PAPERWORK REDUCTION ACT SUPPORTING STATEMENT

for the Revision of the Information Collection Submission for
Form ADV
OMB Control Number 3235-0049

The U.S. Securities and Exchange Commission ("Commission," "SEC," or "we") submits this information collection request ("ICR") pursuant to the Paperwork Reduction Act of 1995 ("PRA"), 44 U.S.C. Section 3501 et seq., with the following justification.

1. Necessity of Information Collection

Form ADV is a three-part investment adviser form. Part 1 of Form ADV contains information used primarily by Commission staff, Part 2 is the client brochure, and Part 3 requires registered investment advisers that offer services to retail investors to prepare and file with the Commission, post to the adviser's website (if it has one), and deliver to retail investors a relationship summary.

The Commission uses the information in Form ADV to determine eligibility for registration with us and to manage our regulatory, examination, and enforcement programs. Clients and prospective clients use the information required in Form ADV to determine whether to hire or retain an investment adviser, and, if hired, how to manage that relationship. Rule 203-1[1] under the Investment Advisers Act of 1940 ("Advisers Act")[2] requires every person applying for investment adviser registration with the Commission to file Form ADV.[3] Rule 204-4[4] under the Advisers Act requires certain investment

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1 17 CFR 275.203-1.

2 15 U.S.C 80b-4.

3 17 CFR 279.1.

4 17 CFR 275.204-4.

advisers exempt from registration with the Commission ("exempt reporting advisers" or "ERAs") to file reports with the Commission by completing a limited number of items on Form ADV. Rule 204-1[5] under the Advisers Act requires any adviser that is required to complete Form ADV to update the form at least annually, including exempt reporting advisers that report to the Commission pursuant to rule 204-4, and requires advisers to submit electronic filings through the Investment Adviser Registration Depository ("IARD"). The paperwork burdens associated with rules 203-1, 204-1, and 204-4, as well as the obligation to deliver codes of ethics to clients under rule 204A-1, are included in the approved annual burden associated with Form ADV and thus do not entail a separate collection of information.

On January 7, 2026, the Commission proposed to amend the definition of a "small entity" for purposes of the Regulatory Flexibility Act ("RFA") for investment advisers by raising the asset thresholds.[6] The proposal would amend rule 0-7[7] to increase the regulatory assets under management ("RAUM") threshold below which an adviser is considered to be a "small entity' from $25 million to $1 billion and to conform the assets under management threshold with regard to control relationships with the revisions made to the RAUM threshold.[8] The Commission also proposed to amend Form ADV to revise Instruction 17 of the General Instructions, Item 12 of Part 1A of Form ADV, and rule 203-3(b) to reflect the proposed revisions to rule 0-7.

Form ADV contains "collection of information" requirements within the meaning of the Paperwork Reduction Act of 1995.[9] The collection of this information is designed to provide

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5 17 CFR 275.204-1.

6 *See* Amendments to the "Small Business" and "Small Organization" Definitions for Investment Companies and Investment Advisers for Purposes of the Regulatory Flexibility Act, Investment Company Act Release No. 35864 (Jan. 7, 2026) [91 FR 1107 (Jan. 12, 2026)] ("Small Entity Proposing Release").

7 *See* 17 CFR 275.0-7.

8 Under rule 0-7, an investment adviser is deemed a small entity if it 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 that had total assets of $5 million or more on the last day of the most recent fiscal year (the "Control Relationship Threshold"). *See* rule 0-7(a)(3).

9 44 U.S.C. 3501 to 3520.

information to the Commission in connection with the registration and annual amendments to Form ADV filed by investment advisers and will assist Commission staff in connection with its review of existing registrations and registration applications for compliance and, as applicable, for possible deregistration for an inability to meet the conditions of the rules. Responses are not kept confidential.

The title of this collection of information is: "Form ADV under the Investment Advisers Act of 1940" and the Commission previously submitted this collection to the Office of Management and Budget ("OMB") for review in accordance with 44 U.S.C. 3507(d) and 5 CFR 1320.11. OMB approved, and subsequently extended, this collection under control number 3235-0049 (expiring on July 31, 2027). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The paperwork burdens associated with rules 203-1, 204-1, 204A-1, and 204-4 are included in the approved annual burden associated with Form ADV and thus do not entail separate collections of information. These collections of information are found at 17 CFR 275.203-1, 275.204- 1, 275.204-4, 275.204A-1, and 279.1 (Form ADV itself) and are mandatory. The respondents are investment advisers registered with the Commission or applying for registration with the Commission or exempt reporting advisers.

