

**SUPPORTING STATEMENT
for the Paperwork Reduction Act Information Collection Submission for**

**Exchange Act Rule 15Ba2-1 and Form MSD -
Application for Registration of Municipal Securities Dealers Which Are Banks or
Separately Identifiable Departments or Divisions of Banks
OMB Control No. 3235-0083**

**Exchange Act Rule 15Bc3-1 and Form MSDW -
Withdrawal from Registration of Municipal Securities Dealers
OMB Control No. 3235-0087**

**Exchange Act Rule 15Ba2-5 -
Registration of Fiduciaries
OMB Control No. 3235-0088**

**Exchange Act Rule 15Ba2-4 -
Registration of Successor to Registered Municipal Securities Dealer
OMB Control No. 3235-0089¹**

This submission is being made pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. Section 3501 et seq. (“PRA”).

A. JUSTIFICATION

1. Necessity of Information Collection

The Securities Exchange Act of 1934 (“Exchange Act”) regulates the nation’s securities markets and the securities professionals who participate in those markets. The Securities Acts Amendments of 1975 (the “1975 Amendments”) amended the Exchange Act to establish a framework for the regulation of the activities of municipal securities brokers and dealers.²

Under Section 15B(a) of the Exchange Act, as added by the 1975 Amendments, municipal securities dealers which are banks,³ or separately identifiable departments or divisions of banks⁴

¹ This Supporting Statement covers mandatory information collections under the four OMB control numbers enumerated above. Because each information collection relates to the registration of municipal securities dealers, the Commission believes that it would promote efficiency to consolidate these information collections into a single control number—revised OMB Control No. 3235-0083—and discontinue the other three control numbers upon Office of Management and Budget (“OMB”) approval. As part of this process, the Commission is submitting the existing information collections (OMB Control Nos. 3235-0083, 3235-0087, and 3235-0088) to OMB for revision, extension, and approval, and seeking OMB approval to temporarily reinstate, with change, inactive OMB Control No. 3235-0089 prior to its discontinuation. The Commission is also requesting approval to designate revised OMB Control No. 3235-0083 as a “common form” for purposes of PRA submissions because the Board of Governors of the Federal Reserve System (“Federal Reserve Board”), the Federal Deposit Insurance Corporation (“FDIC”), and the Office of the Comptroller of the Currency (“OCC”) each use Form MSD and Form MSDW in addition to the Commission (see the General Instructions of Form MSD at Item K, and the General Instructions of Form MSDW at Item 2).

² See Pub. L. No. 94-29, 89 Stat. 97, available at <https://www.govinfo.gov/content/pkg/STATUTE-89/pdf/STATUTE-89-Pg97.pdf>.

³ See Section 3(a)(30) of the Exchange Act [15 U.S.C. 78c(a)(30)] (defining the term “municipal securities dealer”); Section 3(a)(6) of the Exchange Act [15 U.S.C. 78c(a)(6)] (defining the term “bank”).

⁴ See Municipal Securities Rulemaking Board (“MSRB”) Rule G-1, available at <https://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/General/Rule-G-1> (defining the term “separately identifiable department or division of a bank” and

(collectively, “bank municipal securities dealers”) are required to be registered with the Commission in accordance with such rules as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.⁵

Under Section 15B(c) of the Exchange Act, as added by the 1975 Amendments, any registered municipal securities dealer may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission.⁶

Adoption of Form MSD

In October 1975, the Commission adopted⁷ Exchange Act Rule 15Ba2-1 (“Rule 15Ba2-1”)⁸ and Form MSD.⁹ Rule 15Ba2-1 implements Section 15B(a)(1) and (2) of the Exchange Act by providing that an application for registration by a bank municipal securities dealer must be filed on Form MSD. Rule 15Ba2-1 further provides that if the information contained in any application for registration on Form MSD, or in any amendment to such application, is or becomes inaccurate for any reason, the applicant must promptly file an amendment on Form MSD correcting such information.

Adoption of Form MSDW

In July 1976, the Commission adopted¹⁰ Exchange Act Rule 15Bc3-1 (“Rule 15Bc3-1”)¹¹ and Form MSDW.¹² Rule 15Bc3-1 implements Section 15B(c)(3) of the Exchange Act by providing that bank municipal securities dealers that wish to withdraw from registration must file a notice of withdrawal from registration on Form MSDW.¹³ Rule 15Bc3-1 further provides that, prior to filing a notice of withdrawal from registration on Form MSDW, a bank municipal securities dealer must amend Form MSD in accordance with Rule 15Ba2-1(b) to update any inaccurate information.

setting forth activities of the bank which constitute municipal securities dealer activities); see also Section 15B(b)(2)(H) of the Exchange Act [15 U.S.C. 78o-4(b)(2)(H)] (requiring MSRB Rules to define the term “separately identifiable department or division,” as that term is used in Section 3(a)(30) of the Exchange Act).

⁵ See 15 U.S.C. 78o-4(a).

⁶ See 15 U.S.C. 78o-4(c).

⁷ See Registration of Municipal Securities Brokers and Dealers, Exchange Act Release No. 11742 (Oct. 15, 1975), 40 FR 49772 (Oct. 24, 1975) and 40 FR 54425 (Nov. 24, 1975) (correction), available at <https://www.sec.gov/files/rules/final/1977/34-11742.pdf>.

