SUPPORTING STATEMENT
for the Paperwork Reduction Act Information Collection Submission for
Rule 15b6-1 and Form BDW
OMB Control No. 3235-0018

A. JUSTIFICATION

1. Necessity of Information Collection

Section 15(b)(5) of the Securities Exchange Act of 1934 ("Exchange Act") provides that any broker-dealer may, upon such terms and conditions as the Securities and Exchange Commission ("Commission") deems necessary or appropriate in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. Similarly, Section 15B(c)(3) of the Exchange Act provides that municipal securities dealers may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, or municipal entities or obligated person, withdraw from registration by filing a written notice of withdrawal with the Commission. In addition, Section 15C(c)(1)(B) of the Exchange Act provides that any government securities broker or government securities dealer may, upon such terms and conditions as the Commission may deem necessary and in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission.

To implement the foregoing statutory provisions of the Exchange Act, the Commission has promulgated Rules 15b6-1, 15Bc3-1, and 15Cc1-1,[1] as well as Form BDW, the uniform request for broker-dealer withdrawal.[2] Rules 15b6-1, 15Bc3-1, and 15Cc1-1 require brokers or dealers, municipal securities dealers that are not a bank or a separately identifiable department or division of a bank, and government securities brokers or government securities dealers, respectively, to file a notice of withdrawal using Form BDW.

Form BDW must be filed in accordance with the instructions contained therein with the Central Registration Depository ("CRD"), a computerized database operated by the Financial Industry Regulatory Authority, Inc. ("FINRA") that maintains information regarding broker-dealers and their registered personnel.[3] CRD is used to facilitate registration and termination with federal and state securities regulators.

Withdrawal from broker-dealer registration becomes effective 60 days after the filing of Form BDW. The 60 days may be exceeded if the broker-dealer consents or the Commission by order determines a delay is necessary or appropriate in the public interest

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1 17 CFR 240.15b6-1, 17 CFR 240.15Bc3-1, and 17 CFR 240.15Cc1-1.

2 17 CFR 249.501a.

3 17 CFR 240.17a-4(d) requires, among other things, broker-dealers filing a Form BDW to retain, for the life of the enterprise and any successor enterprise, all partnership articles or, in the case of a corporation, all corporate records, including all Forms BDW.

or for the protection of investors. The Commission may also determine a shorter period is required for effectiveness.

In addition, a notice-registered broker-dealer[4] submitting a request to withdraw its registration must file a notice of withdrawal on Form BDW with the National Futures Association ("NFA"), which maintains information regarding notice-registered broker-dealers on behalf of the Commission.

The information collected on Form BDW is used by the Commission in determining whether it is in the public interest to permit a broker-dealer or notice-registered broker-dealer to withdraw from registration. The Commission also uses the information for other purposes, such as referrals to other government authorities or to self-regulatory organizations ("SROs") for investigatory purposes in connection with securities litigation.

2. Purpose and Use of the Information Collection

The Commission uses the information disclosed by applicants in Form BDW, as required by Rules 15b6-1, 15Bc3-1, and 15Cc1-1 to: (1) determine whether it is in the public interest to permit broker-dealers and notice-registered broker-dealers to withdraw from registration; (2) develop central information resources where the Commission and other government agencies and SROs may obtain information for investigatory purposes in connection with securities litigation; and (3) to develop statistical information about broker-dealers, notice-registered broker-dealers, municipal securities dealers, and government securities broker-dealers. Without Form BDW, the Commission, SROs, state regulators, the Commodity Futures Trading Commission, and the public would be without an important source of information regarding broker-dealers and notice-registered broker-dealers that are seeking to withdraw from registration.

3. Consideration Given to Information Technology

As required by Rules 15b6-1, 15Bc3-1, 15Cc1-1, and the instructions to Form BDW, fully registered broker-dealers requesting to withdraw registration with the Commission currently file Form BDW with FINRA electronically through CRD. The filings are reviewed by the Commission through CRD. This method of collecting information reduces the regulatory burden upon broker-dealers by permitting them to file applications for registration, amendments thereto, and withdrawals at one central location, rather than separately with the Commission, certain SROs, and the states.

Notice-registered broker-dealers requesting to withdraw registration with the Commission file a completed Form BDW with the NFA. The NFA maintains these records on behalf of the Commission. This method of collecting information reduces the regulatory burden upon notice-registered broker-dealers, by permitting them to file

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[4] 15 U.S.C. 78o(b)(11) describes a class of notice-registered broker-dealers and the statutory requirements that such broker-dealers must satisfy in order to file by notice with the Commission as a broker-dealer for the purpose of trading security futures products.

applications for registration, amendments thereto, and withdrawal requests at one central location.

