SUPPORTING STATEMENT
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION
SUBMISSION FOR SECURITIES ACT RULE 425

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

Securities Act Rule 425 (17 CFR 230.425) requires written communications about a business combination transaction to be filed with the Commission. Rule 425 is used in connection with other Commission rules to permit parties to communicate about a planned business combination transaction before a Securities Act registration statement is filed.

2. Purpose and Use of the Information Collection

The primary purpose of the rule is to relax statutory restrictions on oral and written communications with shareholders about tender offers, mergers, and other business combination transactions by permitting the dissemination of more information on a timely basis as long as the written communications are filed on the date of first use.

3. Consideration Given to Information Technology

Rule 425 communications are filed using the Commission's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system.

4. Duplication of Information

There are no other filing requirements that duplicate this information collection.

5. Reducing the Burden on Small Entities

All issuers, including small businesses have discretion as to whether or not they want to disseminate written communications required to be filed under Rule 425. Rule 425 was adopted in connection with other revisions, all of which were intended to decrease costs and burdens for all issuers, including small entities, and enhance communications between issuers and investors.

6. Consequences of Not Conducting Collection

Rule 425 requires filing of written communications only when issuers choose to disseminate them and only in connection with business combination transactions. Less frequent collection could compromise investor protection.

7. Special Circumstances

There are no special circumstances.

8. Consultations with Persons Outside the Agency

No comments were received on this request during the 60-day comment period prior to OMB's review of this extension request.

9. Payment or Gift to Respondents

No payment or gift has been provided to any respondents.

10. Confidentiality

The information filed under Rule 425 is publicly available.

11. Sensitive Questions

No information of a sensitive nature, including social security numbers, will be required under this collection of information. The information collection does not collect personally identifiable information (PII). The agency has determined that a system of records notice (SORN) and privacy impact assessment (PIA) are not required in connection with the collection of information.

12. Estimate of Respondent Reporting Burden

Reporting Burden Due to an Extension Request

Information Collection Title	OMB Control Number	Number of Responses	Burden Hours
Rule 425	3235-0521	4,083	1,021

For purposes of the Paperwork Reduction Act ("PRA"), we estimate that approximately 547 issuers file a response under Rule 425 approximately 7.46 times per year for a total of approximately 4,083 responses annually. We estimate that it takes approximately 0.25 burden hours per response to provide the information required under Rule 425, for a total of approximately 1,021 hours annually (0.25 hours per response x 4,083 responses).

We derived our burden hour estimates by estimating the average number of hours it would take an issuer to compile the necessary information and data, prepare and review disclosure, file documents, and retain records. In connection with amendments to the rule, we

occasionally receive PRA estimates from public commenters about incremental burdens that are used in our burden estimates. We believe that the actual burdens will likely vary among individual respondents based on the nature of their operations. For administrative convenience, we have rounded the estimated paperwork burden hours to the nearest whole number. The burden hour estimate is made solely for the purpose of the PRA.

13. Estimate of Total Annualized Cost Burden

For purposes of the PRA, we estimate that all of the paperwork burdens associated with the information collection requirements of Rule 425 are carried internally by the issuer. As a result, we do not estimate any cost burden associated with Rule 425.

14. Costs 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. Reason for Change in Burden

Summary of the Change in Burden Hours

	Annual No. of Responses			**Annual Time Burden (Hours)**		
IC Title	**Previously Approved**	**Requested**	**Change In Responses**	**Previously Approved**	**Requested**	**Change In Burden Hours**
Rule 425	5,370	4,083	(1,287)	1,343	1,021	(322)

The decrease of 322 burden hours is due to a decrease of 1,287 in the estimated number of annual responses under Rule 425.

16. Information Collection Planned for Statistical Purposes

The information collection is not planned 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

There are no exceptions to certification for the Paperwork Reduction Act submissions.

B. STATISTICAL METHODS

The information collection does not employ statistical methods.