

**SUPPORTING STATEMENT
For the Paperwork Reduction Act Information Collection Submission for
FORM 13F**

A. JUSTIFICATION

1. Necessity for the Information Collection

In 1968, Congress directed the Securities and Exchange Commission to make a study of the purchase, sale, and holding of securities by institutional investors to determine the effect of those activities upon the maintenance of fair and orderly securities markets, the stability of those markets, and the interests of issuers of securities and of the public. As a result of that study, Congress in 1975 adopted Section 13(f) of the Securities Exchange Act of 1934 (the "1934 Act") as part of the Securities Acts Amendments of 1975. The reporting system required by Section 13(f) of the 1934 Act is intended, among other things, to create in the Commission a central repository of historical and current data about the investment activities of certain institutional investment managers, and to improve the body of factual data available in order to facilitate consideration of the influence and impact of institutional investment managers on the securities markets as well as the public policy implications of that influence.

Section 13(f) of the 1934 Act empowers the Commission to: (1) adopt rules that create a reporting and disclosure system to collect specific information; and (2) disseminate such information to the public. Pursuant to this statutory mandate, the Commission adopted Rule 13f-1 under the 1934 Act (17 CFR 240.13f-1), which requires institutional investment managers that exercise investment discretion over accounts that have in the aggregate a fair market value of at least \$100,000,000 of certain U.S. exchange-traded equity securities, as set forth in rule 13f-1(c), to file quarterly reports with the Commission on Form 13F.

On June 23, 2022 the Commission adopted amendments to Form 13F.¹ Under these amendments, confidential treatment requests for filings made under section 13(f) of the Exchange Act (“13(f) Confidential Treatment Requests”) that managers currently submit to the Commission in paper, typically through the mail or by express delivery, will be required to be submitted electronically via EDGAR. The amendments to Form 13F also require managers to provide additional identifying information and allow managers to disclose, for any security reported on Form 13F, the security’s share class level Financial Instrument Global Identifier (“FIGI”). The rules also make certain technical amendments, including to modernize the structure of data reporting and amend the instructions on Form 13F for confidential treatment requests in light of a recent decision of the U.S. Supreme Court.

2. Purpose and Use of the Information Collection

The purpose of Form 13F is twofold: (1) to provide a reporting and disclosure system to collect information about certain equity security holdings of institutional investment managers; and (2) to disseminate such information to the public.

3. Consideration Given to Information Technology

The Commission's electronic filing system (Electronic Data Gathering, Analysis, and Retrieval System, or "EDGAR") is designed to automate the filing, processing and dissemination of disclosure filings. Using the EDGAR system, publicly held companies generally transmit their filings to the Commission directly over the Internet. *See* Rulemaking for EDGAR System, Release No. 33-7855 (April 24, 2000) (part of the modernization of EDGAR). Such automation

¹ *See* Electronic Submission of Applications for Orders under the Advisers Act and the Investment Company Act, Confidential Treatment Requests for Filings on Form 13F, and Form ADV-NR; Amendments to Form 13F, Release No. IC-34635 (June 23, 2022).

has increased the speed, accuracy and availability of information, generating benefits to investors and financial markets. In addition, Form 13F is filed in an online format that requires, among other things, that the Form 13F Information Table be submitted in XML (Extensible Markup Language), which helps filers avoid common mistakes and improves data quality.

4. Duplication

The Commission periodically evaluates reporting and recordkeeping requirements for duplication and reevaluates them whenever it proposes a rule or form or a change in a rule or form. The information required by Form 13F is not generally duplicated elsewhere.

5. Effect on Small Entities

Not applicable. The requirements of Form 13F are the same for all potential filers. An institutional investment manager is not subject to Form 13F reporting unless it exercises investment discretion over, in the aggregate, at least \$100,000,000 in certain equity securities.

6. Consequences of Not Conducting Collection

See Item 1, above. Not collecting the information would: (i) be a failure to comply with the requirements of Section 13(f) of the Securities Exchange Act of 1934; and (ii) eliminate disclosure about certain U.S. equity security holdings of institutional investment managers that currently is available to the Commission and the public.

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

Not applicable.