2. Purpose and Use of Information Collection

The purpose of Form ADV is to provide advisory clients, prospective clients, and the Commission with information about an adviser and its business, conflicts of interest, and personnel. We use the information to determine eligibility for registration with us and to manage our regulatory, examination, and enforcement programs. The information filed with the Commission permits the verification of compliance with securities law requirements and assures the public availability and dissemination of the information. Unlike many other federal information collections, which are primarily for the use and benefit of the collecting agency, this information collection is also for the use and benefit of clients and prospective clients. Clients and prospective clients use certain of the information to determine whether to hire an adviser and, if hired, how to manage that relationship.

This collection of information is found at 17 CFR 275.203-1, 275.204-1, 275.204- 4, 275.204A-1, and 275.279.1, and it is mandatory. Responses are not kept confidential. The majority of the respondents to the Form ADV collection of information are investment advisers registered with the Commission or applying for registration with the Commission while the additional respondents to the Form ADV collection of information are exempt reporting advisers. The information collected takes the form of disclosures to respondents' clients, potential clients, and the Commission.

3. Use and Consideration of Information Technology

The information collected pursuant to Form ADV takes the form of disclosures made by investment advisers to their clients and potential clients and reporting to the Commission. Investment advisers currently file their Form ADV electronically on the IARD system. This method of collecting information reduces the regulatory burden upon investment advisers by permitting them to file applications for registration, and amendments thereto, at one central location, rather than filing Form ADV separately with the Commission and the states for notice filing purposes.

Exempt reporting advisers are subject to reporting, but not registration, requirements and must submit their reports through the IARD using the same process as registered investment advisers. Because exempt reporting advisers may be required to register on Form ADV with one or more state securities authorities, use of the existing form and filing system permits these advisers to satisfy both state and Commission requirements with a single electronic filing. Our approach permits an adviser to transition from filing reports with us to applying for registration under the Advisers Act by simply amending its Form ADV; the adviser would check the box to indicate it is filing an initial application for registration, complete the items it did not have to answer as an exempt reporting adviser, and update the pre-populated items that it already has on file.

4. Identifying and Minimizing Duplication

The collection of information requirements of the form, including the amendments to the form, are not duplicated elsewhere. While Form ADV Part 3 requires firms to summarize topics also required to be discussed in Form ADV Part 1 or Part 2, Form ADV Part 3 has a distinct purpose to help retail investors select or determine whether to remain with a firm or financial professional by providing better transparency and summarizing in one place selected information about a particular investment adviser. The Commission periodically evaluates rule-based reporting and recordkeeping requirements for duplication and reevaluates these requirements whenever it adopts amendments to its rules.

5. Effect on Small Entities

The requirements of Form ADV, including the amendments, are the same for all investment advisers registered with the Commission, including those advisers that are small entities. The requirements of Form ADV applicable to exempt reporting advisers also are the same for all exempt reporting advisers, including those that are small entities. Subject to certain exceptions, investment advisers with less than $100 million in assets under management generally are not permitted to register with the Commission and must register with state securities authorities. Because the protections of the Advisers Act are intended to apply equally to retail investor clients of both large and small firms, it would be inconsistent with the purposes of the Advisers Act to specify differences for small entities under the amendments to Form ADV. The Commission reviews all rules periodically, as required by the RFA, to identify methods to minimize recordkeeping or reporting requirements affecting small businesses.

6. Consequences of Not Conducting Collection and Obstacles to Reducing Burden

The collection of information required by the form is necessary to protect investors by providing clients and potential clients, as well as the Commission, with information about the adviser and its business, conflicts of interest, and personnel. The consequences of not collecting this information would be that clients and prospective clients may not have the information they need in order to evaluate the adviser's business practices and to determine whether to hire an adviser and, if hired, how to manage that relationship. In addition, if the information is either not collected or is collected less frequently, the Commission's ability to protect investors would be reduced.

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

This collection is not inconsistent with 5 CFR 1320.5(d)(2).

8. Public Comment and Consultations Outside the Agency

The Commission and the staff of the Division of Investment Management participate in an ongoing dialogue with representatives of the investment adviser industry through public conferences, meetings, and informal exchanges. These various forums provide the Commission and staff with a means of ascertaining and acting upon paperwork burdens confronting the industry. The Commission requested public comment on the proposed amendments to Form ADV, including the collection of information requirements resulting from the proposed amendments. Before adopting these amendments, the Commission will receive and evaluate public comments on the proposed amendments and their associated collection of information requirements.

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality and Privacy

The assurance of information collected pursuant to Form ADV is through filings with the Commission. These disclosures are not kept confidential.

11. Collection Questions of a Sensitive Nature

Not applicable.

12. Estimated Time Burden and its Cost Equivalent

The following estimates of average burden hours and costs are made solely for purposes of the PRA and are not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms.

