

SUPPORTING STATEMENT
for the Paperwork Reduction Act Information Collection Submission for
Rule 13f-2 - Short Position and Short Activity Reporting by Institutional Investment
Managers

OMB Control Number 3235-0804
2026 Extension

This submission is being made pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. Section 3501 et seq.

In October 2023, the Commission adopted Rule 13f-2 and related Form SHO and an amendment to the national market system plan (“NMS Plan”) governing the consolidated audit trail (“CAT”) to provide greater transparency of short sale-related data to investors and regulators.¹ The original compliance date for Rule 13f-2 and for reporting on Form SHO had been January 2, 2025. However, on February 7, 2025, the Commission subsequently granted, pursuant to Section 13(f)(3) of the Exchange Act, a temporary exemption from compliance with Rule 13f-2 and Form SHO reporting until January 2, 2026.² On December 3, 2025, the Commission again granted a temporary exemption from compliance with Rule 13f-2 and Form SHO reporting until January 2, 2028.³ During the exemption period, respondents are not required to report on Form SHO, although they may choose to do so voluntarily. Therefore, the burden estimates set forth in this Supporting Statement reflect the voluntary information collections covered during the temporary exemption.

A. JUSTIFICATION

1. Necessity of Information Collection

Section 929X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) added Section 13(f)(2) of the Securities Exchange Act of 1934 (“Exchange Act”), which requires the Commission to prescribe rules to make certain short sale data publicly available no less frequently than monthly.⁴ Specifically, Section 13(f)(2) provides that the Commission shall prescribe rules providing for the public disclosure of the name of the issuer

¹ See Short Position and Short Activity Reporting by Institutional Investment Managers, Release No. 34-98738, 88 FR 75100 (Nov. 1, 2023) (“Rule 13f-2 Adopting Release”).

² See Order Granting Temporary Exemption Pursuant to Section 13(f)(3) of the Securities Exchange Act of 1934 From Compliance with Rule 13f-2 and Form SHO, Release No. 34-102380, 90 FR 9568 (Feb. 13, 2025)

³ See Order Granting Temporary Exemption Pursuant to Section 13(f)(3) and 36(a)(1) of the Securities Exchange Act of 1934 From Compliance with Rule 13f-2 and Form SHO, and Pursuant to Section 36(a)(1) of the Securities Exchange Act of 1934 from Certain Aspects of Rule 10c-1a, Release No. 34-104303, 90 FR 56813 (Dec. 8, 2025).

⁴ Pub. L. 111-203, § 929X, 124 Stat. 1376, 1870 (July 21, 2010).

and the title, class, CUSIP number, aggregate amount of the number of short sales of each security, and any additional information determined by the Commission following the end of the reporting period.

Rule 13f-2 is designed to fulfill the requirements of Exchange Act Section 13(f)(2) and provide greater transparency through the publication of certain short sale related data to investors and other market participants by requiring certain Institutional Investment Managers (“Managers”) to report to the Commission, on a monthly basis on Form SHO, certain short position data and short activity data for certain equity securities. More information about the short sale activity and gross short positions of reporting Managers⁵ may promote greater risk management among market participants, and may facilitate capital formation to the extent that greater transparency bolsters confidence in the markets.

In addition to adopting new Rule 13f-2, the Commission also adopted an amendment to the national market system (“NMS”) plan governing the consolidated audit trail (“CAT”) to require Industry Members⁶ that are reporting short sales to indicate whether such Industry Member is asserting use of the bona fide market making exception under Regulation SHO for the “locate” requirement in Rule 203(b)(2)(iii) (“BFMM locate exception”) for the reported short sales.

Rule 13f-2 and Form SHO will increase transparency regarding short position and short activity data to both market participants and regulators, and the amendment to CAT, i.e., the BFMM locate exception data reported to the CAT, provides the Commission with a better understanding of the use of this limited exception, which helps to ensure that the exception is not subject to misuse by brokers or dealers in violation of the Commission’s short selling rules.

Certain provisions of Rule 13f-2 and the amendment to CAT impose “collection of information” requirements within the meaning of the Paperwork Reduction Act of 1995 (“PRA”). The title for the information collections is “Short Position and Short Activity Reporting by Institutional Investment Managers.”

2. Purpose and Use of the Information Collection

Form SHO and the aggregated data published pursuant to Rule 13f-2 will increase transparency and provide several important benefits to market participants and regulators. Such aggregated information will help inform market participants regarding the overall short sale activity by reporting Managers. The Commission’s regular access to Form SHO data will bolster the Commission’s oversight of short selling, as Rule 13f-2 and Form SHO improve the utility of information available to the Commission and other regulators. The short sale related information collected under Rule 13f-2 and Form SHO will fill an information gap for market participants

⁵ As defined in Section 13(f)(6)(A) of the Exchange Act and for purposes of Rule 13f-2, “institutional investment manager” includes any person, other than a natural person, investing in or buying and selling securities for its own account, and any person exercising investment discretion with respect to the account of any other person. As such, the term “institutional investment manager” typically can include investment advisers, banks, insurance companies, broker-dealers, pension funds and corporations.

