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## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-203, OMB Control No. 3235-0195]

### 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 17Ab2-1, Form CA-1

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 collection of information provided for in Rule 17Ab2-1 (17 CFR 240.17Ab2-1) and Form CA-1: Registration of Clearing Agencies (17 CFR 249b.200) under the Securities Exchange Act of 1934 (“Exchange Act”) (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 17Ab2-1 and Form CA-1 require clearing agencies to register with the Commission and to meet certain requirements with regard to, among other things, the clearing agency’s organization, capacities, and rules. The information is collected from the clearing agency upon the initial application for registration on Form CA-1. Thereafter, information is collected by amendment to the initial Form CA-1 when changes in circumstances that render certain information on Form CA-1 inaccurate, misleading, or incomplete necessitate modification of the

information previously provided to the Commission.

The Commission uses the information disclosed on Form CA-1 to (i) determine whether an applicant meets the standards for registration set forth in Section 17A of the Exchange Act, (ii) enforce compliance with the Exchange Act's registration requirement, and (iii) provide information about specific registered clearing agencies for compliance and investigatory purposes. Without Rule 17Ab2-1, the Commission could not perform these duties as statutorily required.

The Commission staff estimates that the average Form CA-1 requires approximately 340 hours to complete and submit for approval, and that on average, the Commission receives one application each year. The Commission staff estimates that completion of an initial Form CA-1 will result in an internal cost of compliance of approximately \$132,140 per year. The Commission staff estimates that it receives one amendment per year, and that an amendment requires approximately 60 hours of the exempt or registered clearing agency's staff time. The Commission staff estimates that amendment of a filed Form CA-1 will result in an internal cost of compliance of approximately \$25,480 per year. Therefore, the aggregate hour burden is approximately 400 hours per year (340 + 60) and the aggregate internal cost of compliance is approximately \$157,620 per year ( $\$132,140 + \$25,480$ ).

The external costs associated with work on Form CA-1 include fees charged by outside lawyers and accountants to assist the applicant or registrant to collect and prepare the information sought by the form (though such consultations are not required by the Commission). The Commission staff estimates that these external costs are more likely when novel questions arise under a new application, rather than under periodic review and amendment. The staff estimates an annual external cost of 45 hours of an Attorney's time (estimated at \$420 per hour) and 10 hours

of a Senior Accountant's time (estimated at \$219 per hour) for preparation of the Form CA-1, resulting in an aggregate external cost of approximately \$21,090 per year (18,900 + 2,190).

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: David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o Cynthia Roscoe, 100 F Street, NE, Washington, DC 20549, or send an e-mail to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: June 3, 2020.

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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