



This document is scheduled to be published in the Federal Register on 11/04/2014 and available online at <http://federalregister.gov/a/2014-26128>, and on FDsys.gov

8011-01p
SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon Written Request, Copies Available From:
Securities and Exchange Commission
Office of FOIA Services
100 F Street, NE
Washington, DC 20549-2736

Extension: Rule 9b-1

SEC File No. 270-429, OMB Control No. 3235-0480

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Rule 9b-1, Options Disclosure Document (17 CFR 240.9b-1), under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Rule 9b-1 (17 CFR 240.9b-1) sets forth the categories of information required to be disclosed in an options disclosure document (“ODD”) and requires the options markets to file an ODD with the Commission 60 days prior to the date it is distributed to investors. In addition, Rule 9b-1 provides that the ODD must be amended if the information in the document becomes materially inaccurate or incomplete and that amendments must be filed with the Commission 30 days prior to the distribution to customers. Finally, Rule 9b-1 requires a broker-dealer to furnish to each customer an ODD and any amendments, prior to accepting an order to purchase or sell an option on behalf of that customer.

There are 12 options markets that must comply with Rule 9b-1. These respondents work together to prepare a single ODD covering options traded on each market, as well as

amendments to the ODD. These respondents file approximately 3 amendments per year. The staff calculates that the preparation and filing of amendments should take no more than eight hours per options market. Thus, the total time burden for options markets per year is 288 hours (12 options markets x 8 hours per amendment x 3 amendments). The estimated cost for an in-house attorney is \$380 per hour,¹ resulting in a total internal cost of compliance for these respondents of \$109,440 per year (288 hours at \$380 per hour).

In addition, approximately 1,500 broker-dealers must comply with Rule 9b-1. Each of these respondents will process an average of 3 new customers for options each week and, therefore, will have to furnish approximately 156 ODDs per year. The postal mailing or electronic delivery of the ODD takes respondents no more than 30 seconds to complete for an annual time burden for each of these respondents of 78 minutes or 1.3 hours. Thus, the total time burden per year for broker-dealers is 1,950 hours (1,500 broker-dealers x 1.3 hours). The estimated cost for a general clerk of a broker-dealer is \$57 per hour,² resulting in a total internal cost of compliance for these respondents of \$111,150 per year (1,950 hours at \$57 per hour).

¹ The \$380 per hour figure for an Attorney is from SIFMA's Management & Professional Earnings in the Securities Industry 2013, modified by Commission staff to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

² The \$57 per hour figure for a General Clerk is from SIFMA's Office Salaries in the Securities Industry 2013, modified by Commission staff to account for an 1800-hour work-year and multiplied by 2.93 to account for bonuses, firm size, employee benefits and overhead. The staff believes that the ODD would be mailed or electronically delivered to customers by a general clerk of the broker-dealer or some other equivalent position.

The total time burden for all respondents under this rule (both options markets and broker-dealers) is 2,238 hours per year (288 + 1,950), and the total internal cost of compliance is \$220,590 (\$109,440 + \$111,150).

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: Thomas Bayer, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street, NE Washington, DC 20549, or send an e-mail to: PRA_Mailbox@sec.gov.

Dated: October 29, 2014

Kevin M. O'Neill
Deputy Secretary