

SUPPORTING STATEMENT FOR FINAL RULES RELATING TO *HOLDING FOREIGN INSIDERS ACCOUNTABLE ACT DISCLOSURE*

This supporting statement is part of a submission under the Paperwork Reduction Act of 1995 (“PRA”).¹

A. JUSTIFICATION

1. CIRCUMSTANCES MAKING THE COLLECTION OF INFORMATION NECESSARY

On February 27, 2026, the Securities and Exchange Commission (“Commission”) adopted final amendments to certain of its rules and forms under the Securities Exchange Act of 1934 (“Exchange Act”) to reflect the requirements of the Holding Foreign Insiders Accountable Act (“HFIA Act”).²

Section 16(a) of the Exchange Act requires directors, officers, and persons who beneficially own more than 10 percent of any class of equity securities registered under Section 12 of the Exchange Act (“10 percent holders,” and collectively with directors and officers, as applicable, “Section 16 reporting persons”) to disclose their holdings of the issuer’s equity securities and transactions in the issuer’s equity securities through filings with the Commission (“Section 16 reports”). Section 16 reports are: Form 3, which is filed by Section 16 reporting persons to report their initial beneficial ownership of equity securities; Form 4, which is filed by Section 16 reporting persons to report any changes in their ownership within two business days of the transaction; and Form 5, which is an annual filing for Section 16 reporting persons who need to report unreported or deferred beneficial ownership changes or transactions and is due 45 days after the issuer’s fiscal year end.

The HFIA Act, enacted on December 18, 2025, amended Section 16(a) to require every person who is a director or an officer of a “foreign private issuer,” as that term is defined in Exchange Act Rule 3b-4 (“FPI”), with a class of equity securities registered pursuant to Section 12 (but not 10 percent holders of FPIs) to file Section 16 reports electronically and in English. The Commission’s final rules included amendments to the General Instructions to Form 3 to clarify who needs to file the form under the HFIA Act, as well as some technical amendments to Form 3, Form 4, and Form 5. The amendments conformed these forms to the requirements of the HFIA Act. In order to file disclosures on Form 3, Form 4, and Form 5 on the Commission’s Electronic Data Gathering, Analysis, and Retrieval system (“EDGAR”) (the Commission’s primary system for companies and individuals to submit documents pursuant to the federal securities laws), directors and officers of FPIs must apply for EDGAR access on Form ID. The final rules will not change Form ID itself, but we anticipate that the number of Form ID filings will increase.

The final rules contain “collection of information” requirements within the meaning of

¹ 44 U.S.C. §3501, *et seq.*

² *See* Release No. 34-104903 (February 27, 2026) (“final rules”).

the PRA. The titles for the collection of information are:

- Form 3 - Initial Statement of Beneficial Ownership of Securities (OMB Control No. 3235-0104);
- Form 4 - Statement of Changes in Beneficial Ownership of Securities (OMB Control No. 3235-0287);
- Form 5 - Annual Statement of Beneficial Ownership (OMB Control No. 3235-0362); and
- Form ID - Application for EDGAR Access (OMB Control No. 3235-0328).

2. PURPOSE AND USE OF THE INFORMATION COLLECTION

Forms 3, 4 and 5, which were adopted pursuant to Section 16 of the Exchange Act, set forth disclosure requirements for beneficial owners of more than 10% of a class of equity security registered under Section 12 of the Exchange Act, and each officer and director of the issuer of such a security.

The final rules are intended to extend Section 16(a) to require every person who is a director or an officer of an FPI, with a class of equity securities registered pursuant to Section 12 (but not 10 percent holders of FPIs) to file Section 16 reports.

3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY

The forms that are affected by the final rules are filed electronically with the Commission using the Commission's EDGAR system.

4. DUPLICATION OF INFORMATION

We believe that the final rules would not duplicate, overlap, or conflict with other federal rules.

5. REDUCING THE BURDEN ON SMALL ENTITIES

Although no small entities will be subject to the final rules, the final rules will affect directors and officers of FPIs, some of which may be small entities. We believe that such directors and officers should be subject to Section 16 reporting obligations to ensure investors in those entities are apprised of the Section 16 persons' beneficial ownership to the same extent as other, larger entities.

6. CONSEQUENCES OF NOT CONDUCTING COLLECTION

The forms listed above set forth disclosure requirements for Section 16 reporting persons. Failure to conduct these collections of information (or conducting these collections of information less frequently) would reduce the information available to issuers, the market and other investors regarding material information, including information regarding beneficial owners with significant stakes in an issuer's equity securities, potential changes in control of an issuer, rapid accumulations of beneficial ownership of an issuer's equity securities and transactions in the

equity securities of an issuer by a large investor or director or officer. Less frequent collection or no collection also would frustrate the statutory intent of the HFIA Act and would mean that current information may not be available to investors.