The proposal would amend Form ADV to revise Instruction 17 Item 12 of Part 1A of Form ADV to increase the RAUM threshold under which an investment adviser must complete Item 12 from $25 million to $1 billion, corresponding with the proposed amendments to the definitions of "small business" and "small organization" under rule 0-7 under the Advisers Act. The proposal would also revise the thresholds set forth in Items 12.B.(1) and C.(1)—which collect information on the elements of the small entity definition—to align with the proposed changes to the Control Relationship Threshold. Because the proposal would expand the group of advisers that are required to provide responses to Item 12, an additional burden would be imposed on advisers that have between $25 million and $1 billion in RAUM. We estimate this burden to amount to an average of fifteen minutes (or 0.25 hours) annually per adviser subject to this reporting requirement. We estimate the number of respondents[10] to this information collection to be 11,019 advisers, including 839 advisers that have less than $25 million in RAUM and may already complete Item 12.[11] Accordingly, we estimate the total burden hours for the new Form ADV amendments to be 2,545 hours.[12] We estimate that the total monetized cost[13] to each registered investment adviser that would be newly required to respond to Item 12 as a result of the

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10 We are revising the estimated number of respondents to this ICR to incorporate updated filing data since the Small Entity Proposing Release was published in January of 2026.

11 This estimate is based on information reported by advisers through the IARD. Based on IARD data as of Dec. 31, 2025 and incorporating filings through March 31, 2026, of the 16,442 SEC-registered advisers, 11,019 responded to Item 5.F. of Part 1A of Form ADV indicating that they have RAUM of less than $1 billion, and 839 indicated that they have RAUM of less than $25 million.

12 11,019 advisers – 839 = 10,180 advisers. 0.25 hours x 10,180 advisers = 2,545 hours.

13 The estimated total monetized cost was calculated incorrectly within the Small Entity Proposing Release. The proposing release calculated the estimated using the estimated wage of a Management Analyst at $378 per hour instead of using the blended rate of a Financial Examiner and Financial Manager at $552.50 per hour, which is the rate the Commission uses to estimate the cost burden for completing a component of Form ADV Part 1 for PRA purposes.

amendments would be approximately $138.13,[14] and that the total monetized cost for such advisers would be $1,406,112.50.[15]

The respondents to current Form ADV are investment advisers registered with the Commission or applying for registration with the Commission and exempt reporting advisers.[16] Our latest data indicate that there were approximately 16,442 advisers registered with the Commission ("RIAs") and 6,389 exempt reporting advisers as of December 31, 2025 (incorporating Form ADV filings received through March 31, 2026). The burdens associated with completing Parts 2 and 3 also are included in the PRA for purposes of updating the overall Form ADV information collection. Based on the prior revision of Form ADV, we estimated the aggregate annual compliance burden to comply with the collection of information requirement of Form ADV is approximately 251,851.53 hours per year for a monetized burden of $138,014,638.44.[17]

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14 We estimate the cost at a rate of $552.50 per hour, which is the blended rate that we have calculated for a Financial Examiner ($375 per hour) and a Financial Manager ($730 per hour) in the securities industry. ($375 + $730)/ 2 = $552.50. 0.25 hours x $552.50 per hour = $138.13. To calculate the occupational hourly rates used in this release, the Commission uses occupation-specific mean hourly wage data from the Occupational Employment and Wage Statistics (OEWS) program of the Bureau of Labor Statistics (BLS) for the securities industry (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). To account for any changes in wages between the data reference period and when the data are released, the mean hourly wage for each occupation is multiplied by the seasonally adjusted employment cost index for private wages and salaries. 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, such as bonuses, benefits, and overhead. The nonwage cost adjustment 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 securities industry to total annual wages across all occupations for the securities industry's 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-hourlyrates.pdf.

15 2,545 hours x $552.50 per hour = $1,406,112.50.

16 An exempt reporting adviser is an investment adviser that relies on the exemption from investment adviser registration provided in either section 203(*l*) of the Advisers Act because it is an adviser solely to one or more venture capital funds or section 203(m) of the Advisers Act because it is an adviser solely to private funds and has assets under management in the United States of less than $150 million.

17 *See* Form ADV under the Investment Advisers Act of 1940, Updated Supporting Statement for PRA Submission

The chart below summarizes the updated burden estimates associated with compliance with the Form ADV filing requirement. The revisions use the same estimates for the numbers of advisers as the 2026 Form ADV PRA submission. The chart illustrates the total estimated burden per adviser to complete Form ADV has increased from 10.85 hours to 10.96 hours. Further, the estimated internal cost per adviser has increased from $5,945.80 to $6,055.40.