8. Consultation Outside the Agency

The Commission solicited and evaluated public comment on the information collection requirements in Form 13F. The Commission's solicitation of public comments included

estimating and requesting public comments on updated burden estimates for all information collections under this OMB control number (i.e., both changes associated with the rulemaking and other burden updates). Specifically, the public was given the opportunity to comment on the Commission's estimates for the burdens associated with the amendments to Form 13F as proposed. While comments were received from Form 13F filers and other market participants, and were considered by the Commission as discussed in the Adopting Release, most of these did not relate to the proposed burden estimates for the amendments to Form 13F. However we have updated certain estimates to reflect updated wage rates for relevant personnel as well as the estimated number of respondents based upon updated data. In addition, the Commission and the staff of the Division of Investment Management participate in an ongoing dialogue with representatives of the investment company industry through public conferences, meetings, and informal exchanges. These forums provide the Commission and the staff with a means of ascertaining and acting upon paperwork burdens confronting the industry.

9. Payment or Gift

Not applicable.

10. Confidentiality

Section 13(f)(4) of the 1934 Act (15 U.S.C. 78m(f)(4)) authorizes the Commission, upon request, to delay or prevent public disclosure of any information filed under Section 13(f) as it determines to be necessary or appropriate for public interest reasons or to protect investors. Section 13(f)(4) also prohibits the Commission from disclosing to the public information identifying securities held by the account of a natural person or any estate or trust (other than a business trust or investment company).

11. Sensitive Questions

No information of a sensitive nature, including social security numbers, will be required under this collection of information. The information collection collects basic Personally Identifiable Information (PII) that may include information on an institutional investment manager's name, Form 13F file number, business address, and name-title-business phone number of the person that signs the form on behalf of the reporting manager. However, the agency has determined that the information collection does not constitute a system of records for purposes of the Privacy Act. Information is not retrieved by a personal identifier. In accordance with Section 208 of the E-Government Act of 2002, the agency has conducted a Privacy Impact Assessment (PIA) of the EDGAR system, in connection with this collection of information. The EDGAR PIA, published on 2/5/2020, is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

12. Burden of Information Collection

In our most recent PRA submission for Form 13F, we estimated a total hour burden of 67,242 hours, with an internal cost burden of \$13,733,909, and an external cost burden of \$4,846,374.² The table below summarizes the initial and ongoing annual burden estimates associated with amendments to Form 13F related to the requirements for managers to provide additional identifying information and the technical amendments to Form 13F. We believe that our amendments to Form 13F will not pose additional external cost burdens. We also believe that our amendments to the process for filing 13(f) Confidential Treatment Requests will not change

² This estimate is based on the last time the rule's information collection was submitted for PRA renewal in 2022.

the burden of filing Form 13F Reports with the Commission.

Table 1: Form 13F PRA Estimates

	Initial hours	Annual hours		Wage rate ¹	Internal time cost	External costs ²
PROPOSED ESTIMATES						
Estimated Form 13F-HR Burdens						
Proposed Amendments to Form 13F-HR per filer (additional identifying information and technical amendments)	9 hours	3.5 hours	x	\$202.50 (blended rate for senior programmer and compliance clerk)	\$708.75	\$0
	2 hours	0.67 hours	x	\$368 (compliance attorney rate)	\$246.56	
Total burden of proposed amendments to Form 13F-HR per filer		4.17			\$955.31	
New annual estimated Form 13F-HR burden per filer		15.17 hours			\$3,348.31	\$789
Number of annual filers		x 5,466 filers			× 5,466 filers	×5,466 filers
Total new annual burden		82,919.2 hours			\$18,301,862.5	\$4,312,674
Estimated Form 13F-NT Burdens						
Proposed Amendments to Form 13F-NT (additional identifying information)	5 hours	2.17 hours	x	\$202.50 (blended rate for senior programmer and compliance clerk)	\$439.43	\$0
	1 hour	0.33 hours		\$368 (compliance attorney rate)	\$121.44	
Total burden of proposed amendments to Form 13F-NT		2.5 hours			\$560.87	
New annual estimated Form 13F-NT burden per filer		6.5 hours			\$844.87	\$300
Number of annual filers		1,535 filers			1,535 filers	1,535 filers
Total new annual burden		9,977.5 hours			\$1,296,875.45	\$460,500
FINAL ESTIMATES						
Estimated Form 13F-HR Burdens						
Amendments to Form 13F-HR per filer (additional identifying information, optional use of FIGI,	10 hours	4 hours ³	x	\$219.50 (blended rate for senior programmer and	\$878	\$0

and technical amendments)				compliance clerk)		
	2 hours	0.67 hours ³	x	\$400 (compliance attorney rate)	\$268	
Total burden of amendments to Form 13F-HR per filer		4.67			\$1,146	
Number of annual filers ⁴		x 6,387 filers			x 6,387 filers	
Total new annual burden		29,827.29 hours			\$7,319,502	
Estimated Form 13F-NT Burdens						
Amendments to Form 13F-NT (additional identifying information)	5 hours	2.17 hours ³	x	\$219.50 (blended rate for senior programmer and compliance clerk)	\$476.32	\$0
	1 hour	0.33 hours ³		\$400 (compliance attorney rate)	\$132	
Total burden of amendments to Form 13F-NT		2.5 hours			\$608.32	
Number of annual filers ⁵		x 1,708 filers			x 1,708 filers	
Total new annual burden		4,270 hours			\$1,039,010.56	
TOTAL ESTIMATED FORM 13F BURDEN						
Current burden estimates		67,242 hours			\$13,733,909	\$4,846,374
Revised burden estimates		101,339.29 hours			\$22,092,421.60	\$4,846,374

