

SUPPORTING STATEMENT
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION
SUBMISSION FOR REGULATION S

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

Regulation S (17 CFR 230.901 through 905) addresses the extraterritorial application of the registration provisions of the Securities Act of 1933 (“Securities Act”). Regulation S sets forth a general statement of applicability of the registration provision, which provides that Section 5 of the Securities Act does not apply to offers or sales of securities that occur outside the United States. Regulation S also sets forth two safe harbor provisions. An offer or sale of securities that satisfies all of the applicable conditions of either safe harbor is deemed to be outside the United States, and thus not subject to the registration requirements of Section 5 of the Securities Act.

In order for certain offers and sales to qualify for the safe harbors, the persons relying on the safe harbors must satisfy certain conditions that constitute collections of information under the Paperwork Reduction Act. Such conditions include the following:

- Requiring that documentation used in connection with any offer contains a statement that the securities have not been registered under the Securities Act and may not be offered or sold in the United States unless registered or an exemption from registration is available (17 CFR 230.903(b)(1)(iv)(D));
- Requiring distributors to send confirmations to purchasers stating that the purchaser is subject to the same restrictions on offers and sales that apply to a distributor (17 CFR 230.903(b)(2)(iii) and 17 CFR 230.903(b)(3)(iv))
- Requiring securities to contain a legend to the effect that transfer is prohibited except in accordance with Regulation S (17 CFR 230.903(b)(3)(iii)(B)(3));
- Requiring warrants to bear a legend stating that the warrant and the securities to be issued upon its exercise have not been registered under the Securities Act and that the warrant may not be exercised by or on behalf of any U.S. person unless registered under the Securities Act or an exemption from such registration is available (17 CFR 230.903(b)(5)(i));
- Requiring that each person exercising a warrant is required to give either a written certification that it is not a U.S. person and the warrant is not being exercised on behalf of a U.S. person or a written opinion of counsel to the effect that the warrant and the securities delivered upon exercise thereof have been registered under the Securities Act or are exempt from registration thereunder (17 CFR 230.903(b)(5)(ii)); and

- Requiring that a seller or person acting on the seller's behalf send to the purchaser a confirmation or other notice stating that the securities may be offered and sold during the distribution compliance period only in accordance with the provisions of Regulation S, pursuant to registration of the securities under the Securities Act, or pursuant to an available exemption from the registration requirements of the Securities Act (17 CFR 230.904(b)(1)(ii)).

2. Purpose and Use of the Information Collection

The information collections in Regulation S are intended to ensure that offers and sales by persons relying on the safe harbors in the regulation occur outside the United States such that it is appropriate to exempt those offers and sales from Section 5 of the Securities Act.

3. Consideration Given to Information Technology

The information collection requirements in Regulation S generally do not specify the manner in which such requirements must be satisfied. As such, respondents may use information technology to the extent permitted under Regulation S to reduce the burdens associated with the information collections.

4. Duplication of Information

Because Regulation S is intended to help define the limits of the Commission's extraterritorial jurisdiction, to the extent an offer or sale satisfies the requirements of Regulation S, it would necessarily avoid duplication between the requirements of the Federal securities laws and foreign laws.

5. Reducing the Burden on Small Entities

The information collection requirements in Regulation S apply equally to all respondents seeking to rely on its safe harbors, including small entities. Although there are no accommodations in the information collection requirements for small entities, Regulation S is intended to avoid burdens on all respondents, as successful reliance on Regulation S would avoid application of the Federal securities laws to the applicable offers and sales.

6. Consequences of Not Conducting Collection

As noted above, the information collections in Regulation S are intended to ensure that offers and sales by persons relying on the safe harbors in the regulation occur outside the United States such that it is appropriate to exempt those offers and sales from Section 5 of the Securities Act. If those information collections were conducted less frequently, then there would be a heightened risk of offers and sales being inappropriately exempted from application of Section 5 of the Securities Act, which could harm U.S. investors.