⁸ 17 CFR 240.15Ba2-1.

⁹ 17 CFR 249.1100. Form MSD and the General Instructions of Form MSD are available at <https://www.sec.gov/about/forms/formmsd.pdf>.

¹⁰ See Municipal Securities Dealer Registration and Withdrawal, Exchange Act Release No. 12602 (July 7, 1976), 41 FR 28947 (July 14, 1976), available at https://archives.federalregister.gov/issue_slice/1976/7/14/28945-28950.pdf#page=3.

¹¹ 17 CFR 240.15Bc3-1.

¹² 17 CFR 249.1110. Form MSDW and the General Instructions of Form MSDW are available at <https://www.sec.gov/files/formmsdw.pdf>.

¹³ Certain provisions of Rule 15Bc3-1 apply to non-bank municipal securities dealers which make registration filings on the standard forms for brokers and dealers (Form BD instead of Form MSD, and Form BDW instead of Form MSDW). Burden estimates for such non-bank municipal securities dealers are accounted for in the Supporting Statements for Form BD (OMB Control No. 3235-0012) and Form BDW (OMB Control No. 3235-0018) and are not included herein.

Adoption of Successor Registration Rule

In July 1976, the Commission adopted¹⁴ Exchange Act Rule 15Ba2-4 (“Rule 15Ba2-4”).¹⁵ Rule 15Ba2-4 implements Section 15B(a)(1) and (2) of the Exchange Act by permitting the successor to a registered municipal securities dealer to assume immediate responsibility for the operation of the predecessor’s business.¹⁶ Without the rule, the successor would not be able to assume operation until it registered as a municipal securities dealer. Under the rule, as amended,¹⁷ the registration of the predecessor is deemed to remain effective as the registration of the successor, provided that the successor, within 30 days after such succession, files an application for registration on Form MSD, and the predecessor files a notice of withdrawal from registration on Form MSDW; however, the registration of the predecessor will cease to be effective as the registration of the successor 45 days after the application for registration on Form MSD filed by such successor.

As amended, the rule also provides that, if the succession is based solely on a change in the predecessor’s date or state of incorporation, form of organization, or composition of a partnership, the successor may, within 30 days after the succession, amend the registration of the predecessor dealer on Form MSD to reflect these changes. Such amendment is deemed to be an application for registration filed by the predecessor and adopted by the successor.

Adoption of Fiduciary Registration Rule

In July 1976, the Commission adopted¹⁸ Exchange Act Rule 15Ba2-5 (“Rule 15Ba2-5”).¹⁹ Rule 15Ba2-5 implements Section 15B(a) of the Exchange Act by permitting a duly appointed (or duly qualified) fiduciary to assume immediate responsibility for the operation of a registered municipal securities dealer’s business. Without the rule, the fiduciary would not be able to assume operation until it registered as a municipal securities dealer. Under the rule, the registration of a municipal securities dealer is deemed to be the registration of any executor, administrator, guardian, conservator, assignee for the benefit of creditors, receiver, trustee in insolvency or bankruptcy, or other fiduciary, appointed or qualified by order, judgment, or decree of a court of competent jurisdiction to continue the business of such municipal securities dealer, provided that such fiduciary files with the Commission, within 30 days after entering upon the performance of his duties, a statement setting forth as to such fiduciary substantially the

¹⁴ See Municipal Securities Dealer Registration and Withdrawal, Exchange Act Release No. 12602 (July 7, 1976), 41 FR 28947 (Jul. 14, 1976), available at https://archives.federalregister.gov/issue_slice/1976/7/14/28945-28950.pdf#page=3.

¹⁵ 17 CFR 240.15Ba2-4.

¹⁶ Certain provisions of Rule 15Ba2-4 apply to non-bank municipal securities dealers which make registration filings on the standard forms for brokers and dealers (Form BD instead of Form MSD, and Form BDW instead of Form MSDW). Burden estimates for such non-bank municipal securities dealers are accounted for in the Supporting Statements for Form BD (OMB Control No. 3235-0012) and Form BDW (OMB Control No. 3235-0018) and are not included herein.

¹⁷ See Registration of Successors to Broker-Dealers and Investment Advisers, Exchange Act Release No. 31661 (Dec. 28, 1992), 58 FR 7 (Jan. 4, 1993), available at https://archives.federalregister.gov/issue_slice/1993/1/4/6-11.pdf#page=5 (“The Commission is adopting several technical amendments to the broker-dealer successor rules under the Exchange Act in order to address certain ambiguities in the rules. . . . [R]ules 15Ba2-4 and 15Ba2-6, which govern the registration of successors to municipal securities dealers, also have been revised to be consistent with amended rule 15b1-3.”); *id.*, 58 FR at 8, note 10 (“Rule 15Ba2-6 also has been redesignated as rule 15Ba2-4(b).”).

¹⁸ See Municipal Securities Dealer Registration and Withdrawal, Exchange Act Release No. 12602 (July 7, 1976), 41 FR 28947 (July 14, 1976), available at https://archives.federalregister.gov/issue_slice/1976/7/14/28945-28950.pdf#page=3.