Notes:

1. These PRA estimates assume that the same types of professionals would be involved in satisfying the final amendments that we believe otherwise would be involved in preparing and filing reports on Forms 13F-HR and 13F-NT. The Commission's estimates of the relevant wage rates are based on salary information for the securities industry compiled by the Securities Industry and Financial Markets Association's Office Salaries in the Securities Industry 2013. The estimated figures are modified by firm size, employee benefits, overhead, and adjusted to account for the effects of inflation. See Securities Industry and Financial Markets Association, Report on Management & Professional Earnings in the Securities Industry 2013.
2. The external costs of complying with Form 13F can vary among filers. Some filers use third-party vendors for a range of services in connection with filing reports on Form 13F, while other filers use vendors for more limited purposes such as providing more user-friendly versions of the list of section 13(f) Securities. For purposes of the PRA, we estimate that each filer will spend an average of \$300 on vendor services each year in connection with the filer's four quarterly reports on Form 13F-HR or Form 13F-NT, as applicable, in addition to the estimated vendor costs associated with any amendments. In addition, some filers engage outside legal services in connection with the preparation of requests for confidential treatment or analyses regarding possible requests, or in connection with the form's disclosure requirements. For purposes of the PRA, we estimate that each manager filing reports on Form 13F-HR will incur \$489 for one hour of outside legal services each year.
3. Includes initial burden estimates annualized over a three-year period, plus 0.5 hours of ongoing annual burden hours for a senior programmer and compliance clerk. The estimates assume that a compliance attorney would only be involved in the initial implementation of the amendments.
4. This number is based on the number of Form 13F-HR filers as of Dec. 31, 2021.
5. This number is based on the number of Form 13F-NT filers as of Dec. 31, 2021.

13. Cost to Respondents

As detailed in the table in Item 12 above, the currently approved annual external cost imposed by Form 13F is \$4,846,374. The amendments to Form 13F will not impose any additional external costs. This cost estimate is made solely for purposes of the Paperwork Reduction Act. The estimate is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules.

14. Cost to the Federal Government

The annual cost to the Commission of processing Form 13F is approximately \$316,980. The majority of forms are received electronically via the Commission's EDGAR system. Under the amendments to Form 13F, confidential treatment requests, currently required to be filed in paper, will be filed electronically via the EDGAR system beginning on January 3, 2023. Such processing is handled primarily by the Division of Investment Management's Dissemination and EDGAR Filer Support Branch (part of IM's Disclosure Review Office), as a small part of the usual and customary work of each office. In addition, the Division of Investment Management's Chief Counsel's Office reviews confidential treatment requests for Form 13F information, and, acting pursuant to delegated authority from the Commission, may grant, deny, or revoke confidential treatment of Form 13F. In addition, pursuant to a contract with the SEC, Interactive Data Pricing and Reference Data, Inc. provides services to compile and deliver to the Commission each quarter a list of "Section 13(f) Securities," as defined in rule 13f-1(c) under the 1934 Act. Such list, the Official List of Section 13(f) Securities, is made available to the public pursuant to Section 13(f)(4) for use in the preparation of Form 13F reports.

15. Change in Burden

The estimated total annual burden hours increased from 67,242 to 101,339.29 hours (an increase of 34,097.29 hours). The increase in annual burden hours is due primarily to the Commission's amendments to Form 13F. The amendments will not change the currently approved external cost burden to comply with Form 13F. The changes in burden also reflect the Commission's revision and update of burden estimates for all information collections under this OMB control number, and the Commission requested public comment on all those information

collection burden estimates for this OMB control number.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to Omit OMB Expiration Date

We request authorization to omit the expiration date on the electronic version of the form, although the OMB control number will be displayed. Including the expiration date on the electronic version of this form will result in increased costs, because the need to make changes to the form may not follow the application's scheduled version release dates.

18. Exceptions to Certification Statement for Paperwork Reduction Act Submission

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.