



SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235-0733]

Proposed Collection; Comment Request; Extension: Rule 194

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 (“SEC” or “Commission”) is soliciting comments on the proposed collection of information for Commission Rule of Practice 194, (17 CFR 240.194), under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.).

Rule of Practice 194 provides a process for security-based swap dealers and major security-based swap participants (collectively, “SBS Entity”) to make an application to the Commission for an order permitting an associated person who is subject to a statutory disqualification to effect or be involved in effecting security-based swaps on behalf of the SBS Entity. Rule of Practice 194 specifies the process for obtaining relief from the statutory prohibition in Exchange Act Section 15F(b)(6), including by setting forth the required showing, the form of application and the items to be addressed with respect to associated persons that are natural persons. An SBS Entity is not required to file an application under Rule of Practice 194 with respect to certain associated persons that are subject to a statutory disqualification, as provided for in paragraph (h) of Rule of Practice 194. To meet those requirements, however, the SBS Entity is required to file a notice with the Commission.

55 SBS Entities in total are currently registered with the Commission.¹ The Commission anticipates that, on an average annual basis, only a small fraction of the natural persons at an SBS Entity would be subject to a statutory disqualification. Accordingly, based on our

¹ See SEC, List of Security-Based Swap Dealers and Major Security-Based Swap Participants, *available at* <https://www.sec.gov/files/tm-sbsd-msbsp-pax-list-2412.pdf>.

experience working with Rule of Practice 194, the Commission estimates that, on an average annual basis, the Commission would receive up to one application in accordance with Rule of Practice 194 with respect to associated persons that are natural persons, and up to three notices pursuant to proposed Rule of Practice 194(h) with respect to associated persons that are natural persons.² The Commission estimates that the average time necessary for an SBS Entity to research the questions, and complete and file an application under Rule of Practice 194 with respect to associated persons that are natural persons is approximately 30 hours, for a total of approximately 30 burden hours per year for all SBS Entities. The Commission estimates that up to three SBS Entities will provide notices pursuant to Rule of Practice 194(h) for one natural person each on an average annual basis taking approximately 6 hours per notice, for a total of approximately 18 burden hours per year for all SBS Entities providing the notices for an estimated three natural persons. As such, the combined estimated annual hour burden for all SBS Entities to complete applications and notices pursuant to Rule of Practice 194 is approximately 48 hours per year (30 + 18).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number.

Written comments are invited on: (a) whether this proposed collection of information is necessary for the proper performance of the functions of the SEC, including whether the information will have practical utility; (b) the accuracy of the SEC's estimate of the burden imposed by the proposed collection of information, including the validity of the methodology and the assumptions used; (c) ways to enhance the quality, utility, and clarity of the information

² While we previously estimated that we might receive as many as five applications and five notices from SBS Entity respondents in a given year, our experience since making this estimate has led us to revise down this expectation. Since the first registration of an SBS Entity with the Commission on October 27, 2021, the Commission has only received three notices and one application under Rule of Practice 194. *See* SEC, Applications and Notices by Security-Based Swap Dealers or Major Security-Based Swap Participants for Statutorily Disqualified Associated Persons to Effect or Be Involved in Effecting Security-Based Swap Transactions (Rule of Practice 194) (“Rule 194 Approval Orders and Notices Database”), *available at* <https://www.sec.gov/rule-practice-194-applications-and-notices>. Based on this and related discussions with registered SBS Entities, we do not expect the number of applications and notices to exceed these figures on an annual basis.

to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated, electronic collection techniques or other forms of information technology.

Please direct your written comments on this 60-Day Collection Notice to Austin Gerig, Director/Chief Data Officer, Securities and Exchange Commission, c/o Tanya Ruttenberg via e-mail to PaperworkReductionAct@sec.gov by **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. There will be a second opportunity to comment on this SEC request following the *Federal Register* publishing a 30-Day Submission Notice.

Dated: July 14, 2025.

Sherry R. Haywood,

Assistant Secretary.

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