⁶ An “Industry Member” means a member of a national securities exchange or a member of a national securities association. *See* CAT NMS Plan, section 1.1.

and regulators because the short position data reported pursuant to Rule 13f-2 on Form SHO supplements the short sale information that is currently publicly available from FINRA and the exchanges.

The amendment to CAT provides valuable data to both the Commission and other regulators regarding the use of the BFMM locate exception to Regulation SHO. Requiring Industry Members to identify short sales for which they are claiming the bona fide market making exception provides the Commission and other regulators an additional tool to determine whether such activity qualifies for the exception, or instead could be indicative of, for example, proprietary trading instead of bona fide market making activity.

3. Consideration Given to Information Technology

Rule 13f-2 and Form SHO require the short position and activity disclosures to be filed on the Commission's EDGAR system using a structured, machine-readable data language. In particular, the rule and form require Form SHO to be filed on EDGAR in a custom XML-based data language specific to that Form ("custom XML," here "Form SHO-specific XML"). The XML schema for Form SHO-specific XML incorporates validations of certain data fields on the Form to help ensure consistent formatting and completeness.⁷ The Commission subsequently aggregates the reported information at the equity security level and releases the aggregated data to the public.

The Commission believes the reporting requirements incrementally augment the various effects of the short position and activity disclosures by enhancing the accessibility, usability, and quality of the Form SHO disclosures (for use by the Commission) and the aggregated security-level disclosures (for use by the public). By requiring a structured machine-readable data language and a centralized filing location (EDGAR) for the disclosures on Form SHO, the Commission will be able to access and download large volumes of Form SHO disclosures in an efficient manner. To the extent that the efficiencies derived from the centralized filing of the Form SHO disclosures facilitate more rapid Commission response to potentially abusive short selling practices, investors could indirectly benefit from the fact that such practices are detected, and possibly addressed, earlier than might otherwise be the case.

4. Duplication

The amendment to CAT presents no potential duplication of information collections, as reporting of use of the BFMM locate exception is not required elsewhere. However, some reporting requirements of Rule 13f-2 may overlap with existing information collections currently required by FINRA. One of the primary data sources for aggregate short selling data is the bimonthly short interest data collected by FINRA. FINRA collects aggregate short interest

⁷ Field validations are restrictions placed on each data element, which do not allow a filer to file a form if there are certain technical errors in critical fields. If a Form SHO were to include, for example, letters instead of numbers in a field requiring only numbers, it is flagged as a technical error, at which point the filer is unable to file the Form (if completed using the fillable web form provided by EDGAR) or the filing is rejected (if directly filed in EDGAR in Form SHO-specific XML). To complete the filing, the filer must correct the error and re-file.

information in individual securities on a bimonthly basis as the total number of shares sold short in a given stock as of the middle and end of each month. Then, the exchange that lists the given stock, or FINRA itself in the case of OTC stocks, distributes the collected data. Some SROs make the historical daily short volume data available to market participants for a fee.

The Commission believes that the short sale related information collected under Rule 13f-2 and Form SHO will fill an information gap for market participants and regulators by providing insights into increases and decreases in reported short positions and that the short position data reported pursuant to Rule 13f-2 on Form SHO supplements the short sale information that is currently publicly available from FINRA and the exchanges. The short sale data reported on Form SHO will include the daily net change in the short position in the security for which information is being reported, and such information is not currently available from FINRA or the exchanges. Moreover, because FINRA's existing short interest data reports aggregate short positions on a bimonthly basis, those reports do not reflect the timing with which short positions increase or decrease in the two-week period between the two reporting dates. The short sale data reported on Form SHO will help to fill that information gap.

The Commission continues to believe that publication of this additional aggregated information can help to further inform market participants regarding overall short sale activity by Managers with substantial short positions and provides regulators as well as market participants with important information regarding the timing of increases and decreases in the reported short positions. Finally, compared to other existing reporting regimes, the reporting thresholds in Rule 13f-2 ensure that only substantial, hence more informative, short positions are reported.