4. Duplication

As noted above, Rules 15b6-1, 15Bc3-1, and 15Cc1-1 require that fully registered broker-dealers use Form BDW to withdraw from registration with the Commission. Form BDW was developed jointly with the state securities commissions and the SROs. Consequently, fully registered broker-dealers are able to file Form BDW only once with CRD as opposed to filing multiple copies of Form BDW with multiple regulators. The information disclosed in Form BDW is not available to the Commission or investors from any other source. The requirements to disclose information in Form BDW do not duplicate any other federal statute or rule.

In addition, notice-registered broker-dealers file Form BDW with the NFA to withdraw from registration with the Commission. The information disclosed in Form BDW is not available to the Commission or investors from any other source. The requirements to disclose information in Form BDW do not duplicate any other federal statute or rule.

5. Effect on Small Entities

All fully registered broker-dealers and notice-registered broker-dealers, regardless of their size, are required to disclose the information requested in Form BDW. Thus, Form BDW affects small broker-dealers requesting withdrawal from registration. The Commission believes, however, that the disclosure requirements of Form BDW are not unduly burdensome, particularly in relation to the important objectives served by the disclosure of information called for by Form BDW.

6. Consequences of Not Conducting Collection

Rules 15b6-1, 15Bc3-1, and 15Cc1-1 require fully registered broker-dealers and notice-registered broker-dealers to file Form BDW only once to withdraw from registration with the Commission. Thus, less frequent collections of Form BDW information is not possible.

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

Respondents may be required to retain a record of Form BDW for more than three years because the form is one of several types of organizing and registration documents that broker-dealers must preserve during the life of the enterprise and of any successor enterprise.[5] There are no other special circumstances and this collection is consistent with the guidelines in 5 CFR 1320.5(d)(2).

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[5] 17 CFR 240.17a-4(d)

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

No payments or gifts were provided.

10. Confidentiality

The collection of information includes social security numbers ("SSN") of sole proprietors on a voluntary basis.[6] To the extent the Commission receives SSNs or other confidential information pursuant to submissions on Form BDW, such information would be kept private to the extent permitted by law.

11. Sensitive Questions

The information collection collects basic elements of PII including name, job title, and work address that is covered by the EDGAR PIA. No information of a sensitive nature, including social security numbers, will be required under this collection of information. Additionally, the agency has determined that the information collection does not constitute a system of record for purposes of the Privacy Act. Information is not retrieved by a personal identifier.

12. Information Collection Burden

The time necessary to complete and file Form BDW with CRD or the NFA will vary depending on the nature and complexity of the applicant's securities business. On average, the Commission estimates that it would take a broker-dealer approximately one hour to complete and file a Form BDW to withdraw from Commission registration. The Commission further estimates that approximately 283 broker-dealers will withdraw from Commission registration annually.[7] Therefore, the 283 broker-dealers that withdraw from registration by filing Form BDW would incur an aggregate annual reporting burden of approximately 283 hours.[8]

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[6] 17 CFR 249.501a.

[7] This estimate is based on Form BDW data collected over the past three years for fully registered broker-dealers. This estimate is based on the numbers of forms filed; therefore, the number may include multiple forms per broker-dealer if the broker-dealer's initial filing was incomplete. In fiscal year (from 10/1 through 9/30) 2023, 291 broker-dealers withdrew from registration. In fiscal year 2024, 304 broker-dealers withdrew from registration. In fiscal year 2025, 255 broker-dealers withdrew from registration. (291 + 304 +255) / 3 = 283 (rounded down from 283.33).

[8] (283 x 1 hour) = 283 hours.

Form type	Burden type	Annual number of responses received	Hours per response	Total burden per burden type (hours)
Form BDW	Reporting	283	1	283
Total burden				283 hours

The Commission believes that a broker-dealer would have a Chief Compliance Officer, at $673 per hour, complete and file the Form BDW to withdraw from Commission registration. Therefore, the estimated aggregate annual internal compliance cost to respondents of the burden hours associated with Rule 15b6-1 and Form BDW is approximately $190,459.

13. Costs to Respondents

None. Respondents will not incur any capital, start-up, operation, or maintenance costs.

14. Costs 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. Changes in Burden

The estimated annual hour burden of 283 hours reflects a 128 hour decrease from the previous estimate of 411 hours. This is due to a decrease in the number of respondents from 411 to 283.

16. Information Collection Planned for Statistical Purposes

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

17. Approval to Omit OMB Expiration Date

We request authorization to omit the expiration date on the electronic version of the form. Including the expiration date on the electronic version of the form will result in increased costs, because the need to make changes to the form 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

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.