

SUPPORTING STATEMENT

for the Paperwork Reduction Act Information Collection Submission for Regulation SBSR – Reporting and Dissemination of Security-Based-Swap Information (OMB Control No. 3235-0718)

A. JUSTIFICATION

1. Necessity of the Information Collection

On July 21, 2010, the President signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”).¹ The Dodd-Frank Act amended the Exchange Act to require the Commission to adopt rules providing for, among other things (i) the reporting of security-based swaps to a registered security-based swap data repository (“SDR”) or to the Commission; and (ii) real-time public dissemination of security-based-swap transaction, volume, and pricing information. On November 19, 2010, pursuant to Sections 763 and 766 of Title VII of the Dodd-Frank Act, the Commission proposed Regulation SBSR to fulfill these requirements.² In May 2013, the Commission re-proposed the entirety of Regulation SBSR as part of the Cross-Border Proposing Release³ and re-opened the comment period for all of its other outstanding Title VII rulemakings.⁴

After reviewing comments submitted to the Commission, including not only those comments specifically addressing Regulation SBSR, but also comments addressing cross-border issues generally, as well as comments germane to regulatory reporting and/or public dissemination of security-based swaps that were submitted in other contexts, the Commission adopted Regulation SBSR, with certain revisions suggested by commenters or designed to clarify the rules (“Regulation SBSR Adopting Release”).⁵ In addition, in a separate release, the Commission proposed certain rules, amendments, and guidance relating to Regulation SBSR

¹ The Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. No. 11-203, H.R. 4173).

² Regulation SBSR—Reporting and Dissemination of Security-Based Swap Information, Securities Exchange Act Release No. 63346 (Nov. 19, 2010), 75 FR 75208 (Dec. 2, 2010) (“Regulation SBSR Proposing Release”).

³ See Securities Exchange Act Release No. 69490 (May 1, 2013), 78 FR 30967 (May 23, 2013) (“Cross-Border Proposing Release”).

⁴ See Securities Exchange Act Release No. 69491 (May 1, 2013), 78 FR 30799 (May 23, 2013).

⁵ See Securities Exchange Act Release No. 74244 (Feb. 11, 2015), 80 FR 14563 (Mar. 19, 2015).

(“Regulation SBSR Proposed Amendments Release”).⁶ On July 13, 2016, the Commission adopted the proposed amendments (“Regulation SBSR Amendments Adopting Release”).⁷

Regulation SBSR consists of ten rules, Rules 900 to 909 under the Exchange Act. Regulation SBSR provides generally for the reporting of security-based-swap information to a registered security-based swap data repository (“registered SDRs”) or to the Commission, and for the public dissemination of security-based-swap transaction, volume, and pricing information by registered SDRs. Rule 901 specifies, with respect to each reportable event pertaining to covered transactions, who is required to report, what data must be reported, when it must be reported, where it must be reported, and how it must be reported. Rule 901(a)(1) of Regulation SBSR requires a platform to report to a registered SDR a security-based swap executed on such platform that will be submitted to clearing. Rule 901(a)(2)(i) of Regulation SBSR requires a registered clearing agency to report to a registered SDR any security-based swap to which it is a counterparty. Rules 902 to 909 of Regulation SBSR provide additional details as to how reporting and public dissemination are to occur.

2. Purpose and Use of the Information Collection

The security-based-swap information reported pursuant to Regulation SBSR will fulfill the Congressional mandate that the Commission provide for, among other things: (i) the reporting of security-based swaps to a registered SDR or to the Commission; and (ii) real-time public dissemination of security-based-swap transaction, volume, and pricing information. The reporting pursuant to Regulation SBSR will: provide insight about the size and operation of the security-based-swap market and a benchmark against which to assess the development of the security-based-swap market over time; provide the Commission information to assist with its analysis of the security-based-swap market; be used to assess activities and risks in the security-based-swap market or securities markets more generally; facilitate general market oversight; and facilitate the reports the Commission is required to provide to Congress on security-based swaps and the security-based-swap marketplace.⁸

3. Consideration Given to Information Technology

Regulation SBSR leverages information technology in the collection of information. Regulation SBSR requires reporting sides, platforms, and clearing agencies to electronically report security-based-swap transaction data to registered SDRs, and it also requires registered SDRs to disseminate transaction data and corrections electronically. Further, Regulation SBSR requires

⁶ See Securities Exchange Act Release No. 74245 (Feb. 11, 2015), 80 FR 14739 (Mar. 9, 2015). Further amendments to Regulation SBSR were proposed to address the application of certain provisions of the Exchange Act to cross-border security-based-swap activities. See Securities Exchange Act Release No. 74834 (Apr. 29, 2015), 80 FR 27443 (May 13, 2015) (“U.S. Activity Proposal”).

⁷ See Securities Exchange Act Release No. 78321 (July 14, 2016), 81 FR 53546 (Aug. 12, 2016).

⁸ See Section 719 of the Dodd-Frank Act.

registered SDRs to make their policies and procedures, along with other information, publicly available on their websites. Regulation SBSR contemplates a phased-in approach to public dissemination in order to allow market participants sufficient time to effectively implement necessary technology systems and make necessary technological preparations for Regulation SBSR. Over time, the Commission expects that the burdens on market participants will be reduced due to future technology enhancements. The Commission is not aware of any technical or legal obstacles to reducing the burden through the use of improved information technology.

4. Duplication

The SEC does not believe that Regulation SBSR requires any duplicative filing requirements.

5. Effect on Small Entities

Not applicable. Regulation SBSR does not have a significant economic impact on a substantial number of small entities.

6. Consequences of Less Frequent Collection

Collecting the information on a less frequent basis would frustrate the purposes of the Congressional mandate to provide for regulatory reporting and public dissemination of security-based swap volume and pricing information on a transaction-by-transaction basis.

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

An agency is required, under 5 CFR 1320.5(d)(2), to demonstrate in its submission for OMB clearance that the reporting of information more often than quarterly is necessary to satisfy statutory requirements or other substantial need. Sections 763 and 766 of the Dodd-Frank Act amended the Exchange Act to require the Commission to adopt rules providing for, among other things (i) the reporting of security-based swaps to an SDR or to the Commission; and (ii) real-time public dissemination of security-based-swap transaction, volume, and pricing information. Although the Dodd-Frank Act did not stipulate how often the reporting of security-based swaps to an SDR or to the Commission must occur, the Dodd-Frank Act did stipulate that real-time public dissemination must occur “as soon as technologically practicable after the time at which the [SBS] transaction has been executed.”⁹ As a result, reporting more often than quarterly is required by the Dodd-Frank Act.

8. Consultations Outside the Agency

The required Federal Register notice with a 60-day comment period soliciting comments on this collection of information was published. No public comments were received.

⁹ See Section 763(i) of the Dodd-Frank Act.

9. Payment or Gift

Not applicable.

10. Assurance of Confidentiality

Some information collected pursuant to Regulation SBSR will be widely available to the extent it is information that is required to be publicly disseminated by a registered SDR. However, registered SDRs are generally under an obligation to maintain the confidentiality of the other reported information collected pursuant to Rule 901(d) and pursuant to Section 13(n)(5) of the Exchange Act and Rule 13n-9 thereunder. To the extent that the Commission receives confidential information pursuant to Regulation SBSR, such information will be kept confidential, subject to the provisions of the Freedom of Information Act.

11. Sensitive Questions

Regulation SBSR requires reporting of security-based-swap information to a registered security-based swap data repository. No information of sensitive nature, including social security numbers, will be required under this collection of information. The information collection does not collect personally identifiable information. The Commission has determined that neither a SORN nor PIA are required.

12. Estimate of Reporting Burden

The total annual hour burden for Regulation SBSR, for all respondents, is approximately 3,539,483 hours per year, calculated as described in the table and narrative below.

Summary of Hours Burden					
Title of Collection¹⁰	Number of Respondents (A)	Responses per Year for Each Respondent (B)	Total Number of Responses per Year (C) (C)=(A)x(B)	Burden Hours per Response (D)	Total Annual Burden Hours for the Collection (C)x(D)
Rule 901-Reporting Sides (#1)	134	1	134	940	125,960

¹⁰ For ease of reference to the narratives below, each collection title has been assigned a number, e.g., “Rule 901-Reporting Sides” is collection “#1.”

Summary of Hours Burden

Title of Collection¹⁰	Number of Respondents (A)	Responses per Year for Each Respondent (B)	Total Number of Responses per Year (C) (C)=(A)x(B)	Burden Hours per Response (D)	Total Annual Burden Hours for the Collection (C)x(D)
Rule 901- SDRs (#2)	3	2	6	96	576
Rule 902- SDRs (#3)	3	1	3	7,840	23,520
Rule 904- SDRs (#4)	3	12	36	3	108
Rule 905- Reporting Sides (#5)	134	365	48,910	0.110046	5,382
Rule 905- Participants (#6)	15,082	365	5,504,930	0.5	2,752,465
Rule 905- SDR (#7)	3	1	3	1,703.33	5,110
Rule 906- SDR (#8)	3	5,500,000	16,500,000	0.00006278	1,036
Rule 906(a)- Participants (#9)	15,082	365	5,504,930	0.0769861	423,803
Rule 906(b)- Participants (#10)	9,049	2	18,098	1	18,098

Summary of Hours Burden

Title of Collection¹⁰	Number of Respondents (A)	Responses per Year for Each Respondent (B)	Total Number of Responses per Year (C) (C)=(A)x(B)	Burden Hours per Response (D)	Total Annual Burden Hours for the Collection (C)x(D)
Rule 906(c)-Security-Based Swap Dealers and Major Security-Based Swap Participants (#11)	48	1	48	192	9,216
Rule 907-SDR (#12)	3	1	3	38,500	115,500
Rule 903(a)-Participants without LEIs (#13)	2,573	1	2,573	1	2,573
Rule 903(a)-Participants with LEIs (#14)	12,509	1	12,509	1	12,509
Rule 908(c)-Requesting Entities (#15)	13	1	13	26.67	347
Rule 901-Platforms (#16)	10	1	10	967	9,670
Rule 905-Platforms (#17)	10	1	10	41.93333	419

Summary of Hours Burden					
Title of Collection¹⁰	Number of Respondents (A)	Responses per Year for Each Respondent (B)	Total Number of Responses per Year (C) (C)=(A)x(B)	Burden Hours per Response (D)	Total Annual Burden Hours for the Collection (C)x(D)
Rule 901- Clearing Agencies (#18)	3	1	3	1,989.67	5,969
Rule 906(c)- Registered Clearing Agencies and Platforms (#19)	13	1	13	192	2,496
Rule 901- Reporting Sides-New Respondents (#20)	20	1	20	989.67	19,793
Rule 905- Reporting Sides-New Respondents (#21)	20	365	7,300	0.10393	759
Rule 906(c)- Registered Broker-Dealer Participants (#22)	20	1	20	192	3,840

Summary of Hours Burden					
Title of Collection¹⁰	Number of Respondents (A)	Responses per Year for Each Respondent (B)	Total Number of Responses per Year (C) (C)=(A)x(B)	Burden Hours per Response (D)	Total Annual Burden Hours for the Collection (C)x(D)
Rule 905-Clearing Agencies (#23)	3	365	1,095	.30484	334
Total Annual Burden Hours for All Respondents for All Collections				3,539,483	

a. Reporting Obligations – Rule 901

i. Rule 901-Reporting Sides (Collection #1)

The Commission previously stated its belief that reporting sides that fall under the reporting hierarchy in Rule 901(a)(2)(ii) will incur certain burdens with respect to their reporting of covered transactions. Specifically, the Commission believes that the requirement to report covered transactions to a registered SDR or to the Commission pursuant to Rule 901 will impose a one-time burden on each reporting-side respondent of approximately 707 burden hours. The Commission previously estimated that 300 reporting sides will be subject to this burden.

Since the prior submission, however, the Commission has reviewed more recent data pertaining to transactions in the security-based swap market, and based on that data, the Commission now estimates that 134 reporting sides will be subject to this burden. Although the Commission is revising its estimates to account for a revised number of reporting sides, it is maintaining the hourly breakdown of labor, as well as the per-reporting-side burden from its prior submission. As a result, the Commission now estimates that the one-time initial reporting obligation burden for all reporting sides will be approximately 94,738 hours, which includes development of an Order Management System (“OMS”) capable of capturing relevant security-based-swap transaction information, implementation of a reporting mechanism, and establishment of an appropriate compliance program and support for the operation of the OMS

and reporting mechanism.¹¹ Further, the Commission now estimates that the ongoing annualized burden will be 687 burden hours per reporting side, which corresponds to 92,058 burden hours in the aggregate.¹² The Commission estimates one response per respondent per year, which, including the one-time burden equally allocated over three years, results in a burden of 922.7 hours per response.¹³

Rule 901(a)(3) requires a person—either the platform upon which the security-based swap was executed or the reporting side for those security-based swaps other than clearing transactions—to report, for those security-based swaps submitted to a registered clearing agency, the transaction ID of the submitted security-based swap and the identity of the registered SDR to which the transaction will be or has been reported. The Commission believes that reporting sides (and platforms as discussed below) required to report transaction IDs and the identity of a registered SDR will already have put into place any infrastructure needed to report these security-based swaps to a registered clearing agency.¹⁴ However, the Commission does believe

¹¹ The Commission previously estimated: [(Sr. Programmer (160 hours)) + (Sr. Systems Analyst (160 hours)) + (Compliance Manager (10 hours)) + (Director of Compliance (5 hours)) + (Compliance Attorney (20 hours)) + (Sr. Programmer (80 hours)) + (Sr. Systems Analyst (80 hours)) + (Compliance Manager (5 hours)) + (Director of Compliance (2 hours)) + (Compliance Attorney (5 hours)) + (Sr. Programmer (100 hours)) + (Sr. Systems Analyst (40 hours)) + (Compliance Manager (20 hours)) + (Director of Compliance (10 hours)) + (Compliance Attorney (10 hours))] x (300 reporting sides) = 212,100 hours. The Commission is now revising its estimate to account for a revised number of reporting sides, but is maintaining the hourly breakdown of labor from its prior submission: 707 burden hours x 134 reporting sides = 94,738 hours.