5. Effect on Small Entities

The Commission certified in the Adopting Release that Rule 13f-2 and the amendment to CAT will not have a significant economic impact on a substantial number of small entities, as defined under Rule 0-10.⁸

Although section 601(b) of the Regulatory Flexibility Act ("RFA")⁹ defines the term "small business," the statute permits agencies to formulate their own definitions. The explanation of the term "small entities" and the definition of the term "small business" in Rule 0-10¹⁰ of the Exchange Act do not explicitly reference Managers. Rule 0-10 does provide, however, that the Commission may "otherwise define" small entities for purposes of a particular rulemaking proceeding. For purposes of Rule 13f-2 and related Form SHO, therefore, the Commission has determined that the definition of the term "small business" found in Rule 0-7(a)¹¹ under the Investment Advisers Act of 1940¹² is more appropriate to the functions of institutional managers such as the Managers with reporting obligations under Rule 13f-2. The Commission believes that

⁸ 17 CFR 240.0-10 ("Rule 0-10").

⁹ 5 U.S.C. 601 *et seq.*

¹⁰ Rule 0-10.

¹¹ 17 CFR 275.0-7(a) ("Rule 0-7(a)").

¹² 15 U.S.C. 80b-1 *et seq.*

the definition will help ensure that all persons or entities that might be Managers subject to reporting requirements under Rule 13f-2 will be included within a category addressed by the Rule 0-7(a) definition.

Therefore, for purposes of Rule 13f-2 and the RFA, a Manager is a small entity if it: (i) has assets under management having a total value of less than \$25 million; (ii) did not have total assets of \$5 million or more on the last day of its most recent fiscal year; and (iii) does not control, is not controlled by, and is not under common control with another investment adviser that has assets under management of \$25 million or more, or any person (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year.¹³

Under Rule 13f-2, Managers are not required to report on Form SHO unless they meet or exceed a specified Reporting Threshold. Managers with a gross short interest position in an equity security of a reporting company issuer¹⁴ will be subject to a two-pronged reporting threshold structure: a monthly average gross short position in the equity security with a U.S. dollar value of \$10 million or more; or a monthly average gross short position as a percentage of shares outstanding in the equity security of 2.5 percent or more (Threshold A). Managers with a gross short interest position in an equity security of a non-reporting company issuer¹⁵ will be subject to a single-pronged reporting threshold structure: a gross short position in the equity security with a U.S. dollar value of \$500,000 or more at the close of regular trading hours on any settlement date during the calendar month (Threshold B). While the parameters of the Reporting Thresholds under Rule 13f-2 relate to the number and dollar value of shares of short positions, rather than assets under management, the Commission nevertheless believes that application of the Reporting Thresholds will result in Rule 13f-2 not applying to a significant number of “small businesses” as defined under Rule 0-7(a).

The amendment to CAT imposes requirements on the CAT NMS Plan Participants (the national securities exchanges registered with the Commission under section 6 of the Exchange Act and FINRA), and broker-dealers that effect short sales utilizing the bona fide market making exception pursuant to Rule 203(b)(2)(iii) of Regulation SHO and report use of the exception to CAT (i.e., Industry Members).

With respect to the national securities exchanges, the Commission’s definition of a small entity is an exchange that has been exempt from the reporting requirements of Rule 601 of Regulation NMS, and is not affiliated with any person (other than a natural person) that is not a

¹³ See Rule 0-7(a). See generally *Reporting Threshold for Institutional Investment Managers*, Exchange Act Release No. 89290 (July 10, 2020), 85 FR 46016, 46031 n.90 (July 31, 2020) (stating that “[r]ecognizing the growth in assets under management at investment advisers since Rule 0-7(a) was adopted, the Commission plans to revisit the definition of a small entity in Rule 0-7(a).”).

¹⁴ “Reporting company issuer” refers to an issuer of securities that is required to file reports pursuant to Exchange Act section 15(d). 15 U.S.C. 78o(d).

¹⁵ “Non-reporting company issuer” refers to an issuer that is not a reporting company issuer as described in footnote 14 above.

small business or small organization.¹⁶ None of the national securities exchanges registered under section 6 of the Exchange Act that are subject to the amendments are “small entities” for purposes of the RFA. In addition, FINRA is not a “small entity.”¹⁷ Based on Commission knowledge and experience with broker-dealers that identify as market makers, the Commission does not believe that any broker-dealer that effects short sales utilizing the bona fide market making exception pursuant to Rule 203(b)(2)(iii) of Regulation SHO and reports to the CAT will qualify as a small entity pursuant to Exchange Act Rule 0-10(c), because they either exceed \$500,000 in total capital or are affiliated with a person that is not a small entity as defined in Rule 0-10. The Commission believes that it is possible, but unlikely, that in the future a small entity may come within scope of the amendment to CAT, because such firms are likely to exceed \$500,000 in total capital or be affiliated with a person that is not a small entity.