¹⁹ 17 CFR 240.15Ba2-5.

same information required by Form MSD or Form BD (“Rule 15Ba2-5 Statement”). The Rule 15Ba2-5 Statement is necessary to ensure that the Commission and the public have adequate information about the fiduciary.

1980 Amendments to Form MSD

In August 1980, the Commission adopted²⁰ amendments to Form MSD that: (1) amend Form MSD’s definition of the phrase “municipal securities dealer activities” in the General Instructions of Form MSD to conform to the definition of that term in MSRB Rule G-1; (2) allow, under certain circumstances, bank municipal securities dealers to substitute Schedule A of Form MSD with Form MSD-4 filed with the bank regulatory agencies;²¹ and (3) make certain technical changes in Form MSD, including a change that facilitates the processing of registration forms filed by successor applicants (applicants which intend to succeed to and continue the business of another registered municipal securities dealer) by requiring that such applicants check a box on the form indicating their successor status.

Additional Historical Amendments

The Commission has also adopted amendments that: (1) in July 1985, added a Privacy Act Statement to the General Instructions of Form MSD;²² (2) in June 1997, removed language in the General Instructions of Form MSD that permitted the voluntary provision of social security numbers;²³ (3) in April 1999, revised Rule 15Bc3-1 to provide municipal securities dealers adequate flexibility to bring their business operations to an orderly close in circumstances in which the 60-day period previously provided under Rule 15Bc3-1 would not be sufficient, and to provide the Commission greater flexibility in concluding investigations of municipal securities dealers before they complete the withdrawal process;²⁴ (4) in January 2008, revised the General Instructions of Forms MSD and MSDW to update the current list of agencies with which the forms must be filed to include the Office of Thrift Supervision (“OTS”), and to update the

²⁰ See Registration of Municipal Securities Dealers, Exchange Act Release No. 17100 (Aug. 28, 1980), 45 FR 58831 (Sept. 5, 1980), available at https://archives.federalregister.gov/issue_slice/1980/9/5/58831-58835.pdf.

²¹ In order to satisfy the requirements in MSRB Rule G-7 with respect to information concerning associated persons, the federal bank regulatory agencies have uniformly adopted Form MSD-4, which every bank municipal securities dealer is required to submit to its appropriate regulatory agency on behalf of each municipal securities principal or municipal securities representative associated with such bank dealer. See Form MSD-4, “Uniform Application for Municipal Securities Principal or Municipal Securities Representative Associated with a Bank Municipal Securities Dealer,” available at https://www.federalreserve.gov/reportforms/forms/Form_MSD-420190731_f.pdf (OMB Control No. 7100-0100 (Federal Reserve Board); OMB Control No. 3064-0022 (FDIC); OMB Control No. 1557-0184 (OCC)). MSRB Rule G-7 is available at <https://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/General/Rule-G-7>.

²² See Technical Revision of Form MSD, Exchange Act Release No. 22208 (July 2, 1985), 50 FR 29948 (July 23, 1985), available at https://archives.federalregister.gov/issue_slice/1985/7/23/29935-29955.pdf#page=12.

²³ See Amendments to Forms and Schedules to Remove Voluntary Provision of Social Security Numbers, Exchange Act Release No. 38771 (June 25, 1997), 62 FR 35338 (July 1, 1997), available at <https://www.govinfo.gov/content/pkg/FR-1997-07-01/pdf/97-17104.pdf>.

²⁴ See Broker-Dealer Registration and Reporting, Exchange Act Release No. 41356 (Apr. 30, 1999), 64 FR 25144 (May 10, 1999), available at <https://www.govinfo.gov/content/pkg/FR-1999-05-10/pdf/99-11359.pdf>; see also Broker-Dealer Registration and Reporting, Exchange Act Release No. 41672 (July 30, 1999), 64 FR 42594 (Aug. 5, 1999), available at <https://www.govinfo.gov/content/pkg/FR-1999-08-05/pdf/99-20099.pdf> (amendment to Rule 15Bc3-1 applicable only to Form BDW filers).

addresses of the agencies listed on the forms;²⁵ and (5) in April 2018, revised Schedule A of Form MSD to remove certain Personally Identifiable Information (“PII”), namely references to date of birth and place of birth.²⁶

Deletion of Item M, “Privacy Act Statement,” from the General Instructions of Form MSD, and Correction of Minor Typographical Errors in the General Instructions of Form MSD and the General Instructions of Form MSDW

In the process of conducting the present PRA analysis, the Commission determined that the information collection does not constitute a system of record for purposes of the Privacy Act.²⁷ Commission staff has therefore revised the General Instructions of Form MSD to strike Item M, “Privacy Act Statement,” in its entirety.²⁸ In the process of conducting the present PRA analysis, Commission staff has also revised the General Instructions of Form MSD and the General Instructions of Form MSDW to correct certain minor typographical errors.²⁹

Recommendation to Adopt Additional Technical and/or Administrative Amendments

In the process of conducting the present PRA analysis, Commission staff has also determined that it would be prudent to recommend that the Commission adopt certain technical and/or administrative revisions to the General Instructions of Form MSD, the General Instructions of Form MSDW, and the Code of Federal Regulations sections associated with Form MSD (17 CFR 249.1100) and Form MSDW (17 CFR 249.1110). If adopted, these potential revisions would, among other things: (1) require only one copy of Form MSD and Form MSDW to be filed with the Commission (rather than three copies of Form MSD and two copies of Form MSDW); (2) provide online locations where Forms MSD, MSDW, and BD are available (rather than physical locations); (3) update certain citations to MSRB Rule G-1 (including updating the definition of “municipal securities dealer activities” in Form MSDW to cite to MSRB Rule G-1); (4) update certain language to reflect amended versions of the rules; (5) update the OCC’s mailing address; (6) strike references to the former OTS and its jurisdiction; and (7) update the OCC’s jurisdiction as the appropriate regulatory agency for federal savings associations and departments or divisions of such savings associations.