¹² The Commission previously estimated: [(Sr. Programmer (32 hours)) + (Sr. Systems Analyst (32 hours)) + (Compliance Manager (60 hours)) + (Compliance Clerk (240 hours)) + (Director of Compliance (24 hours)) + (Compliance Attorney (48 hours)) + (Compliance Clerk (16.7 hours)) + (Sr. Computer Operator (16.7 hours)) + (Sr. Programmer (16 hours)) + (Sr. Systems Analyst (16 hours)) + (Compliance Manager (30 hours)) + (Compliance Clerk (120 hours)) + (Director of Compliance (12 hours)) + (Compliance Attorney (24 hours))] x (300 reporting sides) = 206,100 hours. The Commission is now revising its estimate to account for a revised number of reporting sides, but is maintaining the hourly breakdown of labor from its prior submission: 687 burden hours x 134 reporting sides = 92,058 hours.

¹³ This figure is based on the following: [((707 hours/3 years) + (687 hours)) / (1 response per year)] = 922.7 hours.

¹⁴ The required infrastructure for platforms and related burdens and costs are discussed in the Regulation SBSR Amendments Adopting Release. The required infrastructure and related burdens and costs applicable to reporting sides were already accounted for in the Regulation SBSR Adopting Release. 80 FR at 14675–77. The additional burdens discussed in this paragraph related to the ability to capture the additional specific data

that including the transaction ID and the identify of the registered SDR will result in additional development and maintenance burdens. Specifically, the Commission believes that the additional one-time burden related to the development of the ability to capture the additional specific data elements required by Rule 901(a)(3) will be 10 burden hours, and the additional one-time burden related to the implementation of a reporting mechanism will be 6 burden hours, per reporting side for a total additional one-time burden of 16 hours (approximately 5.333 hours per year when annualized over three years).¹⁵ The Commission believes that the additional ongoing burden related to the ability to capture the additional specific data elements required by Rule 901(a)(3) will be 10 burden hours, and the additional ongoing burden related to the maintenance of the reporting mechanism will be 2 burden hours, per reporting side for a total additional ongoing burden of 12 hours per year.¹⁶

In summary, the Commission estimates that there will be 134 respondents, making one response per year, for a total of 134 total responses per year, with each response requiring 940 burden hours, for a total annual burden of (134 x 940 = 125,960) 125,960 hours.

These totals are derived as follows. The Commission estimates that each reporting side will have a total one-time burden of approximately 723 burden hours (707 + 16), which corresponds to approximately 96,882 burden hours (or 32,294 hours per year when annualized over three years) for all 134 reporting sides (i.e., respondents).¹⁷ Furthermore, the Commission

elements, as required by Rule 901(a)(3), are incremental burdens that are in addition to the previously established infrastructure burdens and costs.

¹⁵ The Commission previously estimated that the additional burdens would be: [(Sr. Programmer (5 hours)) + (Sr. Systems Analyst (5 hours)) = 10 burden hours (development of the ability to capture transaction information); ((Sr. Programmer (3 hours)) + (Sr. Systems Analyst (3 hours)) = 6 burden hours (implementation of reporting mechanism)], which resulted in an estimated total one-time burden associated with the amendments to Rule 901(a) of 16 burden hours per platform and reporting side, for a total one-time burden of 4,800 hours (16 x 300 reporting sides). The Commission is now revising its estimate to account for a revised number of reporting sides, but is maintaining the hourly breakdown of labor from its prior submission: 16 burden hours x 134 reporting sides = 2,144 hours.

¹⁶ The Commission previously estimated that the additional burdens would be: [(Sr. Programmer (5 hours)) + (Sr. Systems Analyst (5 hours)) = 10 burden hours (maintenance of transaction capture system); (Sr. Programmer (1 hour)) + (Sr. Systems Analyst (1 hour)) = 2 burden hours (maintenance of reporting mechanism)], which resulted in an estimated total ongoing burden associated with the amendments to Rule 901(a) of 12 burden hours per platform and reporting side, for a total ongoing burden of 3,600 hours (12 x 300 reporting sides). The Commission is now revising its estimate to account for a revised number of reporting sides, but is maintaining the hourly breakdown of labor from its prior submission: 12 burden hours x 134 reporting sides = 1,608 hours.

¹⁷ This figure is based on the following: (723 hours * 134 reporting sides) = 96,882 hours.

estimates that each reporting side will have a total ongoing annual burden of approximately 699 burden hours ($687 + 12$), which corresponds to approximately 93,666 burden hours for all 134 reporting sides.¹⁸ Thus, the aggregate annual burden for all reporting sides (i.e., respondents) is approximately 125,960 hours per year ($32,294 + 93,666$). The Commission estimates one response per respondent per year, which, including the one-time burden equally allocated over three years, results in a burden of 940 hours per response.¹⁹ This collection is a third-party disclosure type of collection.²⁰

ii. Rule 901-Reporting Sides – New Respondents (Collection #20)

Rule 901 assigns the duty to report security-based swaps (other than clearing transactions) when neither side of the security-based swap includes a registered security-based swap dealer or registered major security-based swap participant and when one (or both) side(s) of the security-based swap is not a U.S. person. The Commission believes that 20 respondents fall into this category as a result of Rule 901(a)(2)(ii)(E) and will accordingly be required to report transactions that are not required to be reported by other market participants under Regulation SBSR.

Although the number of reportable events that respondents will have to report has likely increased substantially from the Commission's earlier estimates, the Commission continues to believe that many reportable events will be reported through electronic means and that the ratio of electronic reporting to manual reporting is likely to increase over time. We therefore believe that, while the burden of reporting may have increased, as the result of economies of scale and the adoption of electronic reporting, the burden hours will not increase in direct proportion to the number of reportable events. As a result, we now believe that 100 hours per year per respondent represents a reasonable estimate of the burden of reporting for security-based swaps. The Commission believes that a substantial majority of the reportable events that will be reported by respondents pursuant to Rule 901 will be reported through electronic means.

The Commission estimates that Rule 901 will impose an estimated total first-year burden of approximately 1,461 hours²¹ per respondent that will incur the duty to report as a result of the

¹⁸ This figure is based on the following: $(699 \text{ hours} * 134 \text{ reporting sides}) = 93,666 \text{ hours}$.

¹⁹ This figure is based on the following: $[((723 \text{ hours}/3 \text{ years}) + (699 \text{ hours})) / (1 \text{ response per year})] = 940 \text{ hours}$.

²⁰ Although Rule 901(b) provides that, if there is no registered SDR that will accept information pertaining to a security-based swap, reporting sides should report to the Commission, the Commission has determined not to require compliance with Regulation SBSR until certain preconditions are met, one of which is that the Commission has registered one or more SDRs. Accordingly, we have assumed that all burden hours associated with this collection will be attributable to a third-party disclosure type, rather than a reporting type, of collection.

²¹ We derived our estimate from the following: (355 hours (one-time hourly burden for establishing an OMS) + 172 hours (one-time hourly burden for establishing security-

amendments to Rule 901(a)(2)(ii)(E). The Commission further estimates that Rule 901 will impose an initial annualized burden of approximately 235.67 hours²² per respondent and a total ongoing annual burden of approximately 754 hours per respondent resulting in a total approximate aggregate annualized burden of 19,793 hours (19,793.4 rounded down to 19,793) for all respondents.²³

In summary, the Commission estimates that there will be 20 respondents, making one response per year, for a total of 20 total responses per year, with each response requiring approximately 989.67 burden hours, for a total annual burden of approximately 19,793 hours (20 x 989.67 = 19,793.4 rounded down to 19,793).

These totals are derived as follows. The Commission estimates that each new respondent will have a total one-time burden of approximately 707 burden hours (approximately 235.67 hours per year when annualized over three years), taking into account those burdens previously adopted along with burdens resulting from the amendments, which corresponds to a one-time burden of approximately 14,140 burden hours (approximately 4,713.33 hours per year when annualized over three years) for all 20 new respondents.²⁴ Further, the Commission estimates that each new respondent will have a total ongoing annual burden of approximately 754 burden hours, taking into account those burdens previously adopted along with burdens resulting from the amendments, which corresponds to approximately 15,080 burden hours per year for all 20 new respondents.²⁵ The Commission estimates one response per respondent per year, which, including the one-time burden equally allocated over three years, results in a burden of 989.67

based swap reporting mechanisms) + 180 hours (one-time hourly burden for compliance and ongoing support)) = 707 hours (one-time total hourly burden). (436 hours (annual-ongoing hourly burden for internal order management) + 100 hours (revised annual-ongoing hourly burden for security-based swap reporting mechanisms) + 218 hours (annual-ongoing hourly burden for compliance and ongoing support)) = 754 hours (annual-ongoing hourly burden). (707 one-time hourly burden + 754 revised annual-ongoing hourly burden) = 1,461 (total first-year hourly burden).

²² We derived our estimate from the following: (Y1: 707 hours per respondent; Y2: 0 hours per respondent; Y3: 0 hours per respondent) = 707 hours / 3 years = 235.67 hours per year.

²³ We derived our estimate from the following: ((707 hours / 3 years = 235.67) + (754) = 989.67 hours per respondent * 20 respondents) = 19,793.4 hours.

²⁴ This figure is based on the following: (707 hours * 20 respondents) = 14,140 hours.

²⁵ This figure is based on the following: (754 hours * 20 respondents) = 15,080 hours.

hours per response ($235.67 + 754$).²⁶ This collection is a third-party disclosure type of collection.²⁷

iii. Rule 901-SDRs (Collection #2)

Rules 901(f) and 901(g) require a registered SDR to time-stamp, to the second, information that it receives and to assign a unique transaction ID to each security-based swap it receives or establish or endorse a methodology for transaction IDs to be assigned by third parties, respectively. The Commission previously estimated that 10 entities will register as SDRs and thus be subject to this burden. Based on SDR registration data available since the prior submission, however, the Commission now estimates that 3 entities will register as SDRs and will be subject to this burden. Although the Commission is revising its estimates to account for a revised number of SDR respondents, it is maintaining the hourly breakdown of labor as well as the per-SDR burden from its prior submission. The Commission previously estimated that Rules 901(f) and 901(g) will impose an initial one-time total burden of approximately 1,200 burden hours, which corresponded to approximately 120 burden hours per SDR respondent (or 40 hours per respondent when annualized over three years).²⁸ Further, the Commission previously estimated that Rules 901(f) and 901(g) will impose a total ongoing annual burden of 1,520 hours, which corresponds to 152 burden hours per SDR respondent.²⁹ The Commission previously estimated and continues to estimate two responses per SDR respondent per year, which, including the one-time burden equally allocated over three years, results in a burden of

²⁶ This figure is based on the following: $[((707 \text{ hours}/3 \text{ years}) + (754 \text{ hours})) / (1 \text{ response per year})] = 989.67 \text{ hours}$.

²⁷ Although Rule 901(b) provides that, if there is no registered SDR that will accept information pertaining to a security-based swap, reporting sides should report to the Commission, we expect the reporting burden pursuant to this provision will be minimal or even zero, as registered SDRs should be operational prior to effectiveness of Regulation SBSR. Accordingly, we have assumed that all burden hours associated with this collection will be attributable to a third-party disclosure type, rather than a reporting type, of collection.

²⁸ The Commission previously estimated: $((\text{Sr. Programmer (80 hours)}) + (\text{Sr. Systems Analyst (20 hours)}) + (\text{Compliance Manager (8 hours)}) + (\text{Director of Compliance (4 hours)}) + (\text{Compliance Attorney (8 hours)})) \times (10 \text{ registered SDRs}) = 1,200 \text{ hours}$. The Commission is now revising its estimate to account for a revised number of SDR respondents, but is maintaining the hourly breakdown of labor from its prior submission: $120 \text{ burden hours} \times 3 \text{ SDRs} = 360 \text{ hours}$.

²⁹ The Commission previously estimated: $((\text{Sr. Programmer (60 hours)}) + (\text{Sr. Systems Analyst (48 hours)}) + (\text{Compliance Manager (24 hours)}) + (\text{Director of Compliance (12 hours)}) + (\text{Compliance Attorney (8 hours)})) \times (10 \text{ registered SDRs}) = 1,520 \text{ hours}$. The Commission is now revising its estimate to account for a revised number of SDR respondents, but is maintaining the hourly breakdown of labor from its prior submission: $152 \text{ burden hours} \times 3 \text{ SDRs} = 456 \text{ hours}$.

approximately 192 hours per respondent per year $(152 + 40)^{30}$ or 96 hours per response (192 divided by 2 responses per year).

As a result of the Commission's new estimate of 3 SDR respondents, the aggregate annual burden is approximately 576 hours per year or 96 hours per response multiplied by 3 respondents multiplied by 2 responses per year per respondent (96 x 3 x 2).

This collection is a recordkeeping type of collection.

iv. Rule 901-Platforms (Collection #16)

Rule 901(a) puts in place certain reporting obligations for those security-based swaps that are clearing transactions (discussed in greater detail below) or that are executed on a platform and will be submitted to clearing. The Commission believes that Rule 901(a) will result in 13 respondents incurring the duty to report under Regulation SBSR. Specifically, the Commission believes that there will be 10 platforms (exchanges and SB SEFs) and 3 registered clearing agencies (discussed below) that will incur such duties.³¹ Rule 901(a)(3) requires a person—either the platform upon which the security-based swap was executed or the reporting side for those security-based swaps other than clearing transactions—to report, for those security-based swaps submitted to a registered clearing agency, the transaction ID of the submitted security-based swap and the identity of the registered SDR to which the transaction will be or has been reported.

The Commission previously stated its belief that reporting sides that fall under the reporting hierarchy in Rule 901(a)(2)(ii) will incur certain burdens with respect to their reporting of covered transactions. The Commission believes that platforms will face the same categories of burdens as those identified for other types of respondents. However, in addition to the burden of development of an OMS capable of capturing relevant security-based-swap transaction information, implementation of a reporting mechanism, and establishment of an appropriate compliance program and support for the operation of the OMS and reporting mechanism, platforms will also have the added burden of reporting a larger number of transactions, including the Rule 901(a) requirements relating to the reporting of clearing information.