6. Consequences of Not Conducting Collection

Not conducting the Rule 13f-2 collection will result in a failure by the Commission to fulfill the statutory mandate imposed by Section 929X of the Dodd-Frank Act that is contained in Section 13(f)(2) of the Securities Exchange Act of 1934. Furthermore, not conducting the collections in Rule 13f-2 and the amendment to CAT could result in the public and Commission not benefitting from potential improvements in the transparency of the short sales of securities.

Rule 13f-2 increases transparency and will provide several important benefits to market participants and regulators. Such aggregated information will help inform market participants regarding the overall short sale activity by reporting Managers. More information about the short sale activity and gross short positions of reporting Managers may promote greater risk management among market participants and may facilitate capital formation to the extent that greater transparency bolsters confidence in the markets. The Commission’s regular access to Form SHO data will bolster the Commission’s oversight of short selling, as Rule 13f-2 and Form SHO will improve the utility of information available to the Commission and regulators.

Rule 13f-2, Form SHO, and the CAT amendment may have a positive influence on capital formation if they disincentivize short selling that takes place in connection with securities fraud. For example, in one type of fraud, investors holding convertible debt would engage in a manipulation including short sales of a stock in an attempt to drive down the price artificially in order to convert their debt to equity and cover their short positions at a lower price. To the extent that the rule facilitates better oversight and prosecution of this sort of fraud, it may facilitate capital formation by lowering the risk that convertible debt holders will engage in this sort of fraud. More generally, to the extent that enhanced oversight of short sale activity deters manipulative activity such as short squeezes and associated price bubbles stemming from short squeezes, price efficiency may be enhanced, which in turn, could further promote capital formation.

¹⁶ See 17 CFR 240.0-10(e) (stating that a broker-dealer is a small entity if it has total net capitalization (net worth plus subordinated liabilities) of less than \$500,000 on the date in the prior fiscal year as of which its audited financial statements were prepared pursuant to 17 CFR 240.17a-5(d), and it is not affiliated with any person (other than a natural person) that is not a small business or small organization).

¹⁷ See 13 CFR 121.201.

Rule 13f-2 may also affect capital formation through investor confidence. Some commenters on FINRA's short interest proposal suggested that short selling, and in particular a lack of short selling disclosure, leads some investors to have less confidence in financial markets. As discussed throughout the Adopting Release, the Commission believes that the data from Form SHO will provide information that is additive to these and other data sources and therefore improves short selling transparency and strengthens investor confidence, which might increase investment activity and, in turn, promote capital formation.

The Commission believes that information regarding use of the BFMM locate exception reported under the amendment to CAT provides valuable data to both the Commission and other regulators regarding the use of this narrow exception. Requiring Industry Members to identify short sales for which they are claiming the bona fide market making exception provides the Commission and other regulators an additional tool to determine whether such activity qualifies for the exception, or instead could be indicative of, for example, proprietary trading instead of bona fide market making activity.

Rule 13f-2 and the CAT amendment enhance the Commission's ability to protect investors and investigate market manipulation by providing a clearer view into the short selling market and improving the Commission's reconstruction of significant market events. Improved identification of manipulative short selling strategies may also serve as a deterrent to would-be manipulators and thus may help prevent manipulation. Rule 13f-2 and the CAT amendment also improve the Commission's observation of short sale activity that potentially poses a systemic risk.

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

The agency is able to demonstrate, in its submission for OMB clearance, that the characteristics of the collection of information are necessary to satisfy statutory requirements or other substantial needs. Therefore, this collection is consistent with the guidelines in 5 CFR 1320.5(d)(2), despite not meeting the specific quarterly reporting frequency parameters described in 5 CFR 1320.5(d)(2)(i).

Section 13(f)(2) of the Securities Exchange Act requires the Commission to prescribe rules to make certain short sale data publicly available no less frequently than monthly. This statutorily prescribed monthly reporting requirement is more frequent than the quarterly frequency described in 5 CFR 1320.5(d)(2)(i). However, any required reporting period for Rule 13f-2 and Form SHO that is less frequent than monthly would fail to fulfill the legislative mandate of Section 13(f)(2) and Dodd-Frank Act Section 929x. Under Rule 13f-2, Managers that meet a specified reporting threshold are required to file Form SHO with the Commission within 14 calendar days after the end of the calendar month.

The BFMM locate exception to Regulation SHO was intended to be a "narrow" exception, and the collection of information about its usage is helpful for the Commission to determine whether it is being used appropriately as such. Industry Members must record and report whether the order is a short sale for which the BFMM locate exception in Rule 203 under Regulation SHO for the reported short sales is being claimed.