FORM ADV PAPERWORK REDUCTION ACT ESTIMATES					
RIAs (burden for Parts 1 and 2, not including private fund reporting)[1]					
	Internal Initial Burden Hours	Internal Amendment Burden Hours[2]	Wage Rate[3]	Internal Time Costs	Annual External Cost Burden
Estimated burden per adviser to complete Item 12	0.15 hours[4]	0.15 hours	$552.50 per hour (blended rate for financial examiner and financial manager)	(0.15 hours + 0.15 hours) x $552.50 = $165.75	Current burden unchanged
Current burden per adviser	29.72 hours[5]	11.800 hours[6]	$548 per hour (blended current rate for financial examiner and financial manager)[7]	(29.72 hours + 11.800 hours) x $548 = $22,752.96	$4,784 aggregated (previously presented only in the aggregate)[8]
Revised burden per adviser	29.87 hours	11.95 hours [9]	$552.50 (blended revised rate for financial examiner and financial manager)[10]	(29.87 hours + 11.95 hours) x $552.50 = $23,105.55	$4,855[11]
Total revised aggregate burden estimate	11,499.95 hours[12]	201,082.65 hours[13]	Same as above	(11,499.95 + 201,082.65) x $552.50 = $117,451,886.50	$1,869,175[14]
RIAs (burden for Part 3)[15]					
No changes	--	--	--	--	--
Current burden per RIA	20 hours, amortized over three years = 6.67 hours[16]	1.66 hours[17]	$548 (blended current rate for senior compliance examiner and compliance manager)	(6.67 hours + 1.66 hours) x $548 = $4,564.84	$2,758.74 per adviser[18]
Revised burden per RIA	6.67 hours	1.66 hours[19]	$552.50 (blended revised rate for financial examiner and financial manager)	(6.67 hours + 1.66 hours) x $552.50 = $4,564.84	$2,793.68. per adviser[20]
Total updated aggregate burden estimate	4,833.33 hours[21]	18,633.50 hours[22]	$552.50 (blended revised rate for financial	(74,870.75 hours + 18,633.50 hours)	$2,024,562.50 [23]

(Sep. 22, 2026), *available at* https://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=202605-3235-003 ("2026 Form ADV PRA").

			examiner and financial manager)	x $552.50 = $51,661,098.13	
ERAs (burden for Part 1A, not including private fund reporting)[24]					
No changes	--	--	--	--	--
Current burden per ERA	3.60 hours[25]	1.5 hours + ((0.1 hours x 675 final filings)[26]/7,178 ERAs) = 1.51 hours	$548 (blended current rate for senior compliance examiner and compliance manager)	(3.60 hours + 1.51 hours) x $548 = $2,800.28[27]	$0
Revised burden per ERA	3.60 hours	1.5 hours + ((0.1 hours x 675 final filings)/ 7,178 current and expected ERAs) = 1.51 hours	$552.50 (blended revised rate for financial examiner and financial manager)	(3.60 hours + 1.51 hours) x $552.50 = $ 2,823.28	$0
Total updated aggregate burden estimate	2,840.40 [28]	10,834.50 hours[29]	$552.50 (blended revised rate for financial examiner and financial manager)	($552.50 x (2,840.40 + 10,834.50 hours)) = $7,555,382.25	$0
Private Fund Reporting[30]					
No changes	--	--	--	--	--
Current burden per adviser to private fund	1 hour per private fund[31]	N/A–included in the existing annual amendment reporting burden for ERAs	$548 (blended current rate for senior compliance examiner and compliance manager)	N/A	Cost of $55,042.33 per fund, applied to 6% of RIAs that report private funds[32]
Revised burden per adviser to private fund	Same as above	Same as above	$552.50 (blended revised rate for financial examiner and financial manager)	Same as above	Cost of $55,860.76 per fund applied to 6% of RIAs that report private funds[33]
Total updated aggregate burden estimate	4,709 hours[34]	N/A	$552.50 (blended revised rate for financial examiner and financial manager)	($552.50 x 4,709 hours) = $2,601,722.50[33]	$19,998,152.08[36]
TOTAL ESTIMATED BURDENS, INCLUDING AMENDMENTS					
Current per adviser burden/external cost per adviser	10.85 hours[37]			10.85 hours x $548 = $5,945.80 per adviser cost of the burden hour	$1,026.42[38]
Revised per adviser burden/external cost per adviser	10.96 hours[39]			10.96 hours x $552.50 = $6,055.40 per adviser cost of the burden hour	$1,029.11[40]
Current aggregate burden estimates	251,851.53 initial and amendment hours annually[41]			251,851.53 x $548 = $138,014,638.44 aggregate cost of the burden hour	$23,547,079.14[42]
Revised aggregate burden estimates	254,433.33 initial and amendment hours annually[43]			254,433.33 x $552.50 =	$23,891,889.58[44]

		$140,574,414.83 aggregate cost of the burden hour	

Notes:

1. Based on Form ADV data as of December 31, 2025, we estimate that there are 16,442 RIAs ("current RIAs") and 385 net new advisers that are expected to become RIAs annually ("expected new RIAs"). We obtain the expected new RIAs number by taking the average number of new RIAs over the past three years (1,203) and subtracting the average RIA deregistrations over the past three years (818), for a total of 385 net new advisers on average.