The Commission previously estimated that the number of reportable events associated with security-based-swap transactions was approximately 3 million reportable events per year under Rule 901.³² At that time, the Commission also stated that it believed that 600 annual burden hours (or 60 annual burden hours per platform) for the reporting of security based swaps represented a reasonable upper bound of the actual burdens and costs required to comply with the paperwork burdens associated with Rule 901.

³⁰ This figure is based on the following: $[(120 \text{ hours}/3 \text{ years}) + (152 \text{ hours})] / (2 \text{ responses per year}) = 96 \text{ hours per response or 192 hours per respondent.}$

³¹ The Commission previously estimated four clearing agencies but based on more recent data and experience it is now reducing this number to three.

³² See Regulation SBSR Amendments Adopting Release.

Since the prior submission, however, the Commission has reviewed more recent data pertaining to transactions in the security-based swap market, and based on that data, the Commission now estimates the total number of reportable events associated with security-based-swap transactions to be 550,000,000 per year. Of these reportable events, the Commission continues to believe that approximately one-third, or 180,000,000, are the result of new security-based-swap transactions and thus would be reportable by platforms. Although the number of reportable events has increased substantially from the Commission's earlier estimates, we believe that, because of economies of scale and the adoption of electronic reporting, the burden hours would not increase in direct proportion to the number of reportable events. As a result, we continue to believe that the previous estimate of 600 annual burden hours (or 60 annual burden hours per platform) for the reporting of security-based swaps continues to represent a reasonable upper bound of the actual burdens and costs required to comply with the paperwork burdens associated with Rule 901. The Commission believes that substantially all reportable events that will be reported by platforms pursuant to Rule 901 will be reported through electronic means.

Additionally, Rule 901(a)(3) will require a platform upon which the security-based swap was executed to report, for those security-based swaps submitted to a registered clearing agency, the transaction ID of the submitted security-based swap and the identity of the registered SDR to which the transaction will be or has been reported. As a result, platforms will already have put into place any infrastructure needed to report these security-based swaps to a registered clearing agency.³³ However, the Commission believes that including the additional reportable items will result in additional development and maintenance burdens. Specifically, the Commission believes that the additional one-time burden related to the development of the ability to capture the additional specific data elements required by Rule 901(a)(3) will be 10 burden hours and the additional one-time burden related to the implementation of a reporting mechanism will be 6 burden hours, per platform and reporting side.³⁴ The Commission believes that the additional ongoing burden related to the ability to capture the additional specific data elements required by

³³ The required infrastructure for platforms and related burdens and costs are discussed in the Regulation SBSR Amendments Adopting Release. The required infrastructure and related burdens and costs for reporting side were already accounted for in the Regulation SBSR Adopting Release. 80 FR at 14675–77. The additional burdens discussed in this paragraph related to the ability to capture the additional specific data elements, as required by Rule 901(a)(3), will be incremental burdens that are in addition to the previously established infrastructure burdens and costs.

³⁴ The Commission estimates that the additional burdens will be: [(Sr. Programmer (5 hours) + Sr. Systems Analyst (5 hours)) = 10 burden hours (development of the ability to capture transaction information); (Sr. Programmer (3 hours) + Sr. Systems Analyst (3 hours)) = 6 burden hours (implementation of reporting mechanism)]. The total one-time burden associated with the amendments to 901(a) would be 16 burden hours per platform and reporting side for a total one-time burden of 160 hours (16 x 10 platforms).

Rule 901(a)(3) will be 10 burden hours and the additional ongoing burden related to the maintenance of the reporting mechanism will be 2 burden hours, per platform.³⁵

The Commission estimates that the total burden placed upon reporting sides as a result of Rule 901 will be approximately 1,449 hours in the first year (723 one-time initial burden per entity + 726 ongoing burden per entity),³⁶ resulting in a total first-year burden of approximately 14,490 hours for all platforms,³⁷ which includes development of an OMS capable of capturing relevant security-based swap transaction information, implementation of a reporting mechanism, and establishment of an appropriate compliance program and support for the operation of the OMS and reporting mechanism.³⁸ The Commission estimates that Rule 901 will impose ongoing

³⁵ The Commission estimates that the additional burdens would be: [(Sr. Programmer (5 hours) + Sr. Systems Analyst (5 hours)) = 10 burden hours (maintenance of transaction capture system); (Sr. Programmer (1 hour) + Sr. Systems Analyst (1 hour)) = 2 burden hours (maintenance of reporting mechanism)]. The total ongoing burden associated with the amendments to Rule 901(a) would be 12 burden hours per platform and reporting side for a total ongoing burden of 120 hours (12 x 10 platforms).

³⁶ The Commission derived its estimate from the following: (355 hours (one-time hourly burden for establishing an OMS) + 172 hours (one-time hourly burden for establishing security-based swap reporting mechanisms) + 180 hours (one-time hourly burden for compliance and ongoing support) + 16 hours (additional hourly burden resulting from establishing ability to report information related to clearing)) = 723 hours (one-time total hourly burden). (436 hours (annual-ongoing hourly burden for order management) + 218 hours (annual-ongoing hourly burden for compliance and ongoing support) + 60 hours (annual-ongoing burden of reporting security-based swap transaction information) + 12 hours (annual-ongoing hourly burden of reporting security-based swap transaction information related to clearing)) = 726 hours (annual-ongoing hourly burden). (723 (one-time hourly burden) + 726 (revised annual-ongoing hourly burden)) = 1,449 (total first-year hourly burden). See Regulation SBSR Amendments Adopting Release.

³⁷ The Commission derived its estimate from the following: (1,449 hours per reporting entity x 10 platforms) = 14,490 hours.

³⁸ The Commission estimates: (355 hours (one-time hourly burden for establishing and OMS) + 172 hours (one-time hourly burden for establishing security-based swap reporting mechanisms) + 180 hours (one-time hourly burden for compliance and ongoing support) + 16 hours (additional hourly burden resulting from establishing ability to report information related to clearing)) = 723 hours (one-time total hourly burden). See Regulation SBSR Amendments Adopting Release.

annual burdens of approximately 726 hours³⁹ per platform for a total annual burden of approximately 7,260 hours for all platforms.⁴⁰

In summary, the Commission estimates that there will be 10 respondents, making one response per year, for a total of 10 total responses per year, with each response requiring approximately 967 burden hours, for a total annual burden of (10 x 967 = 9,670) 9,670 hours.

Theses totals are derived as follows. The Commission estimates one response per each of the 10 respondents per year, which, including the one-time burden equally allocated over three years ($723 / 3 = 241$), results in a total annual burden of approximately 967 hours ($726 + 241$) per response⁴¹ and a total aggregate annual burden of approximately 9,670 hours (967×10) for all respondents.⁴²

This collection is a third-party disclosure type of collection.⁴³

v. Rule 901- Clearing Agencies (Collection #18)

The Commission has adopted certain reporting obligations for those security-based swaps that are clearing transactions or are executed on a platform (discussed in greater detail above) and will be submitted to clearing. Subparagraph (2)(i) of Rule 901(a) assigns the reporting duty for a clearing transaction to the registered clearing agency that is a counterparty to the security-based swap. As stated above, the Commission believes that there will be 13 respondents incurring the duty to report under Regulation SBSR, including three registered clearing agencies. The Commission believes that clearing agencies will face the same categories of burdens as

³⁹ The Commission estimates: (436 hours (annual-ongoing hourly burden for order management) + 218 hours (annual-ongoing hourly burden for compliance and ongoing support) + 60 hours (annual-ongoing burden of reporting security-based swap transaction information) + 12 hours (annual-ongoing hourly burden of reporting security-based swap transaction information related to clearing)) = 726 hours (annual-ongoing hourly burden). See Regulation SBSR Amendments Adopting Release.

⁴⁰ The Commission derived its estimate from the following: (726 hours per reporting entity x 10 platforms) = 7,260 hours.

⁴¹ This figure is based on the following: $((723 \text{ hours} / 3 \text{ years}) + (726 \text{ hours})) / (1 \text{ response per year}) = 967 \text{ hours.}$

⁴² We derived our estimate from the following: (967 hours per respondent x 10 respondents) = 9,670 hours.

⁴³ Although Rule 901(b) provides that, if there is no registered SDR that will accept information pertaining to a security-based swap, reporting sides should report to the Commission, we expect the reporting burden pursuant to this provision will be minimal or even zero, as registered SDRs are currently operational. Accordingly, we have assumed that all burden hours associated with this collection will be attributable to a third-party disclosure type, rather than a reporting type, of collection.

those identified in the Regulation SBSR Adopting Release for other types of respondents. In addition, registered clearing agencies will also have the added burden of reporting a larger number of transactions.

As discussed above, the Commission previously estimated that the number of reportable events associated with security-based-swap transactions was approximately 3 million reportable events per year under Rule 901.⁴⁴ At that time, the Commission also stated that it believed that 1,100 hours per registered clearing agency for the reporting of security based swaps represented a reasonable upper bound of the actual burdens and costs required to comply with the paperwork burdens associated with Rule 901.

Since the prior submission, however, the Commission has reviewed more recent data pertaining to transactions in the security-based swap market, and based on that data, the Commission now estimates the total number of number of reportable events associated with security-based-swap transactions to be 550,000,000 per year. Of these reportable events, the Commission continues to believe that approximately two-thirds, or 370,000,000, are the result of life-cycle events and thus would be reportable by registered clearing agencies. Although the number of reportable events has increased substantially from the Commission's earlier estimates, we believe that, because of economies of scale and the adoption of electronic reporting, the burden hours would not increase in direct proportion to the number of reportable events. As a result, we continue to believe that the previous estimate of 1,100 hours per registered clearing agency for the reporting of security-based swaps represents a reasonable upper bound of the actual burdens and costs required to comply with the paperwork burdens associated with Rule 901. The Commission believes that substantially all reportable events that will be reported by registered clearing agencies pursuant to Rule 901 will be reported through electronic means.

The Commission previously stated its belief that reporting sides that fall under the reporting hierarchy in Rule 901(a)(2)(ii) will incur certain burdens with respect to their reporting of covered transactions. The Commission continues to believe that registered clearing agencies will face the same categories of burdens as those identified in the Regulation SBSR Adopting Release for other types of respondents. The Commission estimated that the total burden placed upon reporting sides as a result of Rule 901 would be approximately 1,361 hours⁴⁵ per reporting

⁴⁴ See Regulation SBSR Amendments Adopting Release.

⁴⁵ The Commission derived its estimate from the following: (355 hours (one-time hourly burden for establishing and OMS) + 172 hours (one-time hourly burden for establishing security-based swap reporting mechanisms) + 180 hours (one-time hourly burden for compliance and ongoing support)) = 707 hours (one-time total hourly burden). (436 hours (annual-ongoing hourly burden for order management) + 218 hours (annual-ongoing hourly burden for compliance and ongoing support)) = 654 hours (one-time total hourly burden). (707 one-time hourly burden + 654 revised annual-ongoing hourly burden = 1,361 total first-year hourly burden). See Regulation SBSR Amendments Adopting Release.

side during the first year.⁴⁶ The Commission believes that the per-entity burden for registered clearing agencies will be similar in composition. As a result, the Commission estimates that the total first-year burden will be 2,461 hours per registered clearing agency,⁴⁷ resulting in a total first-year burden of 7,383 hours for all registered clearing agencies under Rule 901,⁴⁸ which includes development of an OMS capable of capturing relevant security-based-swap transaction information, implementation of a reporting mechanism, and establishment of an appropriate compliance program and support for the operation of the OMS and reporting mechanism. The Commission believes that Rule 901 will impose ongoing annual burdens of approximately 1,754 hours⁴⁹ per registered clearing agency for a total ongoing annual burden of 5,262 hours for all registered clearing agencies.⁵⁰ The Commission estimates one response per respondent per year, which, including the one-time burden equally allocated over three years ($707 / 3 = 235.67$), results in an annual burden of 1,989.67 hours per response ($1,754 + 235.67$).⁵¹ The aggregate annual burden for all clearing agencies is thus approximately 5,969 hours ($1,989.67 \times 3 = 5,969.01$ rounded to 5,969). This collection is a third-party disclosure type of collection.⁵²

⁴⁶ See Regulation SBSR Amendments Adopting Release.

⁴⁷ The Commission derived its estimate from the following: (355 hours (one-time hourly burden for establishing and OMS) + 172 hours (one-time hourly burden for establishing security-based swap reporting mechanisms) + 180 hours (one-time hourly burden for compliance and ongoing support)) = 707 hours (one-time total hourly burden). (436 hours (annual-ongoing hourly burden for order management) + 218 hours (annual-ongoing hourly burden for compliance and ongoing support) + 1,100 hours (annual-ongoing burden of reporting security-based swap transaction information)) = 1,754 hours (annual-ongoing hourly burden). (707 (one-time hourly burden) + 1,754 (revised annual-ongoing hourly burden)) = 2,461 (total first-year hourly burden). See Regulation SBSR Amendments Adopting Release.

⁴⁸ The Commission derived its estimate from the following: (2,461 hours per reporting entity x 3 registered clearing agencies) = 7,383 hours.

⁴⁹ The Commission estimates: (436 hours (annual-ongoing hourly burden for order management) + 218 hours (annual-ongoing hourly burden for compliance and ongoing support) + 1,100 hours (annual-ongoing burden of reporting security-based swap transaction information)) = 1,754 hours (annual-ongoing hourly burden).

⁵⁰ The Commission derived its estimate from the following: (1,754 hours per reporting entity x 3 registered clearing agencies) = 5,262 hours.

⁵¹ This figure is based on the following: $[((707 \text{ hours}/3 \text{ years}) + (1,754 \text{ hours})) / (1 \text{ response per year})] = 1,989.67 \text{ hours}$.

⁵² Although Rule 901(b) provides that, if there is no registered SDR that will accept information pertaining to a security-based swap, reporting sides should report to the Commission, we expect the reporting burden pursuant to this provision will be minimal or even zero, as registered SDRs should be operational prior to effectiveness of Regulation SBSR. Accordingly, we have assumed that all burden hours associated with

In summary, the Commission estimates that there will be 3 respondents making one response per year, for a total of 3 total responses per year, with each response requiring approximately 1,989.67 burden hours, for a total annual burden of (3 x 1,989.67 = 5,969.01 rounded down to 5,969) 5,969 hours.