7. SPECIAL CIRCUMSTANCES

There are no special circumstances in connection with the final rules.

8. CONSULTATIONS WITH PERSONS OUTSIDE THE AGENCY

The final rules are mandated by the HFIA Act, which has undergone extensive proposal and review process in the Congress before being enacted. In addition, the Commission and staff participate in an ongoing dialogue with representatives of various market participants through public conferences, meetings, and informal exchanges.

This information collection request is being submitted to OMB under PRA emergency clearance consideration, pursuant to 44 U.S.C. 3507(j) as implemented at 5 CFR 1320.13, in order to comply with the statutory deadline set by the HFIA Act. Given the statutory deadline, the Commission believes that the use of normal clearance procedures is reasonably likely to disrupt the collection of information mandated by the HFIA Act and cause the Commission to miss its statutory deadline to make conforming changes to its rules. PRA notice and comment will be conducted before the extension of this OMB control number.

9. PAYMENT OR GIFT TO RESPONDENTS

No payment or gift has been provided to any respondents.

10. CONFIDENTIALITY

All of the affected information collections filed with the Commission are available to the public.

11. SENSITIVE QUESTIONS

No information of a sensitive nature would be required in connection with the final rules. These information collections collect basic Personally Identifiable Information (PII) 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 the affected collections of information. The EDGAR PIA, published on March 6, 2025, 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

The estimated burden hours and cost burden are made solely for the purposes of the PRA and represent the average burden for all affected respondents. The cost burden is not derived from a comprehensive or even a representative survey of the costs of Commission rules and forms.

As a result of the HFIA Act requirements and the related final amendments, we estimate that, on an annual basis, there will be an additional 2,967 Forms 3 filed, an additional 35,703 Forms 4 filed, and an additional 1,174 Forms 5 filed.³ In addition, the increase in the annual paperwork burden for Forms 3, 4, and 5 will be 1,484 hours, 17,852 hours, and 1,174 hours, respectively, and zero dollars of cost burden for each Form.⁴

We further assume that most FPI directors and officers becoming subject to Section 16(a) reporting will not have filed an electronic submission with us previously and, therefore, will be required to file a Form ID. We estimate that each director and officer filing a Form ID will incur 0.6 total burden hours, with 100 percent of those hours being handled internally by the respondent. In total, this will correspond to approximately 8,883⁵ additional Form ID filings and additional annual burden of 5,330 hours for the Form ID information collection (8,883 filings x 0.6 hours/filing).

The table below illustrates the estimated annual compliance burden of new information collections as a result of the HFIA Act requirements' and the related final amendments' estimated effect on the paperwork burden per response.

³ The current OMB inventories for Forms 3, 4, and 5 reflect 16,520, 186,052 and 5,939 annual responses, respectively. We expect the final amendments to Section 16(a) and related rules to increase the number of persons required to make Form 3, 4, and 5 filings. For purposes of this PRA estimate, we assume that the ongoing rate of filing by FPI directors and officers will be proportionate to the ongoing rate of filing by non-FPI directors and officers. However, the current OMB inventories for Forms 3, 4, and 5 include filings by 10 percent holders of non-FPIs, and the final amendments will only increase responses by directors and officers of FPIs, and not 10 percent holders of FPIs. To adjust for 10 percent holders, we estimate that 92%, 97%, and 96% of current responses on Forms 3, 4, and 5, respectively, are made by directors and officers of non-FPIs. Applying that approach to the current OMB inventories for Forms 3, 4, and 5, we estimate that the number of responses will increase by 2,967, 35,703, and 1,174 for Forms 3, 4, and 5, respectively.

⁴ These amounts are calculated based on the estimated number of additional Forms 3, 4, and 5 filed as a result of the final amendments – 2,967, 35,703, and 1,174, respectively – multiplied by the current OMB inventory number of hours per response. The current OMB inventory indicates that there are 0.5 burden hours associated with each Form 3 and Form 4 filing and one burden hour associated with each Form 5 filing. The estimated change in burden hours is rounded to the nearest whole number. The current OMB inventory also indicates that there are \$0 of burden dollars associated with each Form 3, 4, and 5 filing.