2. This column estimates the hourly burden attributable to annual and other-than-annual updating amendments to Form ADV, plus RIAs' ongoing obligations to deliver codes of ethics to clients.

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.

4. The burden hours estimate for the Item 12 amendment is based the Commission's estimate that 10,850 registered advisers, including 799 advisers that have less than $25 million in RAUM, would be impacted by the Form ADV amendment. 10,850 – 799 = 10,051 advisers. One-quarter (.25) hour x 10,051 advisers = 2,512.75 hours. In determining a per adviser burden related to the proposed Item 12 amendment, we have divided the 2,512.75 hour burden by the number of advisers currently registered with the SEC (16,442) to determine the impact of this burden on all advisers filing the form for Commission registration. 2,512.75 hours/16,442 currently registered investment advisers = 0.1528 or approximately 0.15 hours per adviser. We estimate that an adviser impacted by the amendment would incur this burden initially, and on an ongoing basis.

5. *See* 2024 Form ADV PRA (stating that the estimate average collection of information burden per adviser for Parts 1 and 2 (not including private fund reporting) is 29.72 hours).

6. The currently approved average total annual burden for RIAs attributable to annual and other-than-annual updating amendments to Form ADV, Parts 1 and 2 is 11.80065 hours per RIA. *See* 2024 Form ADV PRA.

7. *See* 2026 Form ADV PRA.

8. *See* 2020 Form ADV PRA Renewal, *available at* https://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=202005-3235-004.

9. *See* 2024 Form ADV PRA, *available at* https://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=202405-3235-004. We are rounding the estimated burden down to 11.80 in order to keep our estimate figures within two decimal places.

10. The $552.50 wage rate reflects current wage estimates from the new occupational hourly rate methodology based on data from the Bureau of Labor and Statistics ("BLS Wage Data"). This wage represents a blended revised rate utilizing the $375 per hour rate for a financial examiner and the $730 per hour rate for a financial manager. ($365 + $730) / 2 = $552.50.

11. We continue to estimate that a quarter of RIAs would seek the help of outside legal services and half would seek the help of compliance consulting services in connection with the amendments to Form ADV, Part 1A. This is based on previous estimates and ratios we have used for advisers we expect to use external services for initially preparing various parts of Form ADV. *See* 2020 Form ADV PRA Renewal (the subsequent amendment to Form ADV described in the 2021 Form ADV PRA did not change that estimate). With the new wage methodology, instead of using the term "outside counsel," we are using the term "lawyer" and instead of using the term "outside management consultant," we are using the term "financial manager." We estimate $774 per hour for a lawyer, and $730 per hour for a financial manager. External cost per RIA includes the external cost for initially preparing Part 2, which we have previously estimated to be approximately 10 hours for a lawyer for a quarter of RIAs, and 8 hours of financial manager services for half of RIAs. We estimate that a quarter of advisers that prepare Part 1 will utilize a lawyer's services and half of advisers that prepare Part 1 will utilize financial management services. *See* 2020 Form ADV Renewal (these estimates were not affected by subsequent amendments to Form ADV). We therefore calculate the revised burden per adviser as follows: (((.25 x 16,442 RIAs) x ($774 x 10 hours)) + ((0.50 x 16,442 RIAs) x ($730 x 8 hours))) / 16,442 RIAs = $4,855 per adviser.

12. We do not apply the full initial burden to current RIAs, as we believe that current RIAs have generally already incurred the initial burden of preparing Form ADV. For expected new RIAs, we estimate that they will incur the full revised initial burden, which is 29.87 hours per RIA. Therefore, 29.87 hours x 385 expected new RIAs = 11,499.95 aggregate hours for expected new RIAs. We do not amortize this burden for expected new RIAs because we expect a similar number of new RIAs to incur this initial burden each year. Therefore, the total revised aggregate initial burden for current and expected new RIAs is 11,499.95 aggregate initial hours.

13. 11.95 amendment hours x (16,442 current RIAs + 385 expected new RIAs) = 201,082.65 hours.

14. For current RIAs, we are not applying the currently approved external cost for initially preparing Part 2, because we believe that current RIAs have already incurred that initial external cost. For current RIAs, therefore, we would only calculate an annual external cost estimate when a Form ADV amendment imposes a new burden on RIAs. For expected new RIAs, we apply the currently approved external cost for initially preparing Part 2. Therefore, $4,855 per expected new RIA x 385 = $1,869,175 aggregated for expected new RIAs. We do not amortize this cost for expected new RIAs because we expect a similar number of new RIAs to incur this external cost each year. $1,869,175 aggregated external cost for RIAs.