These totals are derived as follows. The Commission estimates that the initial one-time burden will be approximately 707 hours per clearing agency, resulting in a total initial one-time burden of approximately 2,121 hours for all registered clearing agencies under the amendments to Rule 901.⁵³ The Commission further estimates that the amendments to Rule 901 will impose ongoing annual burdens of approximately 1,754 hours per reporting entity for a total aggregate annual burden of 5,262 hours for all registered clearing agencies.⁵⁴ The Commission estimates one response per respondent per year, which, including the one-time burden equally allocated over three years ($707 / 3 = 235.67$), results in a burden of approximately 1,989.67 hours per response ($1,754 + 235.67$) or an aggregate annual burden for all 3 respondents of approximately 5,969 hours.⁵⁵

This collection is a third-party disclosure type of collection.⁵⁶

b. Rule 902-SDRs (Collection #3)—Public Dissemination of Transaction Reports

Rule 902 requires a registered SDR to publicly disseminate a transaction report immediately upon receipt of information about a security-based swap, or a life cycle event or adjustment due to a life cycle event (or upon re-opening following a period when the registered SDR was closed), except in certain limited circumstances described in Rule 902(c).⁵⁷ A published transaction report must consist of all of the information reported pursuant to Rule 901(c), plus any condition flags required by the policies and procedures of the registered SDR to

this collection will be attributable to a third-party disclosure type, rather than a reporting type, of collection.

⁵³ The Commission derived its estimate from the following: (2,461 hours per reporting entity x 3 registered clearing agencies) = 7,383 hours.

⁵⁴ The Commission derived its estimate from the following: (1,754 hours per reporting entity x 3 registered clearing agencies) = 5,262 hours.

⁵⁵ This figure is based on the following: $[((707 \text{ hours}/3 \text{ years}) + (1,754 \text{ hours})) / (1 \text{ response per year})] = 1,989.67 \text{ hours} \times 3 = 5,969.01 \text{ hours.}$

⁵⁶ Although Rule 901(b) provides that, if there is no registered SDR that will accept information pertaining to a security-based swap, reporting sides should report to the Commission, we expect the reporting burden pursuant to this provision will be minimal or even zero, as registered SDRs should be operational prior to effectiveness of Regulation SBSR. Accordingly, we have assumed that all burden hours associated with this collection will be attributable to a third-party disclosure type, rather than a reporting type, of collection.

⁵⁷ The Commission notes that reporting side respondents incur no duties of dissemination under Rule 902. All duties of dissemination apply only to registered SDRs.

which the transaction is reported. The Commission previously estimated that 10 entities will register as SDRs and thus be subject to this burden. Based on SDR registration data available since the prior submission, however, the Commission now estimates that 3 entities will register as SDRs and will be subject to this burden.

Although the Commission is revising its estimates to account for a revised number of SDR respondents, it is maintaining the hourly breakdown of labor as well as the per-SDR burden from its prior submission. Based on the methodology of the prior submission, adjusted for the revised number of SDR respondents, the Commission now estimates that the initial one-time total burden for the development and implementation of systems necessary to comply with Rule 902 will be approximately 25,200 hours (approximately 8,400 hours per year when annualized over three years), which corresponds to approximately 8,400 burden hours per SDR respondent (approximately 2,800 per year when annualized over three years). Further, the Commission estimates that the public dissemination requirements will impose a total ongoing annual burden of approximately 15,120 hours, which corresponds to approximately 5,040 burden hours per SDR respondent. The Commission estimates that each registered SDR will have to build the infrastructure only once and will have to update that infrastructure each year.

As a result, the Commission estimates one response per each of the 3 respondents (i.e., SDRs) per year (representing the annual upkeep of the public dissemination system), which, including the one-time hourly burden equally allocated over three years ($8,400 / 3 = 2,800$), results in an annual hourly burden of 7,840 hours per response for each respondent and an aggregate burden of 23,520 hours per year for all respondents (1 response per year x 3 respondents).⁵⁸ This collection is a third-party disclosure type of collection.

c. Rule 903(a) – Participants with and without LEIs (Collections #13 and #14)

Rule 903(a) continues to provide that, if an internationally recognized standards-setting system (“IRSS”) that meets certain criteria is recognized by the Commission and has assigned a unique identification code (“UIC”) to a person, unit of a person, or product (or has endorsed a methodology for assigning transaction IDs), all registered SDRs must use that UIC in carrying out their responsibilities under Regulation SBSR. If no such system has been recognized by the Commission, or if such a system has not assigned a UIC to a particular person, unit of a person, or product (or has not endorsed a methodology for assigning transaction IDs), the registered SDR must assign a UIC to that person, unit of a person, or product using its own methodology (or endorse a methodology for assigning transaction IDs). In the Regulation SBSR Adopting Release, the Commission recognized the Global LEI System (“GLEIS”) as an IRSS that meets the criteria of Rule 903. The GLEIS issues UICs for legal entities, known as “legal entity identifiers” or “LEIs.” Therefore, if an entity has an LEI issued by or through the GLEIS, that LEI must be used for all purposes under Regulation SBSR. In conjunction with the Commission’s recognition of the GLEIS, Rule 903 requires all persons who are participants of at least one registered SDR to obtain an LEI from or through the GLEIS for use under Regulation SBSR. Furthermore, each participant that acts as a guarantor of a direct counterparty’s

⁵⁸ This figure is based on the following: $[(8,400 \text{ hours}/3 \text{ years}) + (5,040 \text{ hours})] = 7,840$ hours per respondent. $7,840 \times 3 = 23,520$.

performance of any obligation under a security-based swap that is subject to Rule 908(a) shall, if the direct counterparty has not already done so, obtain a UIC for identifying the direct counterparty from or through that system, if that system permits third-party registration without a requirement to obtain prior permission of the direct counterparty.

Rule 903 applies to any person who is a participant of at least one registered SDR. The Commission previously estimated that as many as 4,800 participants will be subject to this burden. Since the prior submission, however, the Commission has reviewed more recent data pertaining to transactions in the security-based swap market and based on that data, the Commission now estimates that 15,082 participants will be subject to this burden. Although the Commission is revising its estimates to account for a revised number of participants, it is maintaining the methodology, hourly breakdown of labor, and the per-participant burden from its prior submission. The Commission previously estimated that there may be up to 4,800 security-based swap counterparties that are participants of one or more registered SDRs and that no fewer than 3,500 of approximately 4,800 accounts that participated in the market for single-name CDS in 2013 had LEIs. Based on more recent data, the Commission now estimates that, for purposes of the PRA, there may be as many as 2,573 respondents who do not already have a GLEIS LEI and who will be required to obtain one, and as many as 12,509 respondents who will need to maintain a GLEIS LEI. The Commission estimates that the total one-time first-year burden imposed by Rule 903 will be approximately 2,573 hours (or 857.67 per year when annualized over three years), which corresponds to 1 hour per participant, to account for the initial burdens of obtaining an LEI.⁵⁹ The Commission estimates that the total ongoing burden imposed by Rule 903 will be approximately 12,509 hours for respondents that currently have LEIs and 1,715.33 hours for respondents that currently do not have an LEI, which corresponds to 1 hour per participant per year, to account for ongoing administration of the LEI.⁶⁰ In addition, for these participants, the assignment of an LEI will entail both one-time and ongoing costs assessed by local operation units (“LOUs”) of the GLEIS. This collection is a third-party disclosure type of collection.

⁵⁹ These figures are based on the following: [Compliance Attorney at 1 hour/year) x (2,573 participants)] = 2,573 burden hours. 2,573 hours / 3 = 857.6667 hours.

⁶⁰ These figures are based on the following: [(Compliance Attorney at 1 hour/year) x (12,509 participants that currently have LEIs)] = 12,509 burden hours. The Commission notes that for the 2,573 participants that currently do not have an LEI, the first year burden on obtaining an LEI will be one hour per participant. However, these same participants will not incur the annual recurring burden during that first year and will only incur this recurring burden in subsequent years. Thus, the one hour per year ongoing estimate for participants that do not currently have an LEI will be reduced (Y1: 0; Y2: 1 hour; Y3: 1 hour = 2 hours / 3 years = .6667 hours/year). 2,573 hours x .6667 = 1,715.3334. The total burden for those participants that currently do not have an LEI will be 2,573 hours (857.6667 burden hours to obtain an LEI + 1,715.3334 burden hours to maintain an LEI for two years = 2,573 total burden hour, or an average of 1 burden hour per year).

In summary, the Commission estimates that there will be 12,509 respondents that currently have an LEI, , making one response per year, for a total of 12,509 total responses per year, with each response requiring one burden hour, for a total annual burden of (12,509 x 1 = 12,509) 12,509 hours. The Commission also estimates that there will be 2,573 respondents that currently do not have an LEI, making one response per year, for a total of 2,573 total responses per year, with each response requiring one burden hour, for a total annual burden of (2,573 x 1 = 2,573) 2,573 hours.

d. Rule 904-SDRs (Collection #4)--Operating Hours of Registered SDRs

Rule 904 requires a registered SDR to operate continuously, subject to two exceptions. First, under Rule 904(a), a registered SDR may establish normal closing hours during periods when, in its estimation, the U.S. market and major foreign markets are inactive. Second, under Rule 904(b), a registered SDR may declare, on an ad hoc basis, special closing hours to perform system maintenance that cannot wait until normal closing hours. Rule 904(c) specifies requirements for handling and disseminating reported data during a registered SDR's normal and special closing hours. Pursuant to Rule 904(d), immediately upon system re-opening, the registered SDR is required to publicly disseminate any transaction data required to be reported under Rule 901(c) that it received and held in queue. Pursuant to Rule 904(e), if a registered SDR cannot hold in queue transaction data to be reported, immediately upon re-opening the SDR is required to send a message to all participants that it has resumed normal operations. The Commission estimates that 3 entities will be subject to this burden. The Commission previously estimated that the requirements to notify participants and the public of closing hours and system availability will impose an aggregate ongoing annual burden of 360 burden hours, which corresponds to 36 burden hours per year per SDR respondent. The Commission is now revising its estimate to account for a revised number of SDR respondents, but is maintaining the hourly breakdown of labor from its prior submission: 36 burden hours x 3 SDRs = 108 hours. The Commission estimates 12 responses per respondent per year, resulting in a burden of 3 hours per response.

In summary, the Commission estimates that there will be 3 respondents, making 12 response per year, for a total of 36 total responses per year, with each response requiring approximately 3 burden hours, for a total annual burden of (3 x 36 = 108) 108 hours.

This collection is a third-party disclosure type of collection.

e. Error Correction – Rule 905

Rule 905 establishes procedures for correcting errors in reported and disseminated security-based-swap information. Rule 905 requires any counterparty to a security-based swap that discovers an error in previously reported information to take action to ensure that corrected information is provided to the registered SDR to which the initial transaction was reported. The rule also requires a registered SDR to verify any error reports that it receives and to correct and, if necessary, publicly disseminate a corrected transaction report.

i. Rule 905-Reporting Sides--(Collection #5)

Under Rule 905(a)(2), where a reporting side for a security-based-swap transaction discovers an error in the information reported with respect to a security-based swap, or receives notification from its counterparty of an error, the reporting side must promptly submit to the entity to which the security-based swap was originally reported an amended report pertaining to the original transaction. The amended report must be submitted to the registered SDR in a manner consistent with the policies and procedures of the registered SDR required pursuant to Rule 907(a)(3). The Commission believes that compliance with this rule will require support and maintenance of error-reporting functions. The Commission believes that designing and building appropriate reporting system functionality to comply with the error-reporting rule will represent an incremental “add-on” to the cost to build a reporting system. The Commission estimates that the incremental burden will be equal to 5% of the one-time and annual costs associated with designing and building a reporting system pursuant to Rule 901 plus 10% of the corresponding one-time and annual costs associated with developing the overall compliance program required under Rule 901. The Commission estimates that Rule 905(a) will impose a one-time initial (first-year) aggregate burden of approximately 6,708 hours (approximately 2,236 per year when annualized over three years), which is approximately 50 burden hours per reporting side (approximately 16.67 hours per reporting side when annualized over three years),⁶¹ and an ongoing aggregate annual burden of approximately 3,142 hours, which is approximately 23.5 burden hours per reporting side.⁶² The Commission estimates that each of the estimated 134 reporting sides will, on average, have to submit only one error correction report per day (for a total of 365 error correction reports per reporting side, resulting in 48,910 total responses per year and an average daily burden of approximately 0.110046 hours). As a result, the Commission estimates the burden per respondent per year, (which includes the one-time burden equally

⁶¹ See Regulation SBSR Adopting Release, 80 FR at 14682. This figure is calculated as follows: [(((172 burden hours for one-time development of reporting system) x (0.05)) + ((33 burden hours annual maintenance of reporting system) x (0.05)) + ((180 burden hours one-time compliance program development) x (0.1)) + ((218 burden hours annual support of compliance program) x (0.1))) x (134 reporting sides)] = 6,707.7 burden hours, which is 50 burden hours per reporting side. The burden hours for annual maintenance of the reporting system has been updated to reflect new information on the number of reportable events.

⁶² See Regulation SBSR Adopting Release, 80 FR at 14682. This figure is calculated as follows: [(((33 burden hours annual maintenance of reporting system) x (0.05)) + ((218 burden hours annual support of compliance program) x (0.1))) x (134 reporting sides)] = 3,142.3 burden hours, which is 23.5 burden hours per reporting side. The burden hours for annual maintenance of the reporting system has been updated to reflect new information on the number of reportable events.

allocated over three years) to be approximately 40.17 hours ($16.67 + 23.5$).⁶³ The aggregate burden per year is thus approximately 5,382 hours (134×40.17).

In summary, the Commission estimates that there will be 134 respondents, each making one response per day, for a total of ($134 \times 365 = 48,910$) 48,910 total responses per year, with each response requiring 0.110046 burden hours, for a total annual burden of approximately 5,382 hours ($48,910 \times 0.110046 = 5,382.34986$ rounded to 5,382).