²⁵ See Technical Amendments to Forms MSD, MSDW, BD-N, BD, BDW, ADV, and ADV-W and to Exchange Act Rules 15b1-1, 15b3-1, 15b6-1, 15Ba2-2, 15Bc3-1, 15Ca1-1, 15Ca2-1, 15Cc1-1, and 17a-3, and Advisers Act Rules 203-1, 203-3, and 204-1, Exchange Act Release No. 57166 (Jan. 17, 2008), 73 FR 4690 (Jan. 28, 2008), available at <https://www.govinfo.gov/content/pkg/FR-2008-01-28/pdf/E8-1171.pdf>.

²⁶ See Amendments to Forms and Schedules to Remove Provision of Certain Personally Identifiable Information, Exchange Act Release No. 83097 (Apr. 24, 2018), 83 FR 22190 (May 14, 2018), available at <https://www.govinfo.gov/content/pkg/FR-2018-05-14/pdf/2018-10227.pdf>.

²⁷ See *infra*, Section 11.

²⁸ The General Instructions of Form MSDW do not include a Privacy Act Statement.

²⁹ With respect to the General Instructions of Form MSD, Commission staff made the following typographical revisions: (1) in the fourth sentence of Item L(d), replaced “fact” with “facts;” and (2) added a space following certain words or punctuation marks throughout (e.g., in the final sentence of Item E, added a space after the comma following the word “so,” and in the final sentence of Item K, in the clause related to the FDIC, added a space after the comma following “NW”). With respect to the General Instructions of Form MSDW, Commission staff made the following typographical revisions: (1) at the end of the introductory sentence of Item 1, replaced the semicolon with a colon; (2) in Item 3, added the word “the” so the phrase “if registrant is” now reads “if the registrant is;” (3) in Item 7(a), replaced “Securitie” with “Securities;” and (4) added a space following certain words or punctuation marks throughout.

2. Purpose and Use of Information Collection

The Commission uses the information obtained from Form MSD filings to, among other things, determine whether bank municipal securities dealers meet the standards for registration set forth in the Exchange Act, make information about particular bank municipal securities dealers available to customers and members of the public, and develop risk assessment information about bank municipal securities dealers. The information is also made available for inspection by any interested person because it is important to give investors and the public an independent means of obtaining or verifying information that they may deem relevant regarding, among other things, the municipal securities dealer's operations, management, and disciplinary history, and the qualifications and disciplinary history of management, supervisory, and certain other persons associated with the municipal securities dealer, with whom they may be entrusting a substantial portion of their assets. Certain identifying information for Form MSD filings (e.g., entity name, filing date, and document control number to facilitate inspection) is also routinely made available to the public on the Commission's Electronic Data Gathering, Analysis, and Retrieval ("EDGAR") website.

The Commission uses information obtained from Form MSDW filings to, among other things, determine whether it is in the public interest to permit a bank municipal securities dealer to withdraw its registration. The information is also made available for inspection by any interested person because it is important to give the municipal securities dealer's customers and the public an independent means of obtaining or verifying information that they may deem relevant, including whether the registrant owes money or securities to any customer in connection with its activities as a municipal securities dealer, whether the registrant is involved in any legal action or proceeding, whether there are any unsatisfied judgments or liens against the registrant, and the name and address of the person who has or will have custody or possession of the registrant's books and records that are required to be preserved pursuant to Section 17(a) of the Exchange Act,³⁰ Rule 17a-4 thereunder,³¹ and MSRB Rule G-9.³² Certain identifying information for Form MSDW filings (e.g., entity name, filing date, and document control number to facilitate inspection) is also routinely made available to the public on the Commission's EDGAR website.

The Commission uses the information obtained from Rule 15Ba2-5 Statements to, among other things, determine whether the fiduciary meets the standards for registration set forth in the Exchange Act and develop risk assessment information about bank municipal securities dealers.

3. Use and Consideration of Information Technology

While the Commission continues to improve its systems for information gathering and compilation through the increasing use of computer technology, the burden associated with filing each Form MSD, Form MSDW, and Rule 15Ba2-5 Statement is already negligible. Thus, improved information technology would likely have little effect in reducing the burden. As described in Section 8 below, Commission staff is, however, taking under advisement public comments recommending that the Commission, among other things, convert the bank municipal

³⁰ 15 U.S.C. 78q.

³¹ 17 CFR 240.17a-4.

³² MSRB Rule G-9 is available at <https://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/General/Rule-G-9>.

securities dealer registration regime from paper filing to electronic filing, and make Form MSD and Form MSDW filings available electronically on EDGAR.

