SUPPORTING STATEMENT
for the Paperwork Reduction Act Information Collection Submission for
Rule 17Ac3-1 and Form TA-W
OMB Control No. 3235-0151

A. JUSTIFICATION

1. Necessity of Information Collection

As a result of the paperwork crisis in the late 1960s, during which the number of securities transactions exceeded the securities industry's capacity to process those transactions, Congress enacted the Securities Acts Amendments of 1975,[1] which amended the Securities Exchange Act of 1934 ("Exchange Act") to establish a national system for the prompt and accurate clearance and settlement of securities transactions. Those amendments established a regulatory scheme for the transfer agent business by requiring transfer agents to meet minimum standards, as established by the Commission, in furtherance of the purposes of the Exchange Act and generally, to protect investors.

Transfer agents play an integral role in the national system for the clearance and settlement of securities transactions. Transfer agents cancel certificates presented for transfer, issue new certificates to the transferee, and record the change of record ownership of securities on the issuer's securityholder records. They also prepare, maintain, and certify securityholder records, disburse dividend and interest payments, and mail securityholder communications such as proxy material and annual reports to shareholders.

Section 17A of the Exchange Act[2] generally requires transfer agents performing any transfer agent function with respect to any security registered under Section 12 of the Exchange Act[3] or issued by certain insurance or investment companies to register with an appropriate regulatory agency ("ARA") as defined in Section 3(a)(34)(B) of the Exchange Act.[4] Section 17A(c)(4)(B) of the Exchange Act[5] authorizes transfer agents registered with an ARA to withdraw from registration by filing with the ARA a written notice of withdrawal and by agreeing to such terms and conditions as the ARA deems necessary or appropriate in the public interest, for the protection of investors, or in furtherance of the purposes of Section 17A.

In order to implement Section 17A(c)(4)(B), the Commission, on September 1, 1977, promulgated Rule 17Ac3-1(a) and accompanying Form TA-W ("the form").[6] Rule 17Ac3-1(a) provides that notice of withdrawal from registration as a transfer agent with the Commission

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1 Pub. L. No. 94-29, 89 Stat. 97 (June 4, 1975).

2 15 U.S.C. § 78q-1.

3 15 U.S.C. § 78l.

4 15 U.S.C. § 78c(a)(34)(B).

5 15 U.S.C. § 78q-1(c)(4)(B).

6 Exchange Act Release No. 13914 (Sep. 1, 1977), 42 FR 44983 (Sep. 8, 1977); 17 CFR 240.17Ac3-1 and 17 CFR 249b.101-Form TA-W.

shall be filed on Form TA-W. On January 11, 2007, the Commission amended Rule 17Ac3-1(a) and accompanying Form TA-W to require that the form be filed in electronic format on EDGAR.[7] Form TA-W requires the withdrawing transfer agent to provide the Commission with certain information, including: (1) the locations where transfer agent activities are or were performed; (2) the reasons for ceasing the performance of such activities; (3) disclosure of unsatisfied judgments or liens; and (4) information regarding successor transfer agents.

2. Purpose and Use of Information Collection

The Commission uses the information disclosed on Form TA-W to determine whether the entity seeking to withdrawal from registration as a transfer agent should be allowed to deregister and, if so, whether the Commission should attach to the granting of the application any terms or conditions necessary or appropriate in the public interest, for the protection of investors, or in the furtherance of the purposes of Section 17A. Without Rule 17Ac3-1(a) and Form TA-W, transfer agents registered with the Commission would not have a means to voluntarily deregister when it is necessary or appropriate to do so.

3. Consideration Given to Information Technology

Registered transfer agents are required to submit Form TA-W by electronic means through the Commission's EDGAR system.

4. Duplication

There is no duplication of the information requested in Form TA-W because the information contained in the form and the form itself are collected solely by each registered transfer agent's ARA.

5. Effect on Small Entities

Some transfer agents are small businesses. However, because the information requested on Form TA-W is straightforward, the requirements of Rule 17Ac3-1(a) and Form TA-W pose no undue burden. All transfer agents must provide the same information so the Commission can make an informed decision as to whether withdrawal from registration is appropriate and, if so, any terms or conditions that should be attached to the granting of the withdrawal.

6. Consequences of Not Conducting Collection

The information on Form TA-W cannot be provided less frequently since it is required only when a transfer agent seeks to cease doing business as a transfer agent and to deregister with the Commission.

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[7] Exchange Act Release No. 54864 (Dec. 4, 2007), 71 FR 74698 (Dec. 12, 2006).

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

There are no payments or gifts to respondents.

10. Confidentiality

There is no assurance of confidentiality to respondents because Forms TA-W filed with the Commission are public information.

11. Sensitive Questions

The information collection collects basic elements of personally identifiable information (PII) for the purpose of contacting, including name and job title, that is covered by the EDGAR PIA. PII is not retrieved by a personal identifier; this system will not require a system of records for purposes of the Privacy Act or a Privacy Act Statement.

12. Information Collection Burden

From 2023 through 2025, respondents annually filed approximately 12 Forms TA-W with the Commission. The Commission therefore estimates that 12 transfer agents are expected to rely on Rule 17Ac3-1 and Form TA-W annually over the subsequent 3 years. The Commission estimates that it takes approximately 30 minutes per transfer agent to complete a Form TA-W. The estimated aggregate annual time burden is thus approximately 6 hours (12 filings x 0.5 hours), which comprises a one-time reporting burden. The estimated internal labor cost of compliance per filing is approximately \$72 (0.5 hours x \$144 average hourly rate for a general office clerk).[8] The estimated aggregate internal compliance cost per year is thus approximately \$864 (12 filings x \$72 per filing).

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[8] For purposes of calculating the dollar cost burdens associated with respondents using Form TA-W, the Commission relies on the Occupational Employment and Wage Statistics ("OEWS") from the U.S. Bureau of Labor Statistics ("BLS"). *See Occupational Employment and Wage Classification*, 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 INDUSTRIAL CLASSIFICATION SYSTEM (2022), *available at* https://www.census.gov/naics/reference_files_tools/2022_NAICS_Manual.pdf (describing the industry 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*,

Rule	Burden Type	Number of Respondents	Number of Annual Responses Per Respondent	Burden Hours Per Response (Hours)	Total Burden Per Burden Type (Hours)
Rule 17Ac3-1 & Form TA-W	Reporting	12	1	0.5	6
Total Aggregate Burden					***6***

13. Costs to Respondents

None.

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. Changes in Burden

The estimated aggregate annual hour burden represents a decrease from the burden estimate previously submitted to OMB for the 2023 Paperwork Reduction Act Information Collection Submission for Rule 17Ac3-1 and Form TA-W. The change in the estimated aggregate burden is a result of a decrease in the estimated number of transfer agents who are expected to rely on Rule 17Ac3-1 and Form TA-W annually over the subsequent 3-year period from 50 to 12. As a result, the estimated aggregate annual hourly burden changed from 25 hours to 6 hours, a decrease of 19 hours.

16. Information Collection Planned for Statistical Purposes

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

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 the North American Industry Classification System ("NAICS) number to total annual wages across all occupations for the NAICS number in the OEWS data.

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.