SUPPORTING STATEMENT
For the Paperwork Reduction Act Information Collection Submission for
Rule 611 (17 CFR 242.611) – Order Protection Rule

OMB Control No. 3235-0600
2026 Extension

A. JUSTIFICATION

1. Necessity of Information Collection

On June 9, 2005, the Commission adopted Rule 611 as part of Regulation NMS.[1] Rule 611 is designed to limit the incidence of trade executions at prices inferior to a price displayed on another market. To achieve this goal, Rule 611 requires any national securities exchange, national securities association, alternative trading system, exchange market maker, over-the-counter market maker, and any other broker-dealer that executes orders internally by trading as principal or crossing orders as agent, to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the execution of a transaction in its market at a price that is inferior to a protected bid or offer displayed in another market at the time of execution (a "trade-through").

Rule 611 contains one collection of information. This collection of information is found in Rule 611(a). Rule 611(a) requires any national securities exchange or national securities association that operates an SRO trading facility, alternative trading system, exchange market maker, over-the-counter market maker, and any other broker-dealer that executes orders internally by trading as principal or crossing orders as agent, to establish and maintain written policies and procedures reasonably designed to prevent the execution of a trade-through in its market, absent an applicable exception and, if relying on an exception, that are reasonably designed to assure compliance with the terms of the exception.

2. Purpose and Use of Information Collection

The purpose of the collection of information is to help ensure that national securities exchanges, national securities associations, alternative trading systems, exchange market makers, over-the-counter market makers, and other broker-dealers that execute orders internally and their customers, subscribers, members, and employees, as applicable, generally avoid trade-throughs, as contemplated by Rule 611. Without this collection of information, respondents would not have a means to enforce compliance with the Commission's intention to prevent trade-throughs pursuant to the Rule 611.

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[1] See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005).

3. Consideration Given to Information Technology

Improved information technology would not reduce the burden because each respondent would still be required to establish policies and procedures reasonably designed to prevent trade-throughs suited to any available technology.

4. Duplication

Not applicable; there is no duplication of information.

5. Effect on Small Entities

The rule's requirements are not unduly burdensome on smaller broker-dealers. No other small entities are affected by the rule.

6. Consequences of Not Conducting Collection

No collection of information under Rule 611 would undermine the purpose of the rule.

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

There are no special circumstances. This collection is consistent with the guidelines in 5 CFR 1320.5(d)(2).

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.

10. Confidentiality

Not applicable.

11. Sensitive Questions

The Information Collection does not collect information about individuals, therefore, a PIA, SORN, and PAS are not required.

12. Information Collection Burden

The Commission staff estimates that it would take approximately 60 hours annually per respondent to ensure that the policies and procedures established are up-to-date and remain in compliance with the Commission's rule: two hours per month of internal legal time and three hours per month of internal compliance time. The annual aggregate burden for all respondents combined for this collection of information is estimated to be 18,300 hours [305 respondents[2] x 60 hours annually]. The estimated cost for an attorney is $744 per hour, and the estimated cost for a financial examiner in the securities industry is $365 per hour. Therefore, the estimated total internal cost of compliance for the annual hour burden is as follows: [(2 legal hours x 12 months x $744) x 305 + [(3 compliance hours x 12 months x $365) x 305] = $9,453,780.[3]

Rule	Burden Type	Number of Respondents	Number of Annual Responses Per Respondent	Time Per Response (Hours)	Total Burden Per Burden Type (Hours)
Rule 611	Recordkeeping	305	1	60	18,300

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2 The Commission estimates that there are currently 305 trading centers subject to Rule 611. This estimate includes 20 exchanges (17 exchanges that trade NMS stocks + three exchanges that are approved but not yet operating) and 33 ATSs that trade NMS stocks. Based on data from the consolidated audit trail for January 2026, the estimate also includes 96 exchange market makers and 225 broker-dealers acting as OTC market maker or executing orders internally by trading as principal or crossing orders as agent. 69 broker-dealers are both exchange market makers and an OTC market maker or broker-dealer internalizing orders. 20 + 33 + 96 + 225 - 69 = 305 trading centers.

3 To calculate the occupational hourly rates used in this release, the Commission uses occupational mean hourly wage data from the Occupational Employment and Wage Statistics (OEWS) program of the Bureau of Labor Statistics (BLS) for "Securities, Commodity Contracts, and Other Financial Investments and Related Activities" (NAICS 523). *See Occupational Employment and Wage Statistics*, U.S. Bureau of Labor Statistics, https://www.bls.gov/oes/; *see also Standard Occupational Classification*, U.S. Bureau of Labor Statistics, https://www.bls.gov/soc/ (describing occupational classification system used by BLS); Exec. Off. of the President, Off. of Mgmt. & Budget, North American Industry Classification System (2022), *available at* https://www.census.gov/naics/reference_files_tools/2022_NAICS_Manual.pdf (describing the industry classification system used by BLS and other agencies). The mean hourly wage for each occupation is adjusted for changes in the seasonally adjusted employment cost index for private wages and salaries between the data reference period and when the data are released by BLS. *See Employment Cost Index*, U.S. Bureau of Labor Statistics, https://www.bls.gov/eci/. The adjusted mean hourly wage is then multiplied by a factor that accounts for nonwage costs borne by employers, such as bonuses, benefits, and overhead. This factor is calculated as an average over the 10 most recently available years of data of the ratio of the Bureau of Economic Analysis's annual gross output data for NAICS 523 to total annual wages across all occupations for NAICS 523 in the OEWS data. *See Gross Output by Industry*, U.S. Bureau of Economic Analysis, https://www.bea.gov/data/industries/gross-output-by-industry; *Occupational Employment and Wage Statistics*, U.S. Bureau of Labor Statistics, https://www.bls.gov/oes/. The final product is the occupational hourly rate. *See generally* Updated Methodology for Calculating Occupational Hourly Rates (Dec. 19, 2025), *available at* https://www.sec.gov/files/method-occupational-hourly-rates.pdf.

13. Costs to Respondents

The annual cost burden will be zero.[4]

14. Costs to Federal Government

Not applicable.

15. Changes in Burden

The estimated annual hour burden increased from 14,100 hours to 18,300 hours because the estimated number of respondents increased from 235 to 305.

16. Information Collections Planned for Statistical Purposes

Not applicable. The information collection is not used 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

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.

[4] The cost burden originally consisted of one-time startup costs that are no longer applicable.