The timeliness of information reporting required by Rule 13f-2 is key to providing additional transparency to the market, and the timeliness of information reporting required by the amendment to CAT regarding use of the BFMM locate exception is key so that the Commission can determine whether such exception is being used appropriately.

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 comments were received.

9. Payment or Gift

Not applicable.

10. Confidentiality

The Commission does not anticipate disclosing information in Form SHO, other than to the extent the data is included in the Commission's aggregated disclosures, and the Commission deems the information included in Form SHO as being subject to a confidential treatment request under Rule 83. Accordingly, the General Instructions to Form SHO provide that all information included in the Form SHO is deemed subject to a confidential treatment request under Rule 83. Pursuant to section 13(f) of the Exchange Act, the Commission may prevent or delay public disclosure of all other information reported on Form SHO in accordance with FOIA, section 13(f)(4) through (5), Rule 83, and any other applicable law.¹⁸

Regarding BFMM locate exception reporting to CAT, the CAT NMS Plan includes policies and procedures designed to ensure the security and confidentiality of all information submitted to the Central Repository, and to ensure that all SROs and their employees, as well as all employees of the Central Repository, shall use appropriate safeguards to ensure the confidentiality of such data. The Commission receives confidential information pursuant to this collection of information, and such information is kept confidential, subject to the provisions of applicable law.

11. Sensitive Questions

The Information Collection does not collect information about individuals, but rather only business contact information; therefore, a PIA, SORN, and PAS are not required.

12. Burden of Information Collection

¹⁸ The Commission will follow Rule 83 procedures in addressing any requests for information reported on Form SHO deemed subject to a confidential treatment request.

The Commission estimates the hourly burden of the information collection as summarized in the chart below.

Summary of Hourly Burdens						
Form SHO and CAT Amendment Information Collections	Type of Burden	Number of Entities Impacted	Annual Responses per Entity	Ongoing Hourly Burden per Entity per Response	Total Annual Hourly Burden Per Entity	Total Industry Annual Hourly Burden (Annualized)
Form SHO: Filings in EDGAR	Reporting	1,000	12	20	240	240,000
Form SHO: Use of Structured XML-Based Data Language	Reporting	1,000	12	2	24	24,000
Form SHO: Amended Filings	Reporting	22	12	20	240	5,280
Form SHO: Use of Structured XML-Based Data Language for Amended Filings	Reporting	22	12	2	24	528
TOTAL ANNUALIZED HOURLY BURDEN FOR ALL RESPONDENTS: 269,808						

As described in more detail below, Rule 13f-2 imposes information collection burdens relating to the preparation and filing of Form SHO in EDGAR for short positions that meet certain thresholds by Managers. The initial, one-time burdens associated with Rule 13f-2 and the amendment to CAT that were annualized over the first-three-year PRA period have been completed and are not included in the burden estimates for this extension. The changes from the prior supporting statement are explained in Item 14 below.

1. Burdens for Institutional Investment Managers Under Rule 13f-2 and the Related Form SHO

Rule 13f-2 and Form SHO require Managers that trigger a Reporting Threshold to file monthly via EDGAR, on Form SHO, certain short position and short activity data. Under Section 13(f)(6)(A) of the Exchange Act and for purposes of Rule 13f-2, Managers include any person, other than a natural person, investing in or buying and selling securities for its own account, and any person (including a natural person) exercising investment discretion with respect to the account of any other person. As such, the term “institutional investment manager” typically can include investment advisers, banks, insurance companies, broker-dealers, pension funds and corporations. The Commission estimates that, each month, approximately 1,000 Managers will hold short positions that trigger a Reporting Threshold for at least one security, and therefore be required to file a Form SHO.

a. Form SHO: Filings in EDGAR

The Commission continues to estimate that the burden associated with preparing and filing Form SHO in EDGAR will be approximately 20 hours per filing. The Commission estimates that each of the estimated 1,000 Managers holding a short position that triggers a Reporting Threshold will spend 20 hours preparing and filing one Form SHO in EDGAR each month.

Therefore, it is estimated that the total annual industry burden to comply with the reporting requirements of Rule 13f-2 will be **240,000 hours**.¹⁹

b. Form SHO: Use of Structured XML-Based Data Language

The Commission anticipates that most Managers will file Form SHO directly in the structured XML-based data language for Form SHO, rather than using the fillable web form provided by EDGAR. The Commission believes that Managers that file Form SHO using a structured XML-based data language will incur an additional burden of 2 hours of work by a programmer per filing.²⁰ Therefore, it is estimated that the total annual industry burden to file Form SHO directly in a structured XML-based data language will be **24,000 hours**.²¹

c. Form SHO: Amended Filings

The Commission estimates that approximately 2.2% of the Managers that file Form SHO each month will also file an amended Form SHO, resulting in an additional burden for an estimated 22 Managers each month.²² The additional burden could take up to the original 20 hours to process and file, as it will require the filing of an entirely new Form SHO. Therefore, it is estimated that the total annual industry burden to file amended Form SHOs will be **5,280 hours**.²³

d. Form SHO: Use of Structured XML-Based Data Language for Amended Filings

The Commission estimates that an additional 2 hours of work by a programmer per filing will apply to Managers filing an amended Form SHO directly in a structured XML-based data language. Therefore, it is estimated that the total annual industry burden to file amended Form SHOs directly in a structured XML-based data language will be **528 hours**.²⁴