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 to respondents.

10. Confidentiality

No assurance of confidentiality has been given for information required under Regulation S.

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

Estimated Reporting Burden

Information Collection Title	OMB Control Number	Number of Responses	Burden Hours
Regulation S	3235-0357	1,103	4,136

No filings are required to be made with the Commission under Regulation S, and offerings that rely on the general statement in Regulation S do not implicate any information collection requirements. As such, we do not have reliable data regarding the total number offerings that rely on Regulation S annually or the total number of responses to the information collection requirements of Regulation S.

For purposes of the Paperwork Reduction Act ("PRA"), we assume that each foreign private issuer conducts one offering under Regulation S annually. For the sake of erring on the side of overestimating the paperwork burdens associated with Regulation S, we also assume that each such issuer, in relying on Regulation S, satisfies the conditions of a safe harbor that requires

satisfaction of one or more of the information collection requirements described in response to question 1 above. Thus, based on the average number of Form 20-F and Form 40-F filers each calendar year during the period 2022 through 2024 (which we used to approximate the number of foreign private issuers), we estimate that there are approximately 1,103 responses to the Regulation S information collection requirements annually.

As noted in question 1 above, the information collection requirements in Regulation S differ depending on the safe harbor that is being relied on. For purposes of the PRA, we estimate that the Regulation S information collection requirements, on average, take approximately 5 hours per response to comply with. We further estimate that 75% of the collection of information burden is carried by the respondent internally and that 25% of the burden of preparation is carried by outside professionals retained by the respondent. Based on our estimates, we calculated the total annual reporting burden to be 4,136 hours ((0.75 x 5 total hours per response) x 1,103 responses).

We derived our burden hour estimates by estimating the average number of hours it would take a respondent to compile the necessary information and data, prepare and review disclosure, file documents, and retain records. We believe that the actual burdens will likely vary among individual respondents based on the nature of their operations. For administrative convenience, we have rounded the estimated burden hours to the nearest whole number. The estimated burden hours are made solely for the purpose of the PRA.

13. Estimate of Total Annualized Cost Burden

Estimated Cost Burden

Information Collection Title	OMB Control Number	Number of Responses	Cost Burden
Regulation S	3235-0357	1,103	\$827,250

We estimated that 25% of 5 total hours per response is carried externally by outside professionals retained by the respondent. We estimate that those outside professionals will cost approximately \$600 per hour for a total annual cost burden of \$827,250 ((0.25 x 5 total hours per response) x \$600 per hour x 1,103 responses).

The estimated hourly cost of \$600 per hour is based on our consultations with registrants and professional firms who regularly assist registrants in preparing and filing disclosure documents with the Commission. 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 paperwork cost burden has been rounded to the nearest dollar. The cost burden estimate is made solely for the purpose of the PRA.

14 Costs to Federal Government

There is no cost to Federal government because the information collection requirements in Regulation S are third party disclosure requirements, and no information is required to be filed with the Commission pursuant to Regulation S.

15. Reason for Change in Burden

Summary of the Change in Burden Hours and Cost Burden

IC Title	Annual No. of Responses			Annual Time Burden (Hours)			Annual Burden Cost Burden (\$)		
	Previously Approved	Requested	Increase In No. of Responses	Previously Approved	Requested	Increase In Burden	Previously Approved	Request Cost burden	Increase In Cost Burden
Regulation S	1	1,103	1,102	1	4,136	4,135	\$0	\$827,250	\$827,250

The increase in burden hours of 4,135 hours and the increase in cost burden of \$827,250 are due to increase in the number of responses (from 1 response to 1,103 responses), as well as due to an increase in our estimates of the burden hours and cost burden associated with the information collection requirements in Regulation S.

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 Paperwork Reduction Act submissions.

B. STATISTICAL METHODS

The information collection does not employ statistical methods.