4. Identifying and Minimizing Duplication

Under the General Instructions of Form MSD, three signed copies of Form MSD must be filed with the Commission, and an exact copy should be retained by the applicant for its records.³³ In order to avoid unnecessary duplication, Commission staff intends to recommend that the Commission amend the General Instructions of Form MSD to require only one signed copy of Form MSD to be filed with the Commission (rather than three).³⁴ In addition, an original signed copy of the form must be filed with the applicant's appropriate federal bank regulatory agency, determined in accordance with section 3(a)(34) of the Exchange Act.³⁵ In order to avoid unnecessary duplication with respect to the response to Item 5 of Form MSD, an applicant may submit a copy of the Form MSD-4, the form that is filed with the appropriate federal bank regulatory agency regarding individuals associated with the municipal securities dealer, rather than the otherwise required Schedule A.³⁶ The information requested on Schedules B and C is not available from any other source and is necessary for the Commission to determine whether to grant an applicant's application for registration.

Under the General Instructions of Form MSDW, two signed copies of Form MSDW must be filed with the Commission before registration as a municipal securities dealer may be terminated, and an exact copy should be retained by the registrant.³⁷ In order to avoid unnecessary duplication, Commission staff intends to recommend that the Commission amend the General Instructions of Form MSDW to require only one signed copy of Form MSDW to be filed with the Commission (rather than two).³⁸ In addition, an original signed copy of the form must be filed with registrant's appropriate federal bank regulatory agency, determined in accordance with section 3(a)(34) of the Exchange Act.³⁹ The information requested on Form MSDW is not available from any other source and is necessary for the Commission to determine whether to issue an order instituting proceedings before the registrant's notice of withdrawal becomes effective (e.g., to impose terms or conditions upon such withdrawal).⁴⁰

Rule 15Ba2-5 Statements avoid unnecessary duplication by allowing a fiduciary to assume immediate responsibility for the operation of a registered municipal securities dealer's business based only upon the disclosure of information necessary to ensure that the Commission and the public have adequate information about the fiduciary.

³³ See the General Instructions of Form MSD at Items B & K.

³⁴ See supra, Section 1.

³⁵ See the General Instructions of Form MSD at Item K. See also 15 U.S.C. 78c(a)(34).

³⁶ See the General Instructions of Form MSD at Item L(c).

³⁷ See the General Instructions of Form MSDW at Items 2 & 3.

³⁸ See supra, Section 1.

³⁹ See the General Instructions of Form MSDW at Item 2. See also 15 U.S.C. 78c(a)(34).

⁴⁰ See the General Instructions of Form MSDW at Item 1.

5. Effect on Small Entities

Approximately 16 bank municipal securities dealers are currently registered with the Commission, and the Commission estimates that approximately 2 are small businesses.⁴¹ Although some bank municipal securities dealers using Form MSD and Form MSDW may be characterized as small businesses, the need for information on bank municipal securities dealers (as described in Section 2 above) is the same regardless of the size of the dealer. Likewise, to the extent any fiduciaries relying on Rule 15Ba2-5 Statements may be characterized as small businesses, the need for information on such fiduciaries (as described in Section 2 above) is the same regardless of the size of the fiduciary.

6. Consequences of Not Conducting Collection and Obstacles to Reducing Burden

If the collection were not conducted, the Commission would not be able to use Form MSD, Form MSDW, and Rule 15Ba2-5 Statement information for purposes such as evaluating applications for registration, evaluating notices of withdrawal from registration, and developing risk assessment information about bank municipal securities dealers. Also, investors and the public would not be able to independently obtain or verify information on municipal securities dealers or their associated persons that they may deem relevant.

In addition, Rule 15Ba2-5 Statements are required only upon the occurrence of a single event. Therefore, collection could be no less frequent.

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

5 CFR 1320.5(d)(2)(i): It is possible for a respondent to report information to the Commission more often than quarterly since Rule 15Ba2-1(b) requires respondents to promptly file amendments to Form MSD if the information contained in the form is or becomes inaccurate, and Rule 15Bc3-1 provides that, prior to filing a notice of withdrawal from registration on Form MSDW, respondents must amend Form MSD in accordance with Rule 15Ba2-1(b) to update any inaccurate information. However, this collection of information is necessary to ensure that the Commission, investors, and the public have access to current information regarding municipal securities dealer registrants.

5 CFR 1320.5(d)(2)(iii): Under the General Instructions of Form MSD, respondents must file Form MSD “in triplicate” with the Commission.⁴² In order to avoid unnecessary duplication, Commission staff intends to recommend that the Commission amend the General Instructions of Form MSD to require only one signed copy of Form MSD to be filed with the Commission (rather than three).⁴³

⁴¹ Under Exchange Act Rule 0-10(f), a bank municipal securities dealer is deemed to be a “small business” or “small organization” if it: (1) had, or is a department of a bank that had, total assets of less than \$10 million at all times during the preceding fiscal year (or in the time that it has been in business, if shorter); (2) had an average monthly volume of municipal securities transactions in the preceding fiscal year (or in the time it has been registered, if shorter) of less than \$100,000; and (3) is not affiliated with any person (other than a natural person) that is not a small business or small organization as defined in Rule 240.0-10. See 17 CFR 240.0-10(f).