⁵ We estimate the number of individual FPI directors and officers that may become subject to Section 16(a) reporting under the HFIA Act based on average number of non-FPI directors and officers. We have further accounted for FPI directors and officers that likely already have a Form ID on file due to voluntary Section 16 reporting (63 respondents) or because they have filed Form 144 (840 respondents). Because most FPI directors and officers have never previously filed a Form ID and there is limited reporting information, the actual number of filers may differ from our estimates.

Table 1. Calculation of the Change in Burden Estimates of Current Responses Resulting from the HFIA Act Requirements and the Related Final Amendments

Form	Current Burden			Program Change			Requested Change in Burden		
	Current Annual Responses (A)	Current Burden Hours (B)	Current Cost Burden (C)	Number of Affected Responses (D)	Change in Burden Hours (E)	Change in Cost Burden (F)	Annual Responses (G)	Burden Hours (H) [(B) + (E)]	Cost Burden (I)
Form 3	16,520	8,260	\$0	2,967	1,484	\$0	19,487	9,744	\$0
Form 4	186,052	93,026	\$0	35,703	17,852	\$0	221,755	110,878	\$0
Form 5	5,939	5,939	\$0	1,174	1,174	\$0	7,113	7,113	\$0
Form ID	73,600	44,160	\$0	8,883	5,330	\$0	82,483	49,490	\$0

14. COSTS TO FEDERAL GOVERNMENT

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

15. REASON FOR CHANGE IN BURDEN

As explained in further detail in Items 1, 12, and 13 above, changes in burden for Form 3, Form 4, Form 5, and Form ID will result from the final rules. HFIA Act requirements and final amendments will impose new filing requirements on FPI directors and officers to file Form 3, Form 4 and Form 5, thus increasing the number of estimated respondents on those forms. To file those forms electronically, FPI directors and officers will also have to obtain EDGAR access, therefore increasing the number of estimated respondents for the Form ID.

Table 1 above shows the total estimated annual compliance burden, in hours and in costs, that will result from the final rules. 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 required information. For purposes of the PRA, the Commission estimates that 100 percent of the burden of preparation of Form 3, Form 4, Form 5 and Form ID would be carried by the respondent internally.

In deriving our estimates, we recognize that the burdens will likely vary among individual respondents based on a number of factors, including the nature of their business.

16. INFORMATION COLLECTION PLANNED FOR STATISTICAL PURPOSES

The information collections do not employ statistical methods.

17. APPROVAL TO OMIT OMB EXPIRATION DATE

We request authorization to omit the expiration date on the electronic version of these forms. Including the expiration date on the electronic version of the forms will result in increased costs because the need to make changes to the forms 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 PRA submissions.

B. STATISTICAL METHODS

The information collections do not employ statistical methods.

Form 3 Short Statement

The final rules require FPI directors and officers to start filing Form 3 on March 18, 2026. Form 3 is filed by Section 16 reporting persons to report their initial beneficial ownership of equity securities. The Commission estimates that the final rules will result in an increase in the paperwork burden of affected respondents, i.e. FPI directors and officers. For purposes of the PRA, the Commission estimates that for Form 3 the final rules will result in an increase of 1,484 burden hours and \$0 for the services of outside professionals.

Form 4 Short Statement

The final rules require FPI directors and officers to start filing Form 4 on March 18, 2026. Form 4 is filed by Section 16 reporting persons to report any changes in their ownership within two business days of the transaction. The Commission estimates that the final rules will result in an increase in the paperwork burden of affected respondents, i.e. FPI directors and officers. For purposes of the PRA, the Commission estimates that for Form 4 the final rules will result in an increase of 17,852 burden hours and \$0 for the services of outside professionals.

Form 5 Short Statement

The final rules require FPI directors and officers to start filing Form 5 on March 18, 2026. Form 5 is an annual filing for Section 16 reporting persons who need to report unreported or deferred beneficial ownership changes or transactions and is due 45 days after the issuer's fiscal year end. The Commission estimates that the final rules will result in an increase in the paperwork burden of affected respondents, i.e. FPI directors and officers. For purposes of the PRA, the Commission estimates that for Form 5 the final rules will result in an increase of 1,174 burden hours and \$0 for the services of outside professionals.

Form ID Short Statement

The final rules require FPI directors and officers to file Section 16 reports electronically. In order to file Form 3, Form 4, and Form 5 on EDGAR, directors and officers of FPIs must apply for EDGAR access on Form ID. The final rules will not change Form ID itself, but the Commission estimates that the final rules will result in an increase in the paperwork burden of affected respondents. For purposes of the PRA, the Commission estimates that for Form ID the final rules will result in an increase of 5,330 burden hours and \$0 for the services of outside professionals.