2. Burdens for CAT NMS Plan Participants and Industry Members Under the Amendment to CAT for BFMM Locate Exception Reporting

¹⁹ 20 hours per filing × 1,000 filings each month × 12 months = 240,000 annual burden hours.

²⁰ The 2-hour estimated burden is consistent with similar estimates for the use of structured XML data formats for the filing of Form N-CR and Form 24F-2. *See Money Market Fund Reforms; Form PF Reporting Requirements for Large Liquidity Fund Advisers; Technical Amendments to Form N-CSR and Form N-1A*, Exchange Act Release No. 34-97876 (July 12, 2023), 88 FR 51404, 51514 (Aug. 3, 2023); see also Securities Offering Reform for Closed-End Investment Companies, Exchange Act Release No. 88606 (Apr. 8, 2020), 85 FR 33290, 33329 n.439 (June 1, 2020) (stating that “[w]e assume that the burden of tagging Form 24F-2 in a structured XML format would be 2 hours for each filing.”).

²¹ 2 hours per filing × 1,000 filings each month × 12 months = 24,000 burden hours.

²² The estimate of 2.2% of Regulation SHO filers that are anticipated to file an amended Form SHO is based on the frequency of recent filings of amended Form 13F. For the 2025 fiscal year, there were 32,242 holdings reports for Form 13F-HR submitted, 723 of which were amended. ($723 \div 32,242 = 2.2\%$).

²³ 20 hours per amended Form SHO filing × 22 managers each month × 12 months = 5,280 burden hours.

²⁴ 2 hours per amended filing × 22 managers each month × 12 months = 528 burden hours.

The amendment to the CAT NMS Plan required CAT NMS Plan Participants to update their Compliance Rules to require reporting by Industry Members of whether an original receipt or origination of an order to sell an equity security is a short sale for which a market maker is claiming the bona fide market making exception to the locate requirement in Rule 203(b)(2)(iii) of Regulation SHO. The initial, one-time burdens associated with the amendment to CAT, including the burden on 25 CAT NMS Plan Participants to engage the CAT Plan Processor to modify the Central Repository, and the burdens on insourcing and outsourcing Industry Members to update their systems and processes to capture and report use of the BFMM locate exception for CAT, have been completed and are not included in the burden estimates for this extension.

As described in the prior supporting statement, the ongoing burdens imposed by the amendment to CAT related to reporting to the CAT are accounted for in the existing information collection burdens associated with Rule 613 and the CAT NMS Plan Approval Order submitted under OMB Number 3235-0671.²⁵ The CAT NMS Plan Approval Order takes into account requirements on broker-dealer members to comply with the CAT NMS PLAN, including the requirement to maintain the systems necessary to collect and transmit information to the Central Repository, and provides aggregate burden hour and monetized cost estimates for the broker-dealer data collection and reporting requirement of Rule 613.²⁶ The amendment to CAT did not require any Industry Member to submit new reports to the CAT, but rather to add limited additional information to existing reports in certain circumstances. Accordingly, no separate ongoing CAT-related burden hours or costs are included in the burden estimate for this extension.

3. Costs for Managers Under Rule 13f-2 and Form SHO (Monetized Hourly Burdens)²⁷

Rule 13f-2 and Form SHO – Summary of Costs (Monetized Hourly Burdens)				
Rule 13f-2 and Form SHO Information Collections	Type of Burden	Number of Entities Impacted	Ongoing Cost per Entity (Annualized)	Total Industry Cost (Annualized)

²⁵ See Exchange Act Release No. 79318 (Nov. 15, 2016), 81 FR 84911-43 (Nov. 23, 2016) (“CAT NMS Plan Approval Order”). See also OMB Control No. 3235-0671, 88 FR 47936 (July 25, 2023) (notice of submission of request for approval of extension).