⁴² See the General Instructions of Form MSD at Item K.

⁴³ See supra, Section 1.

5 CFR 1320.5(d)(2)(iv): Certain recordkeeping requirements in the General Instructions of Form MSD and the General Instructions of Form MSDW are indefinite in length. With respect to Form MSD submissions, Item B of the General Instructions of Form MSD provides that respondents should “[r]etain one exact copy for your records.”⁴⁴ With respect to Form MSDW submissions, Item 2 of the General Instructions of Form MSDW provides that “[a]n exact copy should be retained by the registrant.”⁴⁵ These indefinite record retention requirements are necessary because the bank municipal securities dealer registration regime is a paper filing regime and: (i) it is necessary for respondents to retain a reference copy of each Form MSD filing on an indefinite basis to identify when amendments are required (i.e., when previously submitted information has become incomplete or inaccurate);⁴⁶ and (ii) it is necessary for registrants to retain a reference copy of each Form MSDW filing on an indefinite basis because, among other things, the execution section of Form MSDW contains a consent to make certain books and records available for examination by the Commission following withdrawal, and to authorize the person having custody of such books and records to make them available.⁴⁷

8. Public Comment and Consultations Outside the Agency

The required Federal Register notice with a 60-day comment period soliciting comments on this collection of information was published.⁴⁸ Although not required by the Administrative Procedure Act, this comment solicitation also invited comments on the potential amendments described at the end of Section 1 above, i.e., the anticipated technical and/or administrative revisions to the General Instructions of Form MSD, the General Instructions of Form MSDW, and the Code of Federal Regulations sections associated with Form MSD (17 CFR 249.1100) and Form MSDW (17 CFR 249.1110) that Commission staff identified in the process of conducting the present PRA analysis.⁴⁹ The Commission received one comment letter in response

⁴⁴ See the General Instructions of Form MSD at B.

⁴⁵ See the General Instructions of Form MSDW at Item 2.

⁴⁶ See, e.g., the General Instructions of Form MSD at Item H (“The information contained in Form MSD is of a continuing nature and must be updated or amended periodically in the event any of the information previously submitted to the Commission becomes incomplete or inaccurate. Where an item is being amended, only those items which are being amended or which have changed since the previous filing need to be filed, except that a completed page one and a completed execution page, manually signed, must be filed with each amendment. WHEN ANY ITEM ON A PAGE IS AMENDED, IT IS NECESSARY TO ANSWER IN FULL ALL OTHER ITEMS ON THE PAGE BEING AMENDED.”).

⁴⁷ See Form MSD at Section 11 (“Registrant also consents hereby to make the books and records he is required to preserve by rule or regulation of the [Commission] or the [MSRB] available for examination by authorized representatives of the [Commission] during the period such rules require that such books and records be preserved; and hereby authorizes the person having custody of such books and records to make them available.”).

⁴⁸ See Proposed Collection; Comment Request; Revision: Exchange Act Rule 15Ba2-1 and Form MSD; Revision: Exchange Act Rule 15Bc3-1 and Form MSDW; Revision: Exchange Act Rule 15Ba2-5; and Reinstatement With Change: Exchange Act Rule 15Ba2-4, 90 FR 24835 (June 12, 2025), available at <https://www.govinfo.gov/content/pkg/FR-2025-06-12/pdf/2025-10646.pdf>.

⁴⁹ See id., 90 FR at 24835-24836 (“Finally, in the process of conducting the PRA analysis reflected in section I below, the Commission has identified certain technical and/or administrative revisions that it anticipates making to the General Instructions of Form MSD, the General Instructions of Form MSDW, and the Code of Federal Regulations sections associated with Form MSD (17 CFR 249.1100) and Form MSDW (17 CFR 249.1110). These anticipated revisions are outlined in section II below. . . . Although the Commission preliminarily finds that these revisions would not require publication for notice and comment under the Administrative Procedure Act because they relate solely to agency procedures or practice and do not substantially alter the rights and obligations of non-agency parties (or, alternatively, because notice and comment would be ‘unnecessary’), the Commission nonetheless invites comments on the anticipated revisions.”) (citing 5 U.S.C. 553(b)).

to this comment solicitation.⁵⁰

As discussed more fully below, it is the view of Commission staff that most of the comments received either: (i) supported the anticipated technical and administrative revisions identified in the 60-Day Notice; (ii) addressed the information collection burden generally but did not provide any specific supporting data related to the burden; or (iii) recommended changes to rules and forms that would likely need to be effected pursuant to a Commission rulemaking and are therefore beyond the scope of the PRA analysis.

Nonetheless, as discussed more fully below, Commission staff has determined to take under advisement nearly all comments received and will further study whether they should be applied in future PRA analyses and/or merit potential rulemaking activities related to the municipal securities dealer registration rules.⁵¹ Among other things, staff will take under advisement comments suggesting that the Commission should: (i) continuously review Forms MSD and MSDW, and other forms related to the municipal securities markets, for accuracy, relevance, and potential modernization; (ii) make copies of Form MSD and Form MSDW filings electronically available on EDGAR; (iii) convert Form MSD and Form MSDW submissions from paper filing to electronic filing in EDGAR; (iv) separately estimate the hours burden for Form MSD filers to complete new applications versus the estimated time it takes Form MSD filers to complete amendments; and (v) coordinate with the Financial Industry Regulatory Authority (“FINRA”), the MSRB, and the Federal Reserve Board, FDIC, and OCC to: (a) identify potential sources of regulatory duplication and redundancy via forms calling for similar information from market participants in the municipal securities markets, including bank municipal securities dealers; (b) potentially harmonize such forms and streamline filing requirements across regulators, including for bank municipal securities dealers; and (c) potentially provide market participants with a single set of statistics and data consolidated across such forms.

