

SUPPORTING STATEMENT
For the Paperwork Reduction Act Information Collection Submission for

Rule 19b-4(e) by Self-Regulatory Organizations
OMB Control No. 3235-0504

Extension

A. JUSTIFICATION

1. Information Collection Necessity

The Securities Exchange Act of 1934, as amended (“Act”)¹ sets forth a scheme of self-regulation under which national securities exchanges, national securities associations and registered clearing agencies have primary responsibility for regulating their members or participants. Under this scheme, the Commission's role is primarily one of oversight; the Act charges the Commission with the responsibility for assuring that each of these organizations (“self-regulatory organizations” or “SROs”) complies with and advances the policies of the Act. As part of its oversight responsibilities, the Commission is required to review changes in the rules of the various self-regulatory organizations.

Section 19(b) of the Act, as amended by the Securities Act Amendments of 1975, requires each SRO to file with the Commission copies of any proposed rule or any proposed change in, addition to, or deletion from the rules of such SRO (collectively, “proposed rule change”). The Commission is required to publish notice of the proposed rule change. No proposed rule change shall take effect unless approved by the Commission or otherwise permitted in accordance with the Act.

Rule 19b-4 implements the requirements of Section 19(b) of the Act by requiring SROs to file their proposed rule changes on Form 19b-4 and by clarifying which actions by SROs must be filed pursuant to Section 19(b). Rule 19b-4 was adopted in 1975 pursuant to Sections 2, 3, 6, 11A, 15A, 15B, 17, 19 and 23 of the Act.

The Commission has exercised its rulemaking authority² by promulgating paragraphs (b), (c) and (d) of Rule 19b-4 under the Act, which interpret the terms “stated policy, practice or

¹ 15 U.S.C. 78a et seq.

² Sections 3(a)(26), 3(a)(27), 3(a)(28) and 3(b) of the Act provide that the Commission may promulgate rules regarding, among other things, “stated policies, practices and interpretations” of SROs. Section 19(b) authorizes the Commission to promulgate rules regarding “proposed rule changes” of SROs. Section 23(a) of the Act provides that the Commission shall have power to make such rules and regulations as may be necessary or appropriate to implement the provisions of the Act for which it is responsible or for the execution of the functions vested in it by the Act, and may for such purposes classify persons, securities, transactions, statements, applications, reports and other matters within its jurisdiction, and prescribe greater, lesser or different requirements for different classes thereof. (See, e.g., Securities Exchange Act Release No. 35123 (Dec. 20, 1994) 59 FR 66692 (Dec. 28, 1994)). In addition, in 1996, Congress granted the Commission the authority, under Section 36(a), to exempt, among other things, any class of person, security or transaction from any provision of the Act. Pub. L. No. 104-290, 110 Stat. 3416 (1996).

interpretation” and “proposed rule change.” Paragraph (c) of Rule 19b-4 provides that certain stated policies, practices and interpretations of SROs do not constitute proposed rule changes. Specifically, a “stated policy, practice or interpretation” of an SRO is not a proposed rule change if it, among other things, is reasonably and fairly implied by an existing SRO rule. The Commission then amended Rule 19b-4 by adding paragraph (e) to state that the listing and trading of new derivative securities products by an SRO would not be deemed a proposed rule change if the Commission has approved the SRO’s trading rules, procedures and listing standards for the product class that would include the new derivative securities product and the SRO has a surveillance program for the product class.

The Commission believes that, when the Commission has approved, pursuant to Section 19(b) of the Act, an SRO’s trading rules, procedures and listing standards for the product class that would include the new derivative securities product, the listing and trading of the new derivative securities product is reasonably and fairly implied by the SRO’s existing trading rules, procedures and listing standards. The Commission therefore deemed the listing and trading of new derivative securities products to not be proposed rule changes pursuant to Rule 19b-4(c)(1) under certain conditions.

Certain provisions of Rule 19b-4(e) contain “collection of information requirements” within the meaning of the Paperwork Reduction Act of 1995.³ The collection of information requires an SRO to publicly report certain information on its internet website by using the most recent versions of the XML schema and the associated PDF renderer as published on the Commission’s website to post the information required under Rule 19b-4(e) for each new derivative securities product within five days of beginning to trade a new derivative securities product through its facilities.⁴ Rule 19b-4(e) asks factual information regarding the characteristics of the subject new derivative securities product and the securities underlying it and does not require any analysis or exhibits.