15. Based on Form ADV data as of December 31, 2025, we estimate that 10,500 current RIAs provide advice to retail investors and are therefore required to complete Form CRS, and we estimate an average of 725 expected RIAs to be advising retail investors and completing Form CRS for the first time annually ("expected new retail RIAs"). The number of expected new retail RIAs to be advising retail investors is higher than the number of expected new RIAs because we anticipate some current RIAs as well as some new RIAs will be advising retail investors for the first time and thus be required to complete Form CRS.

16. *See* Form CRS Relationship Summary; Amendments to Form ADV, Investment Advisers Act Release No. 5247 (Jun. 5, 2019) [84 FR 33492 (Sep. 10, 2019)] ("2019 Form ADV PRA"). Since advisers have been required to comply with the Form CRS requirements for more than three years, we are no longer applying the amortized initial burden to current advisers that are required to file Form CRS. Instead, we are applying the amortized initial burden of 6.67 hours to the expected new retail RIAs that will be completing Form CRS for the first time.

17. *See* 2026 Form ADV PRA.

18. *See* 2026 Form ADV PRA.

19. We estimate that there are 10,500 advisers that provide retail advice to clients and filed a total of 18,559 other-than annual amendments. 18,559 other-than-annual amendments / 10,500 advisers with retail clients = 1.77 amendments per adviser. 10,500 advisers with retail clients x 1.77 amendments per adviser x 1 hour = 18,585 hours. 18,585 hours / (10,500 advisers with retail clients + 725 estimated new retail advisers) = approximately 1.66 hours per adviser. *See* 2026 Form ADV PRA

20. We are only applying the cost to expected new retail RIAs. We estimate an average of 725 expected new retail RIAs will be required to prepare a relationship summary on Form ADV Part 3. We anticipate that a quarter of these advisers would seek the help of a lawyer at a cost of $774 per hour and half would seek the help of a financial manager at a cost of $730 per hour. Further, we estimate that a lawyer would perform 5 hours of work and that a financial manager would also perform 5 hours of work for each respective adviser. 725 expected new retail advisers x 0.25 = 181.25. Thus, we estimate that approximately 181 applicants for investment adviser registration will use a lawyer for a total burden of 181 x $774 x 5 hours = $700,470. 725 expected new retail advisers x 0.50 = 362.5. Further, approximately 363 of expected new retail advisers will use a financial manager for a total burden of 363 x $730 x 5 hours = $1,324,950 resulting in a total cost burden of $2,025,420 for legal and compliance costs to prepare the relationship summary on Form ADV Part 3. This results in $2,025,420 / 725 = $2,793.68 per adviser.

21. We estimate that the initial burden of completing Form CRS for expected new retail RIAs that will be advising retail investors is 725 expected advisers x 20 hours = 14,500 hours. For expected new retail RIAs initially filing Form CRS each year, we are amortizing this initial burden estimate over three years to reflect the anticipated period of time that advisers will use the form. Therefore, 14,500 hours / 3 years = 4,833.33 aggregate initial hours for expected new retail RIAs to initially prepare Form CRS. *See* 2026 Form ADV PRA.

22. 1.66 hours x (10,500 current RIAs updating Form CRS + 725 expected new retail RIAs updating Form CRS) = 18,633.50 aggregate amendment hours per year for RIAs updating Form CRS. *See* 2026 Form ADV PRA.

23. We have previously estimated the initial preparation of Form CRS would require 5 hours of legal services for an estimated quarter of advisers that prepare Part 3, and 5 hours of compliance consulting services performed by a financial manager for an estimated half of advisers that prepare Part 3. *See* 2020 PRA Renewal (these estimates were not amended by the most recent amendment to Form ADV). The hourly cost estimate is $774 and $730 for lawyer fees and financial management service fees. There is no new estimated annual external cost burden associated with Part 3. Thus, we are not calculating an associated new annual external cost burden for current advisers filing Form CRS. For expected new retail RIAs that we expect would prepare Form CRS each year, we use the following formula: (((.25 x 725 expected RIAs preparing Form CRS) x ($774 x 5 hours)) + ((0.50 x 725 expected new retail RIAs preparing Form CRS) x ($730 x 5 hours))) = $2,024,562.50 aggregated cost for expected RIAs. We are not amortizing this initial cost because we estimate a similar number of new RIAs would incur this initial cost in preparing Form CRS each year.