This collection is a third-party disclosure type of collection.

ii. Rule 905-New Respondents (Collection #21)--Reporting Sides – Additional Respondents

As is discussed above, Rule 901 assigns the duty to report security-based swaps, other than clearing transactions, when neither side of the security-based swap includes a registered security-based swap dealer or registered major security-based swap participant and when one (or both) side(s) of the security-based swap is not a U.S. person. The Commission estimates that 20 respondents will incur the duty to report under this provision of Regulation SBSR. The Commission estimates that these 20 respondents will incur, as a result of Rule 905(a), a total initial (first-year) burden of approximately 968 hours, which is approximately 48.4 burden hours (approximately 16.13 hours per year when annualized over three years) per new respondent,⁶⁴ and a total ongoing burden of approximately 436 hours per year, which is approximately 21.8 burden hours per year per new respondent.⁶⁵ The Commission estimates that each reporting side will, on average, have to submit only one error correction report per day (for a total of 365 error correction reports per reporting side, resulting in 7,300 total responses per year). As a result, the Commission estimates the burden per respondent (which includes the one-time burden equally allocated over three years) to be approximately 37.93 hours per year, or 0.10393 hours per response.⁶⁶ The aggregate burden is thus approximately 759 hours per year ($322.67 + 436 =$

⁶³ This figure is based on the following: $[(50.0 \text{ hours} / 3 \text{ years}) + (23.5 \text{ hours})]$. The Commission further estimated that each reporting side respondent will submit 365 error corrections reports each year for a per-response burden of approximately 0.110046 hours [$40.17 \text{ hours} / 365 \text{ responses}$]. This equates to a total burden of approximately 5,382 hours [$40.17 \text{ hours} \times 134 \text{ reporting sides}$].

⁶⁴ This figure is calculated as follows: $[((172 \text{ burden hours for one-time development of reporting system}) \times (0.05)) + ((.11 \text{ burden hours annual maintenance of reporting system}) \times (0.05)) + ((180 \text{ burden hours one-time compliance program development}) \times (0.1)) + ((218 \text{ burden hours annual support of compliance program}) \times (0.1)) \times (20 \text{ respondents})] = 968 \text{ burden hours}$, which is 48.4 burden hours per new respondent.

⁶⁵ This figure is calculated as follows: $[((.11 \text{ burden hours annual maintenance of reporting system}) \times (0.05)) + ((218 \text{ burden hours annual support of compliance program}) \times (0.1)) \times (20 \text{ respondents})] = 436 \text{ burden hours}$, which is 21.8 burden hours per new respondent.

⁶⁶ This figure is based on the following: $[(48.4 \text{ hours} / 3 \text{ years}) + (21.8 \text{ hours})]$. The Commission further estimated that each reporting side respondent will submit 365 error

758.67 hours rounded up to 759). The Commission believes that the actual submission of amended transaction reports required under Rule 905(a)(2) will not result in a material burden because this will be done electronically through the reporting system that the new respondents are required to develop and maintain to comply with existing Rule 901. The overall burdens associated with such a reporting system are addressed in our analysis of Rule 901.

In summary, the Commission estimates that there will be 20 respondents, each making one response per day, for a total of (20 x 365 = 7,300) 7,300 total responses per year), with each response requiring 0.10393 burden hours, for a total annual burden of approximately (7,300 x 0.10393 = 759.689 rounded to 759) 759 hours.

This collection is a third-party disclosure type of collection.

iii. Rule 905-Participants (Collection #6)--Non-Reporting Sides

Under Rule 905(a)(1), where a side that was not the reporting side for a security-based swap transaction discovers an error in the information reported with respect to such security-based swap, the counterparty must promptly notify the reporting side of the error. The Commission estimates that as many as 15,082 entities will be subject to this burden. The Commission estimates that the requirement to notify reporting sides will impose an aggregate ongoing annual burden of 2,752,465 hours, which corresponds to 182.5 burden hours per non-reporting-side participant.⁶⁷ This figure is based on the Commission's estimate of (1) 15,082 participants; (2) 1 error report per day per participant (for a total of 365 error correction reports per reporting side, resulting in 5,504,930 total responses per year); and (3) an annual burden per respondent/per error report of 0.5 hours). The burdens of Rule 905 on reporting sides and other participants will be reduced to the extent that complete and accurate information is reported to registered SDRs in the first instance pursuant to Rule 901.

In summary, the Commission estimates that there will be 15,082 respondents, each making one response per day, for a total of (15,082 x 365 = 5,504,930) 5,504,930 total responses per year), with each response requiring 0.5 burden hours, for a total annual burden of approximately (5,504,930 x 0.5 = 2,752,465) 2,752,465 hours.

This collection is a third-party disclosure type of collection.

corrections reports each year for a per-response burden of 0.10393 hours [37.93 hours/365 responses]. This equates to a total burden of approximately 759 hours [37.93 hours x 20 reporting sides].

⁶⁷ See Regulation SBSR Adopting Release, 80 FR at 14682. This figure is based on the following: [(1 error report per non-reporting-side participant per day) x (365 days/year) x (Compliance Clerk at 0.5 hours/report) x (15,082 participants)] = 2,752,465 burden hours, which corresponds to 182.5 burden hours per participant. The annual burden per respondent/per error report is 0.5 hours.

iv. Rule 905-SDRs (Collection #7)—Registered SDRs

Rule 905(b) sets forth the duties of a registered SDR relating to corrections. If the registered SDR either discovers an error in a transaction on its system or receives notice of an error from a reporting side, Rule 905(b)(1) requires the registered SDR to verify the accuracy of the terms of the security-based swap and, following such verification, promptly correct the erroneous information contained in its system. Rule 905(b)(2) further requires that, if such erroneous information relates to a security-based swap that the registered SDR previously disseminated and does not fall into any of the categories of information enumerated in Rule 901(c), the registered SDR must publicly disseminate a corrected transaction report of the security-based swap promptly following verification of the trade by the counterparties to the security-based swap, with an indication that the report relates to a previously disseminated transaction.

As discussed above, the Commission now estimates that 3 entities will register as SDRs and will thus be subject to this burden. Although the Commission is revising its estimates to account for a revised number of SDR respondents, it is maintaining the hourly breakdown of labor as well as the per-SDR burden from its prior submission. Based on the methodology of the prior submission, adjusted for the revised number of SDR respondents, the Commission now estimates that to develop and publicly provide the necessary protocols will impose an initial one-time burden of approximately 2,190 burden hours, which corresponds to 730 burden hours (approximately 243.33 when annualized over three years) per SDR respondent.⁶⁸ The Commission estimates that the ongoing annual burden on registered SDRs under Rule 905 would be 1,460 burden hours per year for each registered SDR, which, when added to the initial burden of 243.33 hours, results in 1,703.33 burden hours annually per SDR respondent or approximately 5,110 burden hours.⁶⁹ The Commission estimates that the protocols will have to be updated once each year, resulting in one response per respondent per year, which (including the one-time burden equally allocated over three years) results in a burden of 1,703.33 hours per response and an aggregate burden of approximately 5,110 per year.⁷⁰

In summary, the Commission estimates that there will be 3 respondents, each making one response per year, for a total of 3 total responses per year), with each response requiring

⁶⁸ This figure is based on the following: ((730 burden hours to develop protocols) x 3 SDRs) = 2,190 burden hours) 730 burden hours / 3 years = 243.33 burden hours per SDR respondent per year.

⁶⁹ This figure is based on the following: [(1,460 burden hours annual support) x (3 registered SDRs)] = 4,380 burden hours, which corresponds to 1,460 burden hours per registered SDR. 1,460 annual burden hours plus 243.33 (initial burden annualized over three years) = 1,703.33 annual burden hours per SDR or approximately 5,110 total annual burden hours for all SDR respondents.

⁷⁰ This figure is based on the following: [((730 hours/3 years) + (1,460 hours)) / (1 response per year)] = 1703.33 hours.

1,703.33 burden hours, for a total annual burden of approximately (3 x 1,703.33 = 5,109.99 rounded to 5,110) 5,110 hours.

This collection is a third-party disclosure type of collection.

v. Rule 905-Platforms (Collection #17)

Rule 905 applies to all participants of registered SDRs, including platforms. The Commission estimates that there will be approximately 10 platforms that incur a duty to report security-based-swap transactions pursuant to Rule 901 and may thus have a duty to correct errors under Rule 905. Under Rule 905(a), the person having the duty to report a security-based swap, whether a counterparty or a platform, will be required to correct previously reported erroneous information with respect to that security-based swap. The Commission estimates that Rule 905(a) will impose an initial (first-year) aggregate burden of 514 hours (approximately 171.33 per year when annualized over three years), which is 51.4 burden hours (approximately 17.13 hours per year when annualized over three years) per platform,⁷¹ and an ongoing aggregate annualized burden of 248 hours, which is 24.8 burden hours per platform.⁷² The per response burden is 41.93333 burden hours, for an aggregate burden of approximately 419 hours per year, based on one response per each of 10 respondents (10 responses total) per year.

In summary, the Commission estimates that there will be 10 respondents, each making one response per year, for a total of 10 total responses per year, with each response requiring 41.93333 burden hours, for a total annual burden of approximately (10 x 41.93333 = 419.3333 rounded to 419) 419 hours.

This collection is a third-party disclosure type of collection.

vi. Rule 905-Clearing Agencies (Collection #23)--Registered Clearing Agencies

Rule 905 also applies to registered clearing agencies and, because registered clearing agencies will be responsible for a large number of reportable events, they will likely be required to report more error corrections. As a result, the burdens imposed by Rule 905(a) on registered clearing agencies will be greater than the burden on platforms. For registered clearing agencies, the Commission estimates that Rule 905(a) will impose a total initial (first-year) burden of approximately 413.6 hours (approximately 137.87 hours per year when annualized over three

⁷¹ This figure is calculated as follows: [(((172 burden hours for one-time development of reporting system) x (0.05)) + ((60 burden hours annual maintenance of reporting system) x (0.05)) + ((180 burden hours one-time compliance program development) x (0.1)) + ((218 burden hours annual support of compliance program) x (0.1))) x (10 platforms)] = 514 burden hours, which is 51.4 burden hours per platform.

⁷² This figure is calculated as follows: [(((60 burden hours annual maintenance of reporting system) x (0.05)) + ((218 burden hours annual support of compliance program) x (0.1))) x (10 platforms)] = 248 burden hours, which is 24.8 burden hours per platform.

years), which is approximately 103.4 burden hours (approximately 34.47 hours per year when annualized over three years) per year per each of the 3 registered clearing agencies,⁷³ and an ongoing total annual burden of 307.2 hours, which is approximately 76.8 burden hours per year per registered clearing agency.⁷⁴ The Commission estimates that each registered clearing agency will, on average, only have to report one error correction report per day (for a total of 365 error correction reports per reporting side, resulting in 1,095 total responses per year);. As a result, the Commission estimates the aggregate burden per respondent per year (including the one-time burden equally allocated over three years) to be 111.27 hours.⁷⁵ The aggregate burden for all respondents is thus approximately 334 hours per year based on a per response burden of 0.30484 burden hours.

In summary, the Commission estimates that there will be 3 respondents, each making one response per day, for a total of (3 x 365 = 1,095) 1,095 total responses per year, with each response requiring 0.30484 burden hours, for a total annual burden of approximately (1,095 x 0.30484 = 333.7998 rounded to 334) 334 hours.

This collection is a third-party disclosure type of collection.⁷⁶

f. Other Duties – Rule 906

i. Rules 906(a) and (b) – Participants (Collections #9 and #10)

Rule 906(a) requires a participant that receives a daily report from a registered SDR to provide the missing identifier codes to the registered SDR within 24 hours. The Commission previously estimated that as many as 4,800 participants will be subject to this burden. Since the prior submission, however, the Commission has reviewed more recent data pertaining to

⁷³ This figure is calculated as follows: [(((172 burden hours for one-time development of reporting system) x (0.05)) + ((1100 burden hours annual maintenance of reporting system) x (0.05)) + ((180 burden hours one-time compliance program development) x (0.1)) + ((218 burden hours annual support of compliance program) x (0.1))) x (3 registered clearing agencies)] = 310.2 burden hours, which is 103.4 burden hours per registered clearing agency.

⁷⁴ This figure is calculated as follows: [(((1100 burden hours annual maintenance of reporting system) x (0.05)) + ((218 burden hours annual support of compliance program) x (0.1))) x (3 registered clearing agencies)] = 230.4 burden hours, which is 76.8 burden hours per registered clearing agency.

⁷⁵ This figure is based on the following: [103.4 hours/3 years] + (76.8 hours)]. The Commission further estimated that each reporting side respondent will submit 365 error corrections reports each year for a per-response burden of 0.30484 hours [111.2667 hours/365 responses]. This equates to a total burden of approximately 334 hours [111.2667 hours x 3 registered clearing agencies].

⁷⁶ We have assumed that all burden hours associated with this collection will be attributable to a third-party disclosure type, rather than a reporting type, of collection.

transactions in the security-based swap market and based on that data, the Commission now estimates that 15,082 participants will be subject to this burden. Although the Commission is revising its estimates to account for a revised number of participants, it is maintaining the annual burden per participant from its prior submission. The Commission previously estimated that each participant would be subject to an annual burden of 28.1 hours to provide missing UIC information. The Commission continues to believe that this estimate is reasonable. The Commission further estimates that each participant will provide mission UIC information only once per day for a total of 365 responses per year (or 5,504,930 total responses for all participants year year) and a burden per response of 0.0769861 hours.⁷⁷ As a result, the Commission believes that there will be a total burden of approximately 423,803 hours per year for all participants.⁷⁸ This collection is a third-party disclosure type of collection.

In summary, the Commission estimates that there will be 15,082 respondents, making 1 response per day (for a total of 365 responses per respondent per year) for a total of 5,504,930 responses per year, with each response requiring 0.0769861 hours, for a total annual burden of approximately 423,803 hours (15,082 x 365 x 0.0769861 = 423,803.091 hours rounded to 423,803).