2. Information Collection Purpose and Use

Rule 19b-4(e) permits an SRO to list and trade a new derivative securities product without submitting a proposed rule change pursuant to Section 19(b) of the Act (15 U.S.C. 78s(b)), so long as such product meets the criteria of Rule 19b-4(e) under the Act. However, in order for the Commission to maintain accurate information regarding these new derivative securities products while ensuring that information remains publicly available, Rule 19b-4(e) requires an SRO to post the information required under Rule 19b-4(e) when the SRO begins trading a new derivative securities product that is not required to be submitted as a proposed rule change to the Commission. Such information should be posted within five business days after an SRO begins trading a new derivative securities product that is not required to be submitted as a

³ 44 U.S.C. 3501 et seq.

⁴ See Electronic Submission of Certain Materials Under the Securities Exchange Act of 1934; Amendments Regarding the FOCUS Report; SEC Release Nos. 33–11342; 34–101925; IC– 35420; (Dec. 16, 2024); 90 FR 7250 (Jan. 21, 2025) (File No. S7-08-23) (“Adopting Release”).

proposed rule change. In addition, Rule 19b-4(e) requires an SRO to maintain, on-site, such information for a prescribed period of time.

This collection of information is designed to allow the Commission to maintain an accurate record of all new derivative securities products traded on the SROs that are not deemed to be proposed rule changes and to determine whether an SRO has properly availed itself of the permission granted by Rule 19b-4(e). The Commission reviews SRO compliance with Rule 19b-4(e) through its routine inspections of the SROs.

3. Consideration Given to Information Technology

The collection of information under Rule 19b-4(e) requires the use of automated, electronic, mechanical or other technological collection techniques or other forms of information technology.

4. Duplication

Not applicable. The Commission believes that no duplication of the requirements of Rule 19b-4(e) exists.

5. Effect on Small Entities

Not applicable. The SROs that are required to respond to the collection of information are not small businesses.

6. Consequences of Not Conducting Collection

If the Commission did not collect this information or collected it less frequently, it would not be able to maintain accurate information regarding new derivative securities products traded on the SROs that are not deemed to be proposed rule changes while ensuring that information remains publicly available consistent with its statutory oversight obligations.

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

Rule 19b-4(e) permits an SRO to list and trade a new derivative securities product without submitting a proposed rule change pursuant to Section 19(b) of the Act (15 U.S.C. 78s(b)), so long as such product meets the criteria of Rule 19b-4(e) under the Act. However, in order for the Commission to maintain accurate information regarding these new derivative securities products while ensuring that information remains publicly available, Rule 19b-4(e) requires an SRO to post the information required under Rule 19b-4(e) when the SRO begins trading a new derivative securities product that is not required to be submitted as a proposed rule change to the Commission. Such information should be posted within five business days after an SRO begins trading a new derivative securities product that is not required to be submitted as a proposed rule change. In addition, Rule 19b-4(e) continues to require an SRO to maintain, on-site, that information for a period of not less than 5 years.

This collection of information is designed to allow the Commission to maintain accurate and timely information regarding new derivative securities products traded on the SROs that are not deemed to be proposed rule changes and to determine whether an SRO has properly availed itself of the permission granted by Rule 19b-4(e). The Commission reviews SRO compliance with Rule 19b-4(e) through its routine inspections of the SROs.

Rule 19b-4(e) requires an SRO to publicly report the information required under Rule 19b-4(e) on its internet website using the most recent versions of the XML schema and the associated PDF renderer as published on the Commission's website to post the information required under Rule 19b-4(e) for each new derivative securities product.

8. Consultations Outside the Agency

The required Federal Register notice with a 60-day comment period soliciting comments on this collection of information was published. No public comments were received.

9. Payment or Gift

Not applicable. No payments or gifts are required to be made or are made to respondents.

10. Confidentiality

Not applicable. Any collection of information pursuant to Rule 19b-4(e) under the Act would not be held confidential.

11. Sensitive Questions

The information collection collects basic personally identifiable information that may include name and job title. However, the agency has determined that the information collection does not constitute a system of records for purposes of the Privacy Act, because information is not retrieved by a personal identifier.