24. Based on Form ADV data as of December 31, 2025, we estimate that there are 6,389 currently reporting ERAs ("current ERAs"), and an average of 789 expected new ERAs annually ("expected new ERAs").

25. *See* 2026 Form ADV PRA.

26. The previously approved average per adviser annual burden for ERAs attributable to annual and updating amendments to Form ADV is 1.5 hours. *See* 2024 Form ADV PRA. As we have done in the past, we add to this burden the burden for ERAs making final filings, which we have previously estimated to be 0.1 hour per applicable adviser, and we estimated that an expected 470 current ERAs will prepare final filings based on Form ADV data as of October 5, 2023. 1.5 hours + (0.1 hours x 470 final filings) = 48.50 hours. However, this burden figure was incorrectly calculated in the prior Form ADV PRA submission. In order to ascertain the per adviser burden, the hourly burden attributable to final filing submissions should have been divided by the sum of the number of current and expected new ERAs. Thus, the equation should have been 1.5 hours + ((0.1 hours x 470 final filings) / 6,905 current and expected new ERAs) = 1.51 hours.

27. *See* 2024 Form ADV PRA. The current estimate of $16,647.40 within the 2024 Form ADV PRA was calculated incorrectly. The calculation should have been 3.60 hours + (1.5 hours + ((0.10 hours x 470 final filings) / 6,905 current and expected new ERAs) = 5.11 hours x $329 = $1,681.19.

28. For current ERAs, we are not applying the currently approved burden for initially preparing Form ADV, because we believe that current ERAs have already incurred this burden. For expected new ERAs, we are applying the initial burden of preparing Form ADV of 3.6 hours. Therefore, 3.6 hours x 789 expected new ERAs per year = 2,840.40 aggregate initial hours for expected new ERAs. For these expected new ERAs, we are not amortizing this burden, because we expect a similar number of new ERAs to incur this burden each year. Therefore, we estimate 2,840.40 aggregate initial annual hours for expected new ERAs. *See* 2026 Form ADV PRA.

29. The previously approved average total annual burden of ERAs attributable to annual and updating amendments to Form ADV is 1.5 hours. *See* 2020 Form ADV Renewal (this estimate was not affected by the subsequent amendments to Form ADV). As we have done in the past, we added to this burden the currently approved burden for ERAs making final filings of 0.1 hour and multiplied that by the number of final filings we are estimating ERAs would file per year (675 final filings based on Form ADV data as of December 31, 2025). (1.5 hours x 6,389 currently reporting ERAs) + (0.1 hour x 675 final filings) = 9,651 updated aggregated hours for currently reporting ERAs. For expected new ERAs, the aggregate burden is 1.5 hours for each ERA attributable to annual and other-than-annual updating amendments to Form ADV x 789 expected new ERAs = 1,183.50 annual aggregated hours for expected new ERAs updating Form ADV (other than for private fund reporting). The total aggregate amendment burden for ERAs (other than for private fund reporting) is 9,651 + 1,183.50 = 10,834.50 hours. *See* 2026 Form ADV PRA.

30. Based on Form ADV data as of December 31, 2025, we estimate that 5,655 current RIAs advise 67,769 private funds and expect an estimated 312 new RIAs ("expected new private fund RIAs") will advise 1,960 reported private funds per year. We estimate that 5,921 current ERAs advise 53,353 private funds and estimate an expected 676 new ERAs ("expected new private fund ERAs") will advise 2,749 reported private funds per year. Therefore, we estimate that there are 121,122 currently reported private funds reported by current private fund advisers (67,769 + 53,353), and there will be annually 4,709 new private funds reported by expected new private fund advisers (1,960 + 2,749). The total number of current and expected new private fund RIAs that report or are expected to report private funds is 5,967 (5,655 current RIAs that report private funds + 312 expected new private fund RIAs that would report private funds).

31. *See* 2020 Form ADV PRA Renewal (this per adviser burden was not affected by subsequent amendments to Form ADV).

32. We previously estimated that an adviser without the internal capacity to value specific illiquid assets would obtain pricing or valuation services at an estimated cost of $37,625 each on an annual basis. *See* Rules Implementing Amendments to the Investment Advisers Act of 1940, Advisers Act Release No. IA-3221 (Jun. 22, 2011) [76 F.R. 42949 (Jul. 19, 2011)]. However, because we estimated that external cost in 2011, we used an inflation-adjusted cost of $46,865.74, based on the CPI calculator published by the Bureau of Labor Statistics at https://www.bls.gov/data/inflation_calculator.htm. As with previously approved PRA methodologies, we continue to estimate that 6% of RIAs have at least one private fund client that may not be audited. *See* 2026 Form ADV PRA.

33. Using the Bureau of Labor Statistics CPI calculator, we are adjusting for inflation the $37,625 cost from 2011 (*see* footnote 32) to $55,860.76 in 2026.