Anticipated Technical and Administrative Revisions

With respect to the anticipated technical and administrative revisions identified in the 60-Day Notice, the commenter stated that it “strongly supports” these “commonsense improvements” which would “simplify and streamline” certain filing requirements for Forms MSD and MSDW.⁵² In particular, the commenter stated that it “agrees” with amending the General Instructions to remove the requirement that Form MSD be filed in triplicate and Form MSDW be filed in duplicate.⁵³ The commenter questioned, however, whether it is necessary to amend Item H of the General Instructions of Form MSD to replace “periodically” with “promptly,” or to add “for any reason” after “inaccurate,” because such amendments “[do] not provide guidance.”⁵⁴

After consideration, Commission staff intends to recommend that the Commission adopt the

⁵⁰ Letter from Leslie M. Norwood, Managing Director and Associate General Counsel, and Gerald O’Hara, Vice President and Assistant General Counsel, Securities Industry and Financial Markets Association (“SIFMA Letter”), August 11, 2025.

⁵¹ Commission staff does not commit to take any course of action following further study of these comments.

⁵² SIFMA Letter, at 2.

⁵³ Id.

⁵⁴ Id.

technical and administrative revisions as proposed, and the Commission has not made any changes to its burden estimates based on these comments. In response to the comment that the amendments to Item H of the General Instructions of Form MSD “[do] not provide guidance,”⁵⁵ Commission staff notes that those potential amendments are not intended to provide guidance but rather, as technical revisions, are meant to ensure that the instructions set forth in Item H align with, and accurately reflect, the obligations set forth in Rule 15Ba2-1(b).⁵⁶

Ongoing Modernization of Form Instructions and Filing Methods

With respect to identifying potential future revisions, the commenter asserted that the Commission “need not wait for a PRA collection review, which typically happens every three years, to modernize form instructions and filing methods” and recommended that the Commission “continue to review the accuracy and relevance of the forms it requires market participants to prepare and submit, as well as the instructions to those forms.”⁵⁷

After consideration, the Commission has not made any changes to its burden estimates based on these comments. Commission staff does acknowledge, however, that it is beneficial for the Commission to continuously review Forms MSD and MSDW, and other forms related to the municipal securities markets, for accuracy, relevance, and potential modernization. Commission staff will therefore take this recommendation under advisement. Commission staff notes that interested persons may, at any time, provide comments on the accuracy and relevance of such forms, as well as the potential modernization of form instructions and filing methods, by contacting the Commission’s Office of Municipal Securities at 202-551-5680 or munis@sec.gov.

Making Filings Available Electronically on EDGAR

With respect to the accessibility of Form MSD filings, the commenter recommended that “filed Form MSDs be made available on EDGAR” because, according to the commenter, although “the filing history” for Form MSD is currently available on EDGAR, the underlying filings are not accessible.⁵⁸

After consideration, the Commission has not made any changes to its burden estimates based on these comments. With respect to the comment that filed Form MSDs are not accessible, Commission staff notes that, although electronic copies of Form MSD and Form MSDW filings are not publicly available on EDGAR, the Commission currently makes particular Form MSD and Form MSDW filings available for inspection by any interested person upon request by, for example, contacting the Commission’s Office of Municipal Securities at 202-551-5680 or munis@sec.gov, and specifying which filings the interested person seeks to review. Commission staff does acknowledge, however, that making scanned copies of all Form MSD and Form MSDW filings publicly available on EDGAR as a matter of course could, among other benefits,

⁵⁵ *Id.*

⁵⁶ See 17 CFR 240.15Ba2-1(b) (“If the information contained in any application for registration pursuant to paragraph (a) of this section, or in any amendment to such application, is or becomes inaccurate *for any reason*, applicant shall *promptly* file an amendment on Form MSD (§ 249.950 of this chapter) correcting such information.”) (emphasis added).

⁵⁷ SIFMA Letter, at 2.

⁵⁸ *Id.*, at 3.

potentially reduce the burdens of the Commission's bank municipal securities dealer registration rules by providing sample filings that respondents could readily review online to aid in the completion of their own filings. Commission staff will therefore take this recommendation under advisement.

