



SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-495, OMB Control No. 3235-0553]

Submission for OMB Review; Comment Request; Extension: Rule 19b-7 and Form 19b-7

Upon Written Request, Copies Available From

Securities and Exchange Commission

Office of FOIA Services

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Washington, DC 20549-2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for extension of the previously approved collection of information discussed below.

The Exchange Act provides a framework for self-regulation under which various entities involved in the securities business, including national securities exchanges and national securities associations (collectively, self-regulatory organizations or "SROs"), have primary responsibility for regulating their members or participants. The role of the Commission in this framework is primarily one of oversight; the Exchange Act charges the Commission with supervising the SROs and assuring that each complies with and advances the policies of the Exchange Act.

The Exchange Act was amended by the Commodity Futures Modernization Act of 2000 ("CFMA"). Prior to the CFMA, federal law did not allow the trading of futures on individual stocks or on narrow-based stock indexes (collectively, "security futures products"). The CFMA removed this restriction and provided that trading in security futures products would be regulated jointly by the Commission and the Commodity Futures Trading Commission ("CFTC").

The Exchange Act requires all SROs to submit to the SEC any proposals to amend, add, or delete any of their rules. Certain entities (Security Futures Product Exchanges) would be notice-registered national securities exchanges only because they trade security futures products. Similarly, certain entities (Limited Purpose National Securities Associations) would be limited-purpose national securities associations only because their members trade security futures products. The Exchange Act, as amended by the CFMA, established a procedure for Security Futures Product Exchanges and Limited Purpose National Securities Associations to provide notice of proposed rule changes relating to certain matters.¹ Rule 19b-7 and Form 19b-7 implemented this procedure. Effective April 28, 2008, the SEC amended Rule 19b-7 and Form 19b-7 to require that Form 19b-7 be submitted electronically.²

The collection of information is designed to provide the Commission with the information necessary to determine, as required by the Exchange Act, whether the proposed rule change is consistent with the Exchange Act and the rules thereunder. The information is used to determine if the proposed rule change should remain in effect or be abrogated.

The respondents to the collection of information are SROs.³ The estimated total industry burden per year for rule changes, updating and posting rule changes and updating the online rulebook is 68 burden hours.⁴ The total estimated internal cost of compliance for a respondent for

¹ These matters are higher margin levels, fraud or manipulation, recordkeeping, reporting, listing standards, or decimal pricing for security futures products; sales practices for security futures products for persons who effect transactions in security futures products; or rules effectuating the obligation of Security Futures Product Exchanges and Limited Purpose National Securities Associations to enforce the securities laws. *See* 15 U.S.C. 78s(b)(7)(A).

² *See* Securities Exchange Act Release No. 57526 (March 19, 2008), 73 FR 16179 (March 27, 2008).

³ There are currently two Security Futures Product Exchanges and one Limited Purpose National Securities Association, the National Futures Association. One of the Security Futures Product Exchanges, however, is conditionally exempted from filing proposed rule changes using Form 19b-7. Therefore, there are currently two respondents to Form 19b-7.

⁴ This estimate is the sum of the total industry (2 respondents) burden hours for rule filings (50 hours), updating and posting rule changes (2 hours) and updating rules (16 hours).

legal and paralegal work related to filings is \$11,110 per year and the total industry internal cost of compliance is \$22,220 per year.⁵ In the proposed extension, there is no change to the burden hour estimate per respondent. However, there is a decrease in the total burden hours because the Commission now estimates that there are two respondents instead of three respondents in 2020 (a decrease of one respondent). Thus, the net change in estimated total aggregate burden hours decreased from 102 to 68 (reduction of 34 burden hours). Similarly, with respect to the internal dollar cost burden of respondents, the total industry internal dollar costs have decreased overall due to one less respondent. The total industry internal cost of compliance decreased from \$30,300 to \$22,220.

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. Find this particular information collection by selecting "Currently under 30-day Review - Open for Public Comments" or by using the search function. Written comments and recommendations for the proposed information collection should be sent by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE **FEDERAL REGISTER**] to (i) www.reginfo.gov/public/do/PRAMain and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo, 100 F Street, NE, Washington, DC 20549, or by sending an email to: PRA_Mailbox@sec.gov.

Dated: October 26, 2023.

Sherry R. Haywood,

Assistant Secretary.

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⁵ This estimate is based on 2 responses x \$5,555 per response equals \$11,110 per respondent per year and 2 respondents x \$11,110 equals \$22,220 or the total industry cost per year.