²⁶ See Supporting Statement for the Paperwork Reduction Act Information Collection Submission for the Consolidated Audit Trail NMS Plan (NMS Plan Required to be Filed under Commission Rule 613) (OMB Control No. 3235-0671); see also CAT NMS Plan Approval Order, 81 FR at 84911-43. While there is no recordkeeping requirement related to reporting use of the BFMM locate exception, brokers or dealers should be prepared to monitor for compliance with conditions and maintain records documenting such compliance. See Regulation SHO Adopting Release, 48011 n.27 (“As with any rule, broker-dealers relying on [an] exception should be prepared to monitor for compliance with its conditions, and maintain records documenting such compliance.”). There would be a minimal additional ongoing burden for such brokers or dealers to record that they have determined such eligibility for each transaction reported to CAT.

²⁷ These are included for information purposes only and have not been submitted on the ROCIS system for approval.

Form SHO Filings	Reporting	1,000	\$73,963.20	\$73,963,200
Use of Structured XML-Based Data Language in Form SHO Filings	Reporting	1,000	\$10,464	\$10,464,000
Amended Form SHO Filings	Reporting	22	\$73,963.20	\$1,627,190.4
Use of Structured XML-Based Data Language in Amended Form SHO Filings	Reporting	22	\$10,464	\$230,208
TOTAL COSTS FOR ALL RESPONDENTS ANNUALIZED:				\$86,284,598.40

a. Filing Form SHO

The Commission continues to estimate that the burden associated with preparing and filing Form SHO in EDGAR will be approximately 20 hours per filing. Accordingly, the Commission estimates that the burden associated with preparing and filing Form SHO across all Managers collectively is approximately 240,000 hours per year.²⁸ The Commission believes that the hourly cost of internal expertise required for each filing will be \$308.18, which includes a blended calculation of the estimated hourly rate for a compliance attorney, senior programmer, and in-house compliance clerk, an increase from the prior submissions' s estimated \$251.36 to account for changes in wages.²⁹ The estimated annual burden hours and cost to the industry for filing

²⁸ 20 hours per filing x 1,000 filings by Managers each month x 12 months = 240,000 hours.

²⁹ 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>.

The \$308.18 wage rate reflects current estimates of the blended hourly rate for financial examiner (\$375), a computer programmer (\$436) and in-house compliance clerk (\$167). \$308.18 is based on the following calculation: $((\$375) + (((\$436 + \$167) \div 2) \times 10)) \div 11 = \$308.18$. The estimated proportion of financial examiner (1/11th) to computer programmer and in-house compliance clerk (10/11th) time burden is based on commenter input and computation of the estimated burden for the filing of Form 13F-HR. *See Electronic Submission of Applications for Orders*, Exchange Act Release No. 93518 (Nov. 4, 2021), 86 FR 64839 (Nov. 19, 2021) at 64860-61 ("Electronic Submission of Applications for Orders").

Form SHO is 240,000 hours and \$73,963,200.³⁰ The Commission, however, recognizes that advances in technology over time could result in Managers spending less time preparing and filing Form SHO than is estimated above.³¹

b. Use of Structured XML-Based Data Language in Form SHO Filings

The Commission also anticipates that most Managers will file Form SHO directly in the structured XML-based data language for Form SHO,³² rather than using the fillable web form provided by EDGAR, resulting in some limited additional costs for each filing. The Commission believes that Managers that file Form SHO using a structured XML-based data language could incur an additional burden of 2 hours of work by a programmer,³³ at an estimated cost of \$872.³⁴ The Commission further estimates that Managers will collectively spend up to approximately 24,000 hours and \$10,464,000 per year to file Form SHO directly in a structured XML-based data language.³⁵

c. Amended Form SHO Filings

The Commission estimates that approximately 2.2 percent of the Managers that file Form SHO each month will also file an amended Form SHO, resulting in an additional burden and cost for an estimated 22 Managers each month.³⁶ The additional burden could take up to the original 20 hours to process and file, as it will require the filing of an entirely new Form SHO. The associated wage rate for filing the amended Form SHO is consistent with the cost of expertise

³⁰ 20 hours per filing x 1,000 filings by Managers each month x 12 months x \$308.18 per hour = \$73,963,200.

³¹ See *Electronic Submission of Applications for Orders*, 86 FR at 64859 (stating that “[c]ommenters stated that the advances in technology have made the process of completing and filing Form 13F highly automated, reducing the time and costs to managers in complying with this requirement.”).

³² Most Managers are familiar with other EDGAR Form-specific XML data languages, the use of which is required for the filing (by Managers that exercise investment discretion with respect to accounts holding 13(f) securities having an aggregate fair market value on the last trading day of any month of any calendar year of at least \$100 million) of Form 13F. See *Frequently Asked Questions About 13F*, available at <https://www.sec.gov/divisions/investment/13faq.htm>. The Commission estimates that all of the 1,000 Managers estimated to file Form SHO each month will do so directly using the structured XML-based data language rather than the fillable web form provided by EDGAR.