12. Information Collection Burden

As of July 15, 2025, there were 28 SROs subject to the reporting requirements of Rule 19b-4(e). The Commission's experience since the adoption of Rule 19b-4(e) indicates that the total time required to complete each filing is approximately one hour. Based on the number of new derivative securities products that were reported to the Commission in years 2022, 2023 and 2024, the estimated expected number of filings per year is 2,626, or approximately 93.8 hours per respondent.⁵

Rule 19b-4(e) Initial Response

⁵ 2,626 is based on the average annual number of new derivative securities products accounted for on previously used Forms 19b-4(e) received by the Commission in years 2022, 2023 and 2024. The Commission notes that some SROs did, on certain occasions, file a single Form 19b-4(e) that provided notice of the trading of multiple new derivative securities products.

Under its Rule, the Commission estimates that, although the time required to post the information for each response is 1 hour, the additional time required to post the information for the initial response is 0.5 hours. The Commission estimates, therefore, that the **total additional initial hour burden would be 14 hours** (0.5 additional burden hours per initial response x 28 respondents). At an average hourly cost of \$72, the aggregated additional related internal cost of compliance for the initial response under Rule 19b-4(e) is approximately \$1,008 (14 burden hours multiplied by \$72 per hour).

Rule 19b-4(e)

Under its Rule, the Commission estimates that the time required to post the information for each response other than the initial response would remain one hour. Based on the number of new derivative securities products that were reported to the Commission in years 2022, 2023 and 2024, the estimated expected number of filings per year would be 2,626, or approximately 93.8 hours per respondent. The Commission estimates, therefore, that **the total annual hour burden associated with Rule 19b-4(e) is approximately 2,626 hours per year** (2,626 responses x 1 hour per response). At an average hourly cost of \$72, the aggregate related internal cost of compliance for Rule 19b-4(e) is approximately \$189,072 (2,626 burden hours multiplied by \$72/hour).

Summary of Hour Burdens

| Rule | Burden Type ⁶ | Ongoing or Initial Burden | Number of Respondents | Number of Annual Responses Per Respondent | Hour Burden Per Response (Hours) | Annual Burden per Entity | Total Burden Per Burden Type (Hours) |
|---------------------------------------|--------------------------------------|---------------------------|-----------------------|---|----------------------------------|--------------------------|--------------------------------------|
| Rule 19b-4(e)—Initial Response | Third Party Disclosure | Initial | 28 | 1 | 1.5 | 0.5 | 14 |
| Rule 19b-4(e) | Third Party Disclosure | Ongoing | 28 | 93.8 | 1 | | 2,626 |
| | | | | | | | |
| | <i>Total Aggregate Burden</i> | | | | | | <i>2,640</i> |

13. Costs to Respondents

⁶ The burden type was previously categorized as a reporting requirement; however, as the information is now required to be posted on the SROs' websites instead of reported to the Commission, it has been re-categorized as a third-party disclosure requirement.

Not applicable. It is not anticipated that respondents will have to incur any capital and start-up costs, nor any additional operational or maintenance costs, to comply with the collection of information.

14. Costs to Federal Government

None. Review of information posted by respondents pursuant to Rule 19b-4(e) would be done by existing Commission staff as part of their regular duties.

15. Changes in Burden

The Commission has increased the burden of this collection of information due to an increase in the estimated number of respondents from 24 to 28 and in the estimated number of filings per year. The changes to the estimated burdens are summarized in the chart below.

| Name of Information Collection | Annual Industry Burden | Annual Industry Burden Previously Approved | Change in Burden | Reason for Change |
|--|-------------------------------|---|-------------------------|--|
| Rule 19b-4(e)—first structured data response | 14 | 12 | 2 | Increase in the estimated number of respondents. |
| Rule 19b-4(e) | 2,626 | 2,331 | 295 | Increase in the estimated number of respondents and in the estimated number of filings per year. |

16. Information Collection Planned for Statistical Purposes

Not applicable. The information is not used for statistical purposes.

17. Approval to Omit OMB Expiration Date

Not applicable.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

This collection complies with the requirements in 5 CFR 1320.9.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not involve statistical methods.