Rule 906(b) requires each participant of a registered SDR to provide to the registered SDR an initial parent/affiliate report and subsequent reports, as needed. The Commission previously estimated that there would be as many as 2,880 participants, that each participant will connect to two registered SDRs on average, and that each participant will submit two reports each year.⁷⁹ Since the prior submission, however, the Commission has reviewed more recent data pertaining to transactions in the security-based swap market and based on that data, the Commission now estimates that that there will be as many as 9,049 participants, that each participant will connect to two registered SDRs on average, and that each participant will submit two reports each year.⁸⁰ As a result, the Commission now estimates that the total ongoing annual burden associated with Rule 906(b) will be approximately 18,098 burden hours per year, which corresponds to 2 burden hours per participant.⁸¹ The Commission estimates 2 responses per

⁷⁷ The Commission does not believe that participants will be required to respond every day, but is estimating an average daily burden of 0.0769861 hours.

⁷⁸ The Commission estimates that the total burden for all participants will be approximately 423,803 calculated as follows: (28.1 burden hours per participant x 15,082 participants) = 423,803 hours per year or 28.1 hours for each participant.

⁷⁹ The Commission previously estimated that, during the first year, each participant will submit an initial report and one update report and, in subsequent years, will submit two update reports. The Commission continues to believe that this estimate is reasonable.

⁸⁰ The Commission previously estimated that, during the first year, each participant will submit an initial report and one update report and, in subsequent years, will submit two update reports. The Commission continues to believe that this estimate is reasonable.

⁸¹ See Regulation SBSR Adopting Release, 80 FR at 14684. The Commission previously estimated the following: [(Compliance Clerk at 0.5 hours per report) x (2

participant respondent per year for a total of 18,098 responses per year, resulting in a burden of 1 hour per response. This collection is a third-party disclosure type of collection.

In summary, the Commission estimates that there will be 9,049 respondents, making 2 Responses per year, for a total of 18,098 total responses per year, with each response requiring 1 burden hour, for a total annual burden of (9,049 x 2 x 1 = 18,098) 18,098 hours.

ii. Rule 906(c) – Registered Security-Based Swap Dealers and Registered Major Security-Based Swap Participants (Collection #11)

Rule 906(c) requires each participant that is a registered security-based swap dealer or registered major security-based swap participant to establish, maintain, and enforce written policies and procedures (updated at least annually) that are reasonably designed to ensure compliance with any security-based-swap transaction reporting obligations in a manner consistent with Regulation SBSR. The Commission estimates that 48 registered security-based swap dealers and registered major security-based swap participants will be subject to this burden. The Commission estimates that the one-time, initial burden for covered participants to adopt written policies and procedures as required under Rule 906(c) will be approximately 10,368 burden hours (approximately 3,456 hours per year when annualized over three years), which corresponds to approximately 216 burden hours per covered participant (approximately 72 hours per year when annualized over three years). Further, the Commission estimates the total ongoing annual burden of maintaining such policies and procedures, including a full review at least annually, as required by Rule 906(c), will be approximately 5,760 burden hours per year, which corresponds to approximately 120 burden hours per year for each covered participant. The Commission estimates 1 response per respondent per year, which (including the one-time burden equally allocated over three years) results in an aggregate annual burden of approximately 192 hours per response and approximately 9,216 hours (192 x 48) for all respondents.⁸² This collection is a recordkeeping type of collection.

In summary, the Commission estimates that there will be 48 respondents, making one response per year, for a total of 48 total responses per year, with each response requiring approximately 192 burden hours, for a total annual burden of (48 x 192 = 9,216) 9,216 hours.

iii. 906(c) – Registered Broker-Dealer Participants (Collection #22)

Rule 906(c) applies to registered broker-dealers that are likely to become participants solely as a result of being required to report one or more security-based swaps to satisfy an obligation under Rule 901(a)(2)(ii)(E)(4). The Commission estimates that there will be 20

reports/year/SDR connection) x (2 SDR connections/participant) x (2,880 participants)] = 5,760 burden hours, which corresponds to 2 burden hours per participant. The Commission is now revising its estimate to account for a revised number of reporting sides, but is maintaining the hourly breakdown of labor and time per submission estimate from its prior submission: 2 burden hours x 9,049 participants = 18,098 hours.

⁸² These figures are based on the following: [(216 hours/3 years) + (120 hours)) / (1 response per year)] = 192 hours. 192 hours x 48 = 9,216 hours.

registered broker-dealers. The amendments to Rule 906(c) will require each registered broker-dealer that is likely to become a participant solely as a result of making a report to satisfy an obligation under Rule 901(a)(2)(ii)(E)(4) to establish, maintain, and enforce written policies and procedures that are reasonably designed to ensure compliance with applicable security-based-swap transaction reporting obligations. Each such registered broker-dealer will be required to review and update such policies and procedures at least annually. The Commission estimates that the one-time, initial burden for each such registered broker-dealer to adopt written policies and procedures will be similar to the Rule 906(c) burdens discussed in the Regulation SBSR Adopting Release, and will be approximately 216 hours (approximately 72 hours per year when annualized over three years) per registered broker-dealer and approximately 4,320 hours for all such broker-dealers (approximately 1,440 per year when annualized over three years).⁸³ The Commission estimates the burden of maintaining such policies and procedures, including a full review at least annually (equaling one annual response) will be approximately 120 burden hours for each registered broker-dealer that is likely to become an SDR participant and approximately 2,400 hours for all such broker-dealers.⁸⁴ Accordingly, the Commission estimates that the aggregate annual burden associated with the amendments to Rule 906(c) will be approximately 3,840 hours (1,440 + 2,400), or 192 burden hours per respondent per year.⁸⁵ This collection is a recordkeeping type of collection.

In summary, the Commission estimates that there will be 20 respondents, making one response per year, for a total of 20 total responses per year, with each response requiring approximately 192 burden hours, for a total annual burden of (20 x 192 = 3,840) 3,840 hours.

iv. Rule 906 – SDRs (Collection #8)

Rule 906(a) establishes procedures designed to ensure that a registered SDR obtains applicable UICs for both counterparties to a security-based swap. Rule 906(a) requires a registered SDR, once a day, to send a report to each of its participants identifying, for each security-based swap to which that participant is a counterparty, the security-based swap(s) for which the registered SDR lacks participant ID and (if applicable) broker ID, trading desk ID, and

⁸³ See Regulation SBSR Amendments Adopting Release. These figures are based on the following: [(Sr. Programmer at 40 hours) + (Compliance Manager at 40 hours) + (Compliance Attorney at 40 hours) + (Compliance Clerk at 40 hours) + (Sr. Systems Analyst at 32 hours) + (Director of Compliance at 24 hours)] = 216 burden hours per registered broker-dealer that is likely to become a participant solely as a result of making a report to satisfy an obligation under Rule 901(a)(2)(ii)(E)(4). 216 hours x 20 = 4,320.

⁸⁴ This figure is based on the following: (120 burden hours) x (20 registered broker-dealers that are likely to become a participant solely as a result of making a report to satisfy an obligation under Rule 901(a)(2)(ii)(E)(4))] = 2,400 burden hours. See Regulation SBSR Amendments Adopting Release.

⁸⁵ This figure is based on the following: (72 + 120 burden hours) x (20 registered broker-dealers that are likely to become a participant solely as a result of making a report to satisfy an obligation under Rule 901(a)(2)(ii)(E)(4))] = 3,840 burden hours.

trader ID. The Commission estimates that 3 entities (i.e., 3 SDRs) will be subject to this burden.⁸⁶ The Commission estimates that there will be a one-time, initial burden of approximately 336 hours (approximately 112 hours per year when annualized over three years) for all 3 registered SDRs to create a report template and develop the necessary systems and processes to produce a daily report required by Rule 906(a), which corresponds to approximately 112 burden hours (approximately 37.33 hours per year when annualized over three years) per SDR respondent. Further, the Commission estimates that there will be a total ongoing annual burden of approximately 924 burden hours for the registered SDRs to generate and issue the daily reports, and to enter into their systems the UICs supplied by participants in response to the daily reports, which corresponds to 308 burden hours per SDR respondent. The aggregate annual burden is thus approximately 1,036 hours per year (112 + 924). The Commission believes that each participant will receive one missing information report each day and that each SDR will be required to send approximately 5,500,000 reports annually, for a total of 16,500,000 annual reports by all SDRs.⁸⁷ The Commission estimates that each daily report will result in a burden of 0.00006278 hours.⁸⁸ This collection is a third-party disclosure type of collection.

In summary, the Commission estimates that there will be 3 respondents, making approximately 5,500,000 responses per year, for a total of approximately 16,500,000 total responses per year, with each response requiring approximately 0.00006278 burden hours, for a total annual burden of (16,500,000 x 0.00006278 = 1,036) 1,036 hours.

v. Rule 906(c) – Registered Clearing Agencies and Platforms (Collection #19)

The amendments to Rule 906(c) require each registered clearing agency or platform to adopt written policies and procedures. The Commission estimates that the one-time, initial burden for each registered clearing agency or platform to adopt written policies and procedures will be similar to the Rule 906(c) burdens for other covered participants.⁸⁹ The Commission estimates that Rule 906(c) will impose an initial burden of approximately 216 hours on each of the 13 registered clearing agencies and platforms for a total initial one time burden of approximately 2,808 hours on all participants.⁹⁰ This equates to 936 hours per year when

⁸⁶ As discussed, the Commission is revising its estimated number of SDR respondents from 10 to 3.

⁸⁷ The Commission estimates: [(1 missing information report per participant) x (365 days/year) x (15,082 participants)] = approximately 5,500,000 reports per year per SDR for a total of 16,500,000 total reports.

⁸⁸ This figure is based on the following: [((112 hours/3 years) + (308 hours)) / (5,500,000 responses per year per SDR)] = 0.00006278 hours. The Commission stated its belief that the process of sending out daily reports will be automated.

⁸⁹ See Regulation SBSR Amendments Adopting Release.

⁹⁰ See id. These figures are based on the following: [(Sr. Programmer at 40 hours) + (Compliance Manager at 40 hours) + (Compliance Attorney at 40 hours) + (Compliance

annualized over three years. In addition, the Commission estimates that the ongoing burden of maintaining such policies and procedures, including a full review at least annually (equaling one response per year), will be approximately 120 burden hours for each covered participant for a total ongoing burden of approximately 1,560 hours per year for all participants.⁹¹ The aggregate burden is thus approximately 2,496 hours per year ($936 + 1,560$), or 192 hours per respondent. This collection is a recordkeeping type of collection.

In summary, the Commission estimates that there will be 13 respondents, making one response per year, for a total of 13 total responses per year, with each response requiring approximately 192 burden hours, for a total annual burden of (13 x 192 = 2,496) 2,496 hours.

g. Rule 907 – SDRs (Collection #12)

Rule 907 requires each registered SDR to establish and maintain policies and procedures addressing various aspects of Regulation SBSR compliance. Rule 907(a) generally requires a registered SDR to establish and maintain written policies and procedures that detail how it will receive and publicly disseminate security-based-swap transaction information. Rule 907(a)(4), for example, requires policies and procedures for assigning condition flags to the appropriate transaction reports. Rule 907(c) requires a registered SDR to make its policies and procedures available on its website. Rule 907(d) requires a registered SDR to review, and update as necessary, the policies and procedures that it is required to have by Regulation SBSR at least annually. Rule 907(e) requires a registered SDR to have the capacity to provide to the Commission, upon request, information or reports related to the timeliness, accuracy, and completeness of data reported to it pursuant to Regulation SBSR and the registered SDR's policies and procedures established thereunder.

As discussed, the Commission previously estimated that 10 entities will register as SDRs and thus be subject to this burden and has now revised that to 3 entities. Although the Commission is revising its estimates to account for a revised number of SDR respondents, it is maintaining the per-SDR burden from its prior submission. The Commission estimates that the

Clerk at 40 hours) + (Sr. Systems Analyst at 32 hours) + (Director of Compliance at 24 hours)] = 216 burden hours per registered clearing agency or platform. This figure is based on the estimated number of hours to develop a set of written policies and procedures, program systems, implement internal controls and oversight, train relevant employees, and perform necessary testing. $216 \times 13 = 2,808$. The Commission previously estimated 14 respondent but based on new data is revising its estimate to 13.

⁹¹ See id. These figures are based on the following: [(Sr. Programmer at 8 hours) + (Compliance Manager at 24 hours) + (Compliance Attorney at 24 hours) + (Compliance Clerk at 24 hours) + (Sr. Systems Analyst at 16 hours) + (Director of Compliance at 24 hours)] = 120 burden hours per registered clearing agency or platform. This figure includes an estimate of hours related to reviewing existing policies and procedures, making necessary updates, conducting ongoing training, maintaining internal controls systems, and performing necessary testing. $120 \text{ hours} \times 13 = 1,560$.

one-time, initial burden for a registered SDR to adopt written policies and procedures as required under Rule 907 will be approximately 16,500 hours for a total of approximately 49,500 hours for all registered SDRs. This equates to approximately 16,500 per year (approximately 5,500 per registered SDR) when annualized over three years. In addition, the Commission estimates the annual ongoing burden of maintaining such policies and procedures, including a full review at least annually, making available its policies and procedures on the registered SDR's website, and information or reports on non-compliance, as required under Rule 907(e), will be approximately 33,000 hours for each registered SDR for a total of approximately 99,000 for all SDRs (33,000 x 3). The Commission therefore estimates that the aggregate burden is approximately 115,500 hours per year (16,500 hours + 99,000 hours).

The Commission estimates one response per respondent per year, which, including the one-time burden equally allocated over three years, results in a burden of 38,500 hours per response.⁹² This collection is a recordkeeping type of collection.