³³ The 2-hour estimated burden is consistent with similar estimates for the use of structured XML data formats for the filing of Form N-CR and Form 24F-2. See *Money Market Fund Reforms; Form PF Reporting Requirements for Large Liquidity Fund Advisers; Technical Amendments to Form N-CSR and Form N-1A*, Exchange Act Release No. 34-97876 (July 12, 2023), 88 FR 51404, 51514 (Aug. 3, 2023); see also *Securities Offering Reform for Closed-End Investment Companies*, Exchange Act Release No. 88606 (Apr. 8, 2020), 85 FR 33290, 33329 n.439 (June 1, 2020) (stating that “[w]e assume that the burden of tagging Form 24F-2 in a structured XML format would be 2 hours for each filing.”).

³⁴ The \$436 per hour figure for a senior programmer is based on salary information from the OEWS program. 2 hours x \$436 = \$872.

³⁵ 2 hours per filing x \$436 per hour x 1,000 filings each month x 12 months = \$10,464,000.

³⁶ The estimate of 2.2% of Regulation SHO filers that are anticipated to file an amended Form SHO is based on the frequency of recent filings of amended Form 13F. For the 2025 Fiscal Year, there were 32,242 holdings reports for Form 13F-HR submitted, 723 of which were amended. (723 ÷ 32,242 = 2.2%).

required to file the original Form SHO, estimated to be \$308.18 per hour. Thus, the Commission estimates that Managers will spend approximately 5,280 hours and \$1,627,190.40 per year to file amendments to Form SHO.³⁷

d. Use of Structured XML-Based Data Language in Amended Form SHO Filings

The Commission also estimates that each amended Form SHO will be filed directly using a structured XML-based data language, resulting in a corresponding additional burden of 2 hours of work by a programmer per amended Form SHO filing. Thus, the Commission estimates that Managers will spend approximately 528 hours and \$230,208 per year to file amendments to Form SHO directly in a structured XML-based data language.³⁸

13. Costs to Respondents

Not applicable.

14. Cost to 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

This is the first extension of this information collection, which was originally approved by OMB in connection with the adoption of Rule 13f-2 and the amendment to CAT.³⁹ The changes in burden estimates from the prior supporting statement to this extension are described in the table below. Additionally, the prior supporting statement included initial, one-time burdens that were annualized over the three-year PRA period. These initial burdens have now been completed and are not included in the burden estimates for this extension. The removal of these initial, one-time burdens results in a decrease in the total annualized burden hours of 116,975.33, as shown in the chart below.

³⁷ The Commission estimates that there will be 264 (22 amended filings multiplied by 12 reporting periods) Form SHO amendments filed annually: 2.2% estimated Regulation SHO filers that are anticipated to file an amended Form SHO x 12,000 Form SHO reports processed and filed annually. *See supra* note 24. 264 Form SHO amendments x 20 hours x \$308.18 wage rate = \$1,627,190.40.

³⁸ 264 Form SHO amendments x 2 hours x \$436 wage rate = \$230,208.

³⁹ Short Position and Short Activity Reporting by Institutional Investment Managers, Release No. 34-98738, 88 FR 75100 (Nov. 1, 2023).

Information Collection Requirement	Annual Industry Burden (This Extension)	Annual Industry Burden (Prior Supporting Statement, Annualized)	Change in Burden	Reason for Change
Form SHO: Initial Technology Projects	0 hours	108,333.33 hours	-108,333.33 hours	Removed. Initial, one-time burden now complete
Form SHO: Filings in EDGAR	240,000 hours	240,000 hours	No change	N/A
Form SHO: Use of Structured XML-Based Data Language	24,000 hours	24,000 hours*	No change	N/A
Form SHO: Amended Filings	5,280 hours	8,400 hours	-3,120 hours	Reduction in amended filings
Form SHO: Use of Structured XML-Based Data Language for Amended Filings	528 hours	840 hours	-312 hours	Reduction in amended filings
CAT: Central Repository – Short Sale Data	0 hours	43.33 hours*	-43.33 hours	Removed. Initial, one-time burden now complete
CAT: Reporting of Bona Fide Market Making Exception – Insourcers	0 hours	5,026.67 hours*	-5,026.67 hours	Removed. Initial, one-time burden now complete
CAT: Reporting of Bona Fide Market Making Exception – Outsourcers	0 hours	140 hours*	-140 hours	Removed. Initial, one-time burden now complete
TOTAL	269,808 hours	386,783.33 hours	-116,975.33 hours	

* Initial, one-time hourly burden annualized over a three-year PRA period

16. Information Collection Planned for Statistical Purposes

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

17. OMB Expiration Date Display Approval

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.