



## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-614; OMB Control No. 3235-0682]

### Proposed Collection; Comment Request; Extension: Rule 13h-1 and Form 13H

Upon Written Request, Copies Available From:

Securities and Exchange Commission

Office of FOIA Services

100 F Street, NE

Washington, DC 20549-2736

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 13h-1 (17 CFR 240.13h-1) and Form 13H – registration of large traders<sup>1</sup> submitted pursuant to Section 13(h) of the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) (“Exchange Act”). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Rule 13h-1 and Form 13H under Section 13(h) of the Exchange Act established a large trader reporting framework.<sup>2</sup> The framework assists the Commission in identifying and obtaining certain baseline information about traders that conduct a substantial amount of trading activity, as measured by volume or market value, in the U.S. securities markets.

The identification, recordkeeping, and reporting framework provides the Commission with a mechanism to identify large traders and obtain additional information on their trading

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<sup>1</sup> Rule 13h-1(a)(1) defines “large trader” as any person that directly or indirectly, including through other persons controlled by such person, exercises investment discretion over one or more accounts and effects transactions for the purchase or sale of any NMS security for or on behalf of such accounts, by or through one or more registered broker-dealers, in an aggregate amount equal to or greater than the identifying activity level or voluntarily registers as a large trader by filing electronically with the Commission Form 13H.

<sup>2</sup> See Securities Exchange Act Release No. 64976 (July 27, 2011), 76 FR 46959 (August 3, 2011).

activity. Specifically, the system requires large traders to identify themselves to the Commission and file certain interim updates with the Commission on Form 13H. Upon receipt of Form 13H, the Commission issues a unique identification number to the large trader, which the large trader then provides to its registered broker-dealers. Certain registered broker-dealers are required to maintain transaction records for each large trader and are required to report that information to the Commission upon request.<sup>3</sup> In addition, certain registered broker-dealers are required to adopt procedures to monitor their customers for activity that would trigger the identification requirements of the rule.

The respondents to the collection of information required by Rule 13h-1 and Form 13H are large traders and registered broker-dealers. The Commission estimates that the total annual time burden associated with Rule 13h-1 and Form 13H is approximately 131,415 hours per year. This burden is comprised of 31,140 hours for initial filings by large traders on Form 13H, 75,300 hours for updates by large traders, 22,200 hours for broker-dealer reporting, and 2,775 hours for broker-dealer monitoring.

Compliance with Rule 13h-1 is mandatory. The information collection under proposed Rule 13h-1 is considered confidential subject to the limited exceptions provided by the Freedom of Information Act.<sup>4</sup>

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

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<sup>3</sup> The Commission, pursuant to Rule 17a-25 (17 CFR 240.17a-25), currently collects transaction data from registered broker-dealers through the Electronic Blue Sheets ("EBS") system to support its regulatory and enforcement activities. The large trader framework added two new fields, the time of the trade and the identity of the trader, to the EBS system. Additionally, pursuant to Rule 613 (17 CFR 242.613), the Commission requires each national securities exchange and national securities association to collect transaction data from registered broker-dealers through the consolidated audit trail, to which the agency has access, to support regulatory and enforcement activities. This data includes the time of each trade and the LTID number of the person exercising investment discretion over the trade, the latter of which is assigned by the Commission pursuant to Rule 13h-1.

<sup>4</sup> See 5 U.S.C. 552 and 15 U.S.C. 78m(h)(7).

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 by **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION OF THIS NOTICE IN THE FEDERAL REGISTER]**.

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 John Pezzullo, 100 F Street, NE Washington, DC 20549, or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: January 18, 2024.

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2024-01271 Filed: 1/22/2024 8:45 am; Publication Date: 1/23/2024]