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SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

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

Extension: Form Custody

SEC File No. 270-643, OMB Control No. 3235-0691

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) (“PRA”), the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for approval of the extension of the previously approved collection of information provided for in Form Custody (17 CFR 249.639) under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) (“Exchange Act”).

Section 17(a)(1) of the Exchange Act provides that broker-dealers registered with the Commission must make and keep records, furnish copies of the records, and make and disseminate reports as the Commission, by rule, prescribes. Pursuant to this authority, the Commission adopted Rule 17a-5 (17 CFR 240.17a-5), which is one of the primary financial and operational reporting rules for broker-dealers.<sup>1</sup> Paragraph (a)(5) of Rule 17a-5 requires every broker-dealer registered with the Commission to file Form Custody (17 CFR 249.639) with its designated examining authority (“DEA”) within 17 business days after the end of each calendar quarter and within 17 business days after the date selected for the broker-dealer’s annual report if that date is not the end of a calendar quarter. Form Custody is designed to elicit information

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<sup>1</sup> Rule 17a-5 is subject to a separate PRA filing (OMB Control Number 3235-0123).

about whether a broker-dealer maintains custody of customer and non-customer assets, and, if so, how such assets are maintained.

The Commission estimates that there are approximately 3,747 broker-dealers registered with the Commission. As noted above, all broker-dealers registered with the Commission are required to file Form Custody with their DEA once each calendar quarter. Based on staff experience, the Commission estimates that, on average, it would take a broker-dealer approximately 12 hours to complete and file Form Custody, for an annual industry-wide reporting burden of approximately 179,856 hours.<sup>2</sup> Assuming an average cost per hour of approximately \$314 for a compliance manager, the total internal cost of compliance for the respondents is approximately \$56,474,784 per year.<sup>3</sup>

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.

The public may view background documentation for this information collection at the following website: [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503 or by sending an e-mail to: Abate, Lindsay M. EOP/OMB [Lindsay.M.Abate@omb.eop.gov](mailto:Lindsay.M.Abate@omb.eop.gov) ; and (ii) Charles Riddle, Acting Director/Chief Information Officer, Securities and Exchange Commission,

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<sup>2</sup> 3,747 brokers-dealers x 4 times per year x 12 hours = 179,856 hours.

<sup>3</sup> 179,856 hours times \$314 per hour = \$56,474,784 . \$314 per hour for a compliance manager is from SIFMA's [Management & Professional Earnings in the Securities Industry 2013](#), modified by Commission staff for an 1800-hour work-year, multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead, and adjusted for inflation.

c/o Candace Kenner, 100 F Street, NE, Washington, DC 20549 or by sending an e-mail to:  
PRA\_Mailbox@sec.gov. Comments must be submitted within 30 days of this notice.

Dated: July 11, 2019.

Eduardo A. Aleman,  
Deputy Secretary.

[FR Doc. 2019-15047 Filed: 7/15/2019 8:45 am; Publication Date: 7/16/2019]