34. Per above, for currently reported private funds, we are not applying the currently approved burden for initially reporting private funds on Form ADV, because we believe that current private fund advisers have already incurred this burden. For the estimated 4,709 new private funds annually of expected new private fund advisers, we calculate the initial burden of 1 hour per private fund. 1 hour per expected new private fund x 4,709 expected new private funds = 4,709 aggregate hours for expected new private funds. For these expected new private funds, we are not amortizing this burden, because we expect new private fund advisers to incur this burden with respect to new private funds each year. Therefore, we estimate 4,709 aggregate initial hours for expected new private fund advisers. *See* 2026 Form ADV PRA.

35. Per above, for currently reported private funds, we are not applying the currently approved burden for initially reporting private funds on Form ADV, because we believe that current private fund advisers have already incurred this burden. We expect advisers to incur the initial burden in the first year and are therefore not amortizing this burden. For the estimated 4,709 new private funds annually of expected new private fund advisers, we calculate the initial burden of the 1-hour initial burden per private fund. Therefore, 1.0 hours per expected new private fund x 4,709 expected new private funds = 4,709 aggregate hours for expected new private funds. For these expected new private funds, we are not amortizing this burden because we expect new private fund advisers to incur this burden with respect to new private funds each year. 4,709 aggregate hours for expected new private fund advisers. 4,709 hours x $552.50 blended rate = $2,601,722.50.

36. As with previously approved PRA methodologies, we continue to estimate that 6% of registered private fund advisers have at least one private fund client that may not be audited, therefore we estimate that the total number of audits for current and expected new private fund RIAs is 6% x 5,967 current and expected new RIAs reporting private funds or expected to report private funds = approximately 358 audits. We therefore estimate that approximately 358 registered private fund advisers incur costs of $55,860.76 each on an annual basis (*see* footnote 33 describing the cost per audit), for an aggregate annual total external cost of $19,998,152.08.

37. *See* 2026 Form ADV PRA.

38. *See* 2026 Form ADV PRA.

39. 254,433.33 aggregate annual hours for current and expected new RIAs (*see* infra footnote 43) / 23,216 advisers current and expected annually = 10.96 blended average hours per adviser. (16,442 current RIAs + 385 expected new RIAs + 6,389 current ERAs + 789 expected new ERAs = 23,216)

40. $23,891,889.58 aggregate external cost for current and expected new RIAs (*see* infra footnote 44) / (23,216 current and expected new advisers (*see supra* footnote 38) = $1,029.11 blended average hours per adviser.

41. *See* 2026 Form ADV PRA.

42. *See* 2026 Form ADV PRA.

43. 11,499.95 hours (internal initial burden for Parts 1 and 2) + 201,082.65 hours (internal annual amendment burden for Parts 1 and 2) + 4,833.33 hours (internal initial burden for Part 3) + 18,633.50 hours (internal annual amendment burden for Part 3) + 2,840.40 hours (internal initial burden for ERAs) + 10,834.50 hours (internal annual amendment burden for ERAs) + 4,709 hours (Internal initial burden for private funds) = 254,433.33 aggregate annual hours for current and expected new advisers.

44. $1,869,175 + $2,024,562.50 + $19,998,152.08 = $23,891,889.58.

13. Estimated Additional Cost Burden

There are no additional cost burdens.

14. Annual Cost to the Federal Government

The Commission is in the process of revising its methodology to estimate annualized costs to the Federal government for all of the Commission's collections of information. The Commission anticipates that future extensions of this collection of information will reflect the revised methodology.

15. Reasons for Changes in Burden Estimates

We estimate that the annual aggregate burden estimate for Form ADV (Parts 1, 2 and 3) for all RIAs and ERAs is 254,433.33 hours per year, with an internal cost estimate of $140,574,414.83. This represents an aggregate increase of 2,581.80 hours and $2,559,776.39 in the internal cost estimate from the currently approved annual aggregate burden estimates. The aggregate annual estimated external cost burden of $23,891,889.58 represents an increase of $344,810.44 from the previously approved estimate of $23,547,079.14. The increase in hourly burden is due to the increase in initial and ongoing annual burden as a result of the proposal.. The increase in the internal and external cost burden is due to an increase in the number of burden hours due to the proposal and to an increase in the wages derived from the BLS Wage Data since the last PRA submission.

16. Plans for Publishing Results

The results of any information collection will not be published.

17. Approval to Omit Display of OMB Expiration Date

We request authorization to omit the expiration date on the electronic version of the form, although the OMB control number will be displayed. Including the expiration date on the electronic version of this 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.

18. Exceptions to the Certification for Paperwork Reduction Act Submissions

The Commission is not seeking an exception to the certification statement.