In summary, the Commission estimates that there will be 3 respondents, making one response per year, for a total of 3 total responses per year, with each response requiring approximately 38,500 burden hours, for a total annual burden of (3 x 38,500 = 115,500) 115,500 hours.

h. Rule 908-Requesting Entities (Collection #15)

Rule 908(c) sets forth the requirements surrounding requests for “substituted compliance,” under which regulatory duties attaching to cross-border security-based-swap transactions—in this case, regulatory reporting and public dissemination—could be satisfied by complying with the rules of a foreign jurisdiction rather than the parallel rules applicable in the United States. Rule 908(c)(2)(ii) applies to any person that requests a substituted compliance determination with respect to a particular foreign jurisdiction for regulatory reporting and public dissemination of security-based swaps. In connection with each request, the requesting party must provide the Commission with any supporting documentation that the entity believes is necessary for the Commission to make a determination, including information demonstrating that the requirements applied in the foreign jurisdiction are comparable to the Commission’s and describing the methods used by relevant foreign financial regulatory authorities to monitor compliance with those requirements.

The Commission estimated that the total paperwork burden associated with anticipated requests for substituted compliance determinations with respect to regulatory reporting and public dissemination will be approximately 1,040 hours.⁹³ This estimate includes all collection burdens associated with the request, including burdens associated with analyzing whether the regulatory requirements of the foreign jurisdiction impose a comparable system for the

⁹² This figure is based on the following: $[((16,500 \text{ hours}/3 \text{ years}) + (33,000 \text{ hours})) / (1 \text{ response per year})] = 38,500 \text{ hours.}$

⁹³ The Commission estimates that the paperwork burden associated with making a substituted compliance request pursuant to Rule 908(c)(2)(ii) of Regulation SBSR will be approximately 80 hours of in-house counsel time.

regulatory reporting and public dissemination of security-based swaps. Furthermore, this estimate assumes that each request will be prepared de novo, without any benefit of prior work on related subjects. The Commission notes, however, that as such requests are developed with respect to certain jurisdictions, the cost of preparing such requests with respect to other foreign jurisdictions could decrease.

Because only a small number of jurisdictions have substantial OTC derivatives markets and are implementing OTC derivatives reforms, the Commission estimates that it will receive approximately 9 requests in the first year for substituted compliance determinations with respect to regulatory reporting and public dissemination pursuant to Rule 908(c)(2)(ii) of Regulation SBSR. Assuming 9 requests in the first year, the Commission estimates an aggregated burden for the first year will be 720 hours.⁹⁴ The Commission estimates that it will receive 2 requests for substituted compliance determinations pursuant to Rule 908(c)(2)(ii) in each subsequent year. Assuming the same approximate time, the aggregate burden for each year following the first year will be up to 160 hours of the requester's time.⁹⁵ Because the Commission anticipates that entities will request substituted compliance beyond the initial implementation of Regulation SBSR, the Commission believes that it is appropriate to characterize these burdens as annual recurring burdens. However, the Commission also believes that these burdens will largely occur in the first year of implementation. As a result, the Commission believes that the average annual burden of Rule 908(c) will be approximately 347 hours.⁹⁶

In summary, the Commission estimates that there will be 13 respondents, each making one response per year, for a total of 13 total responses per year, with each response requiring 26.67 burden hours, for a total annual burden of approximately (13 x 26.67 = 346.71 hours rounded to 347) 347 hours.

This collection is a reporting type of collection.

i. Rule 909 – Registration of SDRs as Securities Information Processors

Rule 909 requires a registered SDR to also register with the Commission as a SIP on Form SDR. As a result of the consolidation of SDR and SIP registration on a single form, the Commission continues to believe that Rule 909 does not constitute a separate “collection of

⁹⁴ The Commission estimates that the paperwork burden associated with making 10 substituted compliance requests pursuant to Rule 908(c)(2)(ii) of Regulation SBSR will be up to approximately 800 hours (80 hours of in-house counsel time) x (9 respondents).

⁹⁵ The Commission estimates that the paperwork burden associated with making substituted compliance requests pursuant to Rule 908(c)(2)(ii) of Regulation SBSR will be up to approximately 160 hours (80 hours of in-house counsel time) x (2 respondents).

⁹⁶ The Commission estimates that the average annual paperwork burden associated with making 13 substituted compliance requests, during the first three years following implementation, will be approximately 347 hours ((80 hours of in-house counsel time) x (13 respondents) / 3 years).

information” within the meaning of the PRA.⁹⁷ Any burdens and costs pertaining to the completion of Form SDR have been considered in connection with the Regulation SDR Adopting Release.

13. Estimate of Total Annual Cost Burden

The total annual dollar cost for Regulation SBSR for all respondents is approximately \$47,728,783, calculated as described below.

All dollar costs in this section 13 are based on Commission estimates from 2019, which the Commission believes still represent a reasonable estimate of the dollar cost. Therefore, the only modification to those costs is an upward uniform adjustment of 15% to account for inflation from 2019 to 2022.⁹⁸ All estimates concerning the number of respondents are identical to the estimates for the corresponding rule discussed in section 12 of this supporting statement. The details of the cost burden is summarized in this table and discussed in detail in the narratives below.

Summary of Dollar Cost Burdens					
Title of Collection⁹⁹, ¹⁰⁰	Number of Respondents (A)	Responses per Year for Each Respondent (B)	Total Number of Responses per Year (C) (C)=(A)x(B)	Dollar Cost per Response (D)	Total Annual Dollar Cost for the Collection (C)x(D)
Rule 901-Reporting Sides (#1)	134	1	134	\$231,150	\$30,974,100
Rule 902-SDRs (#3)	3	1	3	\$2,146,666.67	\$6,440,000

⁹⁷ See SDR Adopting Release, 80 FR at 14458–64.

⁹⁸ The Commission utilized the inflation calculator constructed by the U.S. Bureau of Labor Statistics, accessible at https://www.bls.gov/data/inflation_calculator.htm. The amount of inflation from July 2019 to July 2022 per the calculator was approximately 15%.

⁹⁹ The narratives below are not organized in the same order as the title of collection column in this table. For ease of cross referencing, each collection title was assigned a number, e.g., “Rule 901-Reporting Sides” is collection “#1.”

¹⁰⁰ Collections with zero dollar cost burdens are not listed in this table.

Summary of Dollar Cost Burdens					
Title of Collection^{99, 100}	Number of Respondents (A)	Responses per Year for Each Respondent (B)	Total Number of Responses per Year (C) (C)=(A)x(B)	Dollar Cost per Response (D)	Total Annual Dollar Cost for the Collection (C)x(D)
Rule 903(a)-Participants without LEIs (#13)	2,573	1	2,573	\$112.32	\$288,999
Rule 903(a)-Participants with LEIs (#14)	12,509	1	12,509	\$104.65	\$1,309,067
Rule 908(c)-Requesting Entities (#15)	13	1	13	\$30,666.67	\$398,667
Rule 901-Platforms (#16)	10	1	10	\$231,150	\$2,311,500
Rule 901-Clearing Agencies (#18)	3	1	3	\$461,150	\$1,383,450
Rule 901-Reporting Sides-New Respondents (#20)	20	1	20	\$231,150	\$4,623,000
Total Annual Dollar Cost for All Respondents for All Collections				\$47,728,783	

a. Rule 901 – Reporting Obligations

i. Reporting Sides (Collection #1)

The Commission estimates that reporting sides may incur annual costs to capture and maintain relevant security-based-swap transaction information to comply with the reporting requirements of Rule 901. The Commission estimates that 134 entities will be subject to this cost burden. Reporting sides will need to establish and maintain connectivity to a registered SDR to facilitate the reporting required by Rule 901. The Commission estimates that the annual cost to establish connectivity to a registered SDR will be a dollar cost burden of approximately \$30,820,000, which corresponds to a dollar cost burden of \$230,000 for each reporting side (i.e., respondent).¹⁰¹ In addition, the Commission estimates that the aggregate annual dollar cost burden to save relevant security-based-swap information and documents will be \$154,100, which will correspond to \$1,150 for each reporting side.¹⁰² Further, the Commission estimates that, in total, the dollar cost burden for reporting sides to comply with the reporting obligations of Rule 901 will be \$30,974,100 annually, or \$231,150 per reporting side per year.

We estimate 1 response per respondent per year, resulting in a dollar cost burden of \$231,150 per response multiplied by 134 respondents for a total annual dollar cost burden of \$30,974,100.

This collection is a third-party disclosure type of collection.

ii. Rule 901-Reporting Sides –New Respondents (Collection #20)

The Commission estimates that new respondents may incur annual costs to capture and maintain relevant security-based-swap transaction information to comply with the reporting requirements of Rule 901. The Commission believes that 20 entities will be subject to this cost burden. These new respondents will need to establish and maintain connectivity to a registered SDR to facilitate the reporting required by Rule 901. The Commission estimates that the annual cost to establish connectivity to a registered SDR will be a dollar cost burden of approximately

¹⁰¹ This estimate is based on discussions of Commission staff with various market participants, as well as the Commission’s experience regarding connectivity between securities market participants for data reporting purposes. The Commission derived the total estimated dollar cost burden from the following: [(\$115,000 hardware- and software-related expenses, including necessary back-up and redundancy, per SDR connection) x (2 SDR connections per reporting side) x (134 reporting sides)] = \$30,820,000.

¹⁰² This estimate is based on discussions of Commission staff with various market participants and is calculated as follows: [(\$287.50/gigabyte of storage capacity) x (4 gigabytes of storage) x (134 reporting sides)] = \$154,100. The Commission stated its belief that storage costs associated with saving relevant security-based swap information and documents will not vary significantly between the first year and subsequent years.

\$4,600,000, which corresponds to a dollar cost burden of \$230,000 for each new respondent.¹⁰³ In addition, the Commission estimates that the aggregate annual dollar cost burden to save relevant security-based-swap information and documents will be \$23,000, which corresponds to \$1,150 for each new reporting side.¹⁰⁴ Further, the Commission estimates that, in total, the dollar cost burden for these new reporting sides to comply with the reporting obligations of Rule 901 will be \$4,623,000 annually, or \$231,150 per new reporting side per year.

We estimate 1 response per respondent per year, resulting in a dollar cost burden of \$231,150 per response multiplied by 20 respondents for a total annual dollar cost burden of \$4,623,000.

This collection is a third-party disclosure type of collection.

iii. Rule 901-Platforms (Collection #16)

The Commission estimates that platforms may incur annual costs to capture and maintain relevant security-based-swap transaction information to comply with the reporting requirements of Rule 901 similar to reporting sides. The Commission estimates that 10 platforms will be subject to this cost burden. These platforms will need to establish and maintain connectivity to a registered SDR to facilitate the reporting required by Rule 901. The Commission estimates that the annual cost to establish connectivity to a registered SDR will be a dollar cost burden of approximately \$2,300,000, which corresponds to a dollar cost burden of \$230,000 for each new respondent.¹⁰⁵ In addition, the Commission estimates that the aggregate annual dollar cost burden to save relevant security-based-swap information and documents will be \$11,500, which

¹⁰³ This estimate is based on discussions of Commission staff with various market participants, as well as the Commission's experience regarding connectivity between securities market participants for data reporting purposes. The Commission derived the total estimated dollar cost burden from the following: [(\$115,000 hardware- and software-related expenses, including necessary back-up and redundancy, per SDR connection) x (2 SDR connections per reporting side) x (20 new reporting sides)] = \$4,600,000.

¹⁰⁴ This estimate is based on discussions of Commission staff with various market participants and is calculated as follows: [(\$287.50/gigabyte of storage capacity) x (4 gigabytes of storage) x (20 new reporting sides)] = \$23,000. The Commission stated its belief that storage costs associated with saving relevant security-based swap information and documents will not vary significantly between the first year and subsequent years.

¹⁰⁵ This estimate is based on discussions of Commission staff with various market participants, as well as the Commission's experience regarding connectivity between securities market participants for data reporting purposes. The Commission derived the total estimated dollar cost burden from the following: [(\$115,000 hardware- and software-related expenses, including necessary back-up and redundancy, per SDR connection) x (2 SDR connections per platform) x (10 platforms)] = \$2,300,000.

corresponds to \$1,150 for each platform.¹⁰⁶ Further, the Commission estimates that, in total, the dollar cost burden for these new reporting sides to comply with the reporting obligations of Rule 901 will be \$2,311,500 annually, or \$231,150 per platform per year.

We estimate 1 response per each of the 10 respondents per year, resulting in a dollar cost burden of \$231,150 per response for a total annual dollar cost burden of \$2,311,500 (10 respondents x 1 response per year x \$231,150 per response). This collection is a third-party disclosure type of collection.

iv. Rule 901-Clearing Agencies (Collection #18)

The Commission estimates that clearing agencies may incur annual costs to capture and maintain relevant security-based-swap transaction information to comply with the reporting requirements of Rule 901 similar to reporting sides. The Commission estimates that 3 clearing agencies will be subject to this cost burden. These clearing agencies will need to establish and maintain connectivity to a registered SDR to facilitate the reporting required by Rule 901. The Commission estimates that the annual cost to establish connectivity to a registered SDR will be a dollar cost burden of approximately \$1,380,000, which corresponds to a dollar cost burden of \$460,000 for each new respondent.¹⁰⁷ In addition, the Commission estimates that the aggregate annual dollar cost burden to save relevant security-based-swap information and documents will be \$3,450, which corresponds to \$1,150 for each clearing agency.¹⁰⁸

Further, the Commission estimates that, in total, the dollar cost burden for these clearing agencies to comply with the reporting obligations of Rule 901 will be \$1,383,450 annually, or \$461,150 per each of the 3 respondents (i.e., clearing agencies) per year. We estimate 1 response

¹⁰⁶ This estimate is based on discussions of Commission staff with various market participants and is calculated as follows: $[(\$287.50/\text{gigabyte of storage capacity}) \times (4 \text{ gigabytes of storage}) \times (10 \text{ platforms})] = \$11,500$. The Commission previously stated its belief that storage costs associated with saving relevant security-based swap information and documents will not vary significantly between the first year and subsequent years.

¹⁰⁷ This estimate is based on discussions of Commission staff with various market participants, as well as the Commission's experience regarding connectivity between securities market participants for data-reporting purposes. The Commission derived the total estimated dollar cost burden from the following: $[(\$115,000 \text{ hardware- and software-related expenses, including necessary back-up and redundancy, per SDR connection}) \times (4 \text{ SDR connections per registered clearing agency}) \times (3 \text{ registered clearing agencies platforms})] = \$1,380,000$.