Converting Paper Filing to Electronic Filing

With respect to the current paper filing requirements for Forms MSD and MSDW, the commenter recommended that the Commission “create electronic versions of Form MSD and Form MSDW” and “eliminate the requirement for physical copies.”⁵⁹ According to the commenter, electronic filing would “ease filing burdens”⁶⁰ and mitigate compliance risks⁶¹ for bank municipal securities dealers, “improve the utility of the forms” for Commission staff and the public,⁶² and help “make Forms MSD and MSDW accessible electronically.”⁶³

After consideration, the Commission has not made any changes to its burden estimates based on these comments. To the extent this recommendation would require amendments to Commission rules or forms, Commission staff notes that such amendments would need to be effected pursuant to a Commission rulemaking and is beyond the scope of the PRA analysis. Although Commission staff acknowledges that benefits would likely result from converting Form MSD and Form MSDW submissions from paper filing to electronic filing in EDGAR (particularly for amendments to Form MSD), staff notes that the benefits do not necessarily outweigh the costs because, for example: (1) the Commission's burden associated with developing electronic filing capabilities for Form MSD and Form MSDW in EDGAR must be weighed against the relatively small universe of respondents that would benefit from electronic filing (as estimated herein, only 16 bank municipal securities dealers are currently registered with the Commission,⁶⁴ and, on average, only 16 filings are made on these forms each year, including only 1 new application on Form MSD and only 1 Form MSDW filing⁶⁵); and (2) if the Commission adopted electronic filing for Forms MSD and MSDW, bank municipal securities dealers that do not already have an EDGAR filing account would have to submit a Form ID application to the Commission,⁶⁶ become acquainted with the EDGAR filing process, and potentially be subject to other burdens and costs that do not arise from the relatively simple paper filing process that has been in place since the

⁵⁹ Id.

⁶⁰ Id. For example, the commenter asserted that burdens on bank municipal securities dealers, particularly those filing amendments to Form MSD, would “undoubtedly decrease” if they could access their Form MSD information electronically and make changes to the form online. Id.

⁶¹ See id. (“[B]ank MSDs currently are required to amend Form MSD by changing only the page or pages where there is new information, along with a signed page one and execution page. This requires bank MSDs, and likely the Commission, to insert physical copies of the new pages into an older form and maintain the composite current form in their files. While this approach was likely to ease administrative burdens in the era of paper filing, it is outdated today. It also presents significant compliance risks to firms that generally have evolved beyond paper when complying with regulatory filing and recordkeeping requirements.”).

⁶² Id.

⁶³ Id.

⁶⁴ See infra, Section 5.

⁶⁵ See infra, Section 12.

⁶⁶ See generally SEC, “EDGAR How Do I Guide: Prepare and Submit My Form ID Application for EDGAR Access,” <https://www.sec.gov/submit-filings/filer-support-resources/how-do-i-guides/prepare-submit-my-form-id-application>.

forms were adopted. Commission staff will therefore take this recommendation under advisement.

Hours Burden for Form MSD

With respect to the estimated hours burden for Form MSD, the commenter stated that “the Commission did not provide separate estimates of the time requirements for filers to complete new applications versus the estimated time it takes filers to complete amendments.”⁶⁷ The commenter also stated that, in contrast to Commission staff’s estimate that the total annual burden to complete Form MSD is an average of 1.5 hours per respondent, the commenter’s member firms have estimated that “it takes between 3 to 10 hours annually to update Form MSD.”⁶⁸

After consideration, the Commission has not made any changes to its burden estimates based on these comments. As acknowledged in the 60-Day Notice, the actual burden on a bank municipal securities dealer to prepare and file a particular Form MSD application or amendment may depend on a variety of factors (e.g., the size and complexity of the bank municipal securities dealer’s operations or proposed operations).⁶⁹ Commission staff also notes that the Commission’s burden estimate is intended to be an average across all submissions, with the possibility that certain registrants, depending on events that occur in a given year, may need to submit more annual amendments to Form MSD than other registrants. Commission staff further notes that the Commission has estimated the average burden to be 1.5 hours per respondent since at least as early as 2013,⁷⁰ and the Commission received no comments during prior PRA renewal processes in 2013, 2016, 2019, or 2022.⁷¹ Commission staff further notes that, although the commenter provided a quantified alternative estimate related to Form MSD amendments (“between 3 to 10 hours annually”), the commenter did not provide any specific supporting data for this purported burden, such as how many of its members were surveyed, how its members arrived at this estimated range, what the average burden was for the relatively wide numerical range presented, or why this estimate is representative of the hours burden for the full population of Form MSD registrants.

For the foregoing reasons, it is the view of Commission staff that the estimate of 1.5

⁶⁷ SIFMA Letter, at 3.

⁶⁸ *Id.*, at 3, note 8.

⁶⁹ See, e.g., Proposed Collection; Comment Request; Revision: Exchange Act Rule 15Ba2-1 and Form MSD; Revision: Exchange Act Rule 15Bc3-1 and Form MSDW; Revision: Exchange Act Rule 15Ba2-5; and Reinstatement With Change: Exchange Act Rule 15Ba2-4, 90 FR 24835, 24837 (June 12, 2025), available at <https://www.govinfo.gov/content/pkg/FR-2025-06-12/pdf/2025-10646.pdf> (“The time required to complete Form MSD varies with the size and complexity of the bank municipal securities dealer’s operations (or proposed operations). Commission staff understands that it can take up to 15 hours for a bank with a large operation and many employees to complete the form, but that smaller banks with fewer personnel can complete the form in 1 to 2 hours. Most recent new applications have come from smaller banks. Also, amendments to Form MSD are likely to require significantly less time to complete.”).

⁷⁰ See, e.g., Proposed Collection; Comment Request; Extension: Rule 15Ba2-1 