipates that future extensions of this collection of information will reflect the revised methodologies.

15. Change in Burden

The estimated burden has changed as follows.

Table: Change in Burden Estimates

	Number of Responses			Time Burden (hours)			Cost Burden (dollars)		
	Previously approved	Current estimate	Change	Previously approved	Current estimate	Change	Previously approved	Current estimate	Change
Form 13F	32,380	37,310	4,930	101,339.29	74,620	-26,719.29	\$4,846,374	\$7,021,300	\$2,174,926

We have revised the estimates to reflect changes in the number of affected entities and in the external cost associated with the information collection requirements. These changes reflect revised estimates and burdens attributable to requirements under the rule and form.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to Omit OMB Expiration Date

Not applicable.

18. Exceptions to Certification Statement for Paperwork Reduction Act Submission

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.