¹⁰⁸ This estimate is based on discussions of Commission staff with various market participants and is calculated as follows: $[(\$287.50/\text{gigabyte of storage capacity}) \times (4 \text{ gigabytes of storage}) \times (3 \text{ registered clearing agencies})] = \$3,450$. The Commission stated its belief that storage costs associated with saving relevant security-based swap information and documents will not vary significantly between the first year and subsequent years.

per respondent per year, resulting in a dollar cost burden of \$461,150 per response. This collection is a third-party disclosure type of collection.

b. Rule 902-SDRs (Collection #3) – Public Dissemination of Transaction Reports

The Commission believes that a registered SDR will be able to integrate the capability to publicly disseminate security-based-swap transaction reports required under Rule 902 as part of its overall system development for transaction data. Based on discussions with industry participants, the Commission estimates that, to implement and comply with the public dissemination requirement of Rule 902, each registered SDR will incur a dollar cost burden equal to an additional 20% of the first-year and ongoing burdens of \$10,000,000 discussed in the SDR Registration Proposing Release.¹⁰⁹ Therefore, 20% of \$10,000,000, adjusted upward for 15% inflation as noted above is \$2,300,000 ($10,000 \times .2 \times 1.15$). Therefore, the Commission estimates that each registered SDR will incur \$2,300,000 in initial one-time information technology costs. The Commission estimates that the total one-time initial cost for all SDR respondents to comply with Rule 902 will be \$6,900,000 (which equates to \$2,300,000 per year when annualized over three years) or \$2,300,000 per registered SDR (which equates to \$766,666.67 per entity per year when annualized over three years). The Commission further estimated that each registered SDR will incur \$6,000,000 in ongoing information technology costs. The Commission believes that the total ongoing annual cost to comply with Rule 902 will be approximately \$4,140,000, or \$1,380,000 per registered SDR per year.¹¹⁰ \$766,666.67 plus \$1,380,000 equals \$2,146.666.67 per response. Thus, the aggregate annual cost for all respondents is \$2,146,666.67 multiplied by 3 respondents (i.e., SDRs) multiplied by 1 response per respondent each year for a total of approximately \$6,440,000 per year (\$6,440,000.01 rounded to \$6,440.000). This collection is a third-party disclosure type of collection.

c. Rules 903(a) and (b) – Participants with and without LEIs (Collections #13 and #14)

As is discussed above, the Commission estimates that, for purposes of the PRA, there may be as many as 2,573 participant respondents that will be required to obtain a GLEIS LEI as a result of Rule 903(a) and the Commission’s recognition of the GLEIS—which issues legal entity identifiers—as an internationally recognized standards-setting body that meets the standards of Rule 903. In addition to the hourly burden associated with obtaining and renewing the LEI, the Commission estimates that the cost of registering a new LEI with a local operation

¹⁰⁹ See SDR Registration Proposing Release, 75 FR 77348-50. See also SDR Adopting Release, 80 FR at 14523–24. This estimate was based on discussions with industry members and market participants, including entities that may register as SDRs under Title VII, and includes time necessary to design and program a registered SDR’s system to calculate and disseminate initial and subsequent trade reports.

¹¹⁰ The Commission derived the total estimated ongoing dollar cost burden from the following: [(\$6,900,000 in information technology costs) x (0.2) x (3 registered SDRs)] = \$4,140,000.

unit of the GLEIS is approximately \$127.65, with an additional cost of \$104.65 per year (after the first year) for maintaining an LEI.¹¹¹ As a result, the Commission estimates that the three-year cost of obtaining and maintaining an LEI will be \$336.95 per participant, or \$112.32 per year, for a total cost of approximately \$288,999 (\$288,999.36 rounded to \$288,999) for all participants who do not already have GLEIS LEIs.¹¹² The Commission notes, however, that for those 12,509 participants that have already obtained an LEI, the annual maintenance cost will be \$104.65 per participant for a total cost of approximately \$1,309,067 per year (\$1,309,066.85 per year rounded up to \$1,309,067). These collections are third-party disclosure type of collections.

In summary, the Commission estimates that there will be 12,509 respondents that currently have an LEI and will have an annual maintenance cost of \$104.54 per respondent for a total cost of approximately \$1,309,067 per year. The Commission also estimates that there will be 2,573 respondents that currently do not have an LEI and will have an average annual cost of \$112.32 (which includes both the initial cost of obtaining an LEI and the annual maintenance cost for two years averaged over three years) resulting in a total cost of \$288,999 for all respondents that currently do not have an LEI.

d. Substituted Compliance – Rule 908 (Collection #15)

The Commission estimates that the total paperwork burden associated with submitting all anticipated requests for substituted compliance determinations with respect to regulatory reporting and public dissemination will be approximately \$1,120,000 for 13 requests.¹¹³

Because only a small number of jurisdictions have substantial OTC derivatives markets and are implementing OTC derivatives reforms, the Commission estimates that it will receive approximately 9 requests in the first year for substituted compliance determinations with respect to regulatory reporting and public dissemination pursuant to Rule 908(c)(2)(ii) of Regulation SBSR. Assuming 9 requests in the first year, the Commission staff estimates an aggregated

¹¹¹ See “GMEI Utility: Frequently Asked Questions” (available at <https://www.gmeiutility.org/frequentlyAskedQuestions.jsp>), detailing registration and maintenance costs for LEIs issued by GMEI, an endorsed pre-LOU of the interim GLEIS, last visited July 18, 2019.)

¹¹² The Commission derived this estimate as follows: [\$127.65/initial registration cost per participant + (\$104.65/annual maintenance cost per participant x 2 (accounting for years 2 and 3)) = \$336.95 (three year cost per participant) / 3 or \$112.32/year/participant]. The resulting total cost for all 2,573 participants will be approximately \$288,999.36 (\$112.32 x 2,573 participants who do not already have GLEIS LEIs).

¹¹³ The Commission estimates that the paperwork burden associated with making a substituted compliance request pursuant to Rule 908(c)(2)(ii) of Regulation SBSR will be approximately \$92,000 for the services of outside professionals (based on (200 hours of outside counsel time) x (\$460/hour)).

burden for the first year will be \$828,000 for the services of outside professionals.¹¹⁴ The Commission estimates that it will receive 2 requests for substituted compliance determinations pursuant to Rule 908(c)(2)(ii) in each subsequent year. Assuming the same approximate time and costs, the aggregate burden for each year following the first year will be \$184,000 for the services of outside professionals.¹¹⁵ Because the Commission anticipates that entities will request substituted compliance beyond the initial implementation of Regulation SBSR, the Commission believes that it is appropriate to characterize these burdens as annual recurring burdens.

However, the Commission also believes that these burdens will largely occur in the first year of implementation, and lists them as such on the table at the end of this supporting statement. As a result, the Commission believes that the average annual dollar cost of Rule 908(c) will be approximately \$398,667 (\$398,666.67 rounded to \$398,667).¹¹⁶

14. Estimate of Cost to the Federal Government

Not applicable. Any maintenance, review, and analysis of security-based-swap transaction data will be done by exiting Commission staff as part of their regular duties.

15. Explanation of Changes in Burden

As discussed in more detail in Section 12 and summarized in the table below, based on data from the past three years and the Commission's experience with Regulation SBSR, the Commission adjusted its estimates in regards to the number of respondents for certain provisions of SBSR. Specifically, the Commission adjusted the number of SDRs, clearing agencies, participants (with and without LEIs), reporting sides, security-based swap dealers and major security-based swap participants, participants, and requesting entities. The Commission also made adjustments to the ongoing burden per response for Rules 901, 905, and 906(a). These adjustments have in the aggregate resulted in an increase in the total annual hour burden from 2,066,411 hours to 3,539,483 hours. Although the total initial hour burden decreased mainly due to a decrease in the estimated number of reporting sides from 300 to 134, the overall burden increased mainly because the estimated number of participants increased from 4,800 to 15,082.

¹¹⁴ The Commission estimates that the paperwork burden associated with making a substituted compliance request pursuant to Rule 908(c)(2)(ii) of Regulation SBSR will be \$828,000 for the services of outside professionals (based on (200 hours of outside counsel time) x (\$460) x (9 respondents)).

¹¹⁵ The Commission staff estimated that the paperwork burden associated with making a substituted compliance request pursuant to Rule 908(c)(2)(ii) of Regulation SBSR will be \$184,000 for the services of outside professionals (based on (200 hours of outside counsel time) x (\$460) x (2 respondents)).

¹¹⁶ The Commission estimates that the average annual dollar cost associated with making 13 substituted compliance requests, during the first three years following implementation, will be approximately \$373,334 ((\\$92,000 for services of outside professionals) x (13 respondents) / 3 years = \$398,666.67)).

Summary of Changes in Burden Hours				
Name of Information Collection	Annual Industry Burden	Annual Industry Burden Previously Approved	Change in Burden	Reason for Change
Rule 901-Reporting Sides (#1)	125,960	282,000	(156,040)	Respondents decreased from 300 to 134
Rule 901-SDRs (#2)	576	1,920	(1,344)	Respondents decreased from 10 to 3
Rule 902-SDRs (#3)	23,520	78,400	(54,880)	Respondents decreased from 10 to 3
Rule 904-SDRs (#4)	108	360	(252)	Respondents decreased from 10 to 3
Rule 905-Reporting Sides (#5)	5,382	12,050	(6,668)	Respondents decreased from 300 to 134
Rule 905-Participants (#6)	2,752,465	998,640	1,753,825	Respondents increased from 4,800 to 15,082
Rule 905-SDR (#7)	5,110	17,033	(11,923)	Respondents decreased from 10 to 3
Rule 906-SDR (#8)	1,036	3,453	(2,417)	Respondents decreased from 10 to 3
Rule 906(a)-Participants (#9)	423,803	222,504	201,299	Respondents increased from 4,800 to 15,082
Rule 906(b)-Participants (#10)	18,098	5,760	12,338	Respondents increased from 2,880 to 9,049

Summary of Changes in Burden Hours				
Name of Information Collection	Annual Industry Burden	Annual Industry Burden Previously Approved	Change in Burden	Reason for Change
Rule 906(c)-Security-Based Swap Dealers and Major Security-Based Swap Participants (#11)	9,216	10,560	(1,344)	Respondents decreased from 55 to 48
Rule 907-SDR (#12)	115,500	385,000	(269,500)	Respondents decreased from 10 to 3
Rule 903(a)-Participants without LEIs (#13)	2,573	1,300	1,273	Respondents increased from 1,300 to 2,573
Rule 903(a)-Participants with LEIs (#14)	12,509	3,500	9,009	Respondents increased from 3,500 to 12,509
Rule 908(c)-Requesting Entities (#15)	347	374	(27)	Respondents decreased from 14 to 13
Rule 901-Platforms (#16)	9,670	9,670	N/C	
Rule 905-Platforms (#17)	419	419	N/C	
Rule 901-Clearing Agencies (#18)	5,969	7,959	(1,990)	Respondents decreased from 4 to 3

Summary of Changes in Burden Hours				
Name of Information Collection	Annual Industry Burden	Annual Industry Burden Previously Approved	Change in Burden	Reason for Change
Rule 906(c)- Registered Clearing Agencies and Platforms (#19)	2,496	2,688	(192)	Respondents decreased from 14 to 13
Rule 901- Reporting Sides- New Respondents (#20)	19,793	17,807	1,986	Per respondent reporting burden increased
Rule 905- Reporting Sides- New Respondents (#21)	759	759	N/C	
Rule 906(c)- Registered Broker-Dealer Participants (#22)	3,840	3,840	N/C	
Rule 905- Clearing Agencies (#23)	334	445	(111)	Respondents decreased from 4 to 3
TOTAL CHANGE			1,473,042	

As discussed in more detail in Section 13 and summarized in the table below, the Commission uniformly revised its cost estimates upward by 15% to account for inflation from 2019 to 2022. However, as mentioned in the preceding paragraph, the estimated number of respondents—especially reporting sides—has decreased. The combination of the upward cost revision to reflect inflation and the reduction in the number of respondents has in the aggregate resulted in a decrease in the total annual cost burden from \$87,419,472 to \$47,728,783. The total

costs decreased despite the upward adjustment for inflation due to the magnitude of the reduction in the estimated number of respondents.

Summary of Changes in Dollar Cost Burden				
Name of Information Collection	Annual Industry Burden in Dollars	Annual Industry Burden Previously Approved in Dollars	Change in Burden in Dollars	Reason for Change
Rule 901-Reporting Sides (#1)	\$30,974,100	\$60,300,000	(\$29,325,900)	Inflation of 15% countered by respondents decreasing from 300 to 134
Rule 902-SDRs (#3)	\$6,440,000	\$18,666,667	(\$12,226,667)	Inflation of 15% countered by respondents decreasing from 10 to 3
Rule 903(a)-Participants without LEIs (#13)	\$288,999	\$126,971	\$162,028	Inflation of 15% in addition to respondents increasing from 1,300 to 2,573
Rule 903(a)-Participants with LEIs (#14)	\$1,309,067	\$318,500	\$990,567	Inflation of 15% in addition to respondents increasing from 3,500 to 12,509
Rule 908(c)-Requesting Entities (#15)	\$398,667	\$373,334	\$25,333	Respondents decreased from 14 to 13 countered by inflation of 15%
Rule 901-Platforms (#16)	\$2,311,500	\$2,010,000	\$301,500	Inflation of 15%
Rule 901-Clearing Agencies (#18)	\$1,383,450	\$1,604,000	(\$220,550)	Inflation of 15% countered by respondents decreasing from 4 to 3
Rule 901-Reporting Sides-New Respondents (#20)	\$4,623,000	\$4,020,000	\$603,000	Inflation of 15%

Summary of Changes in Dollar Cost Burden				
Name of Information Collection	Annual Industry Burden in Dollars	Annual Industry Burden Previously Approved in Dollars	Change in Burden in Dollars	Reason for Change
TOTAL CHANGE			(\$39,690,689)	

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to Omit OMB Expiration Date

The Commission is not seeking approval to omit the expiration date.

18. Exceptions to Certification Statement

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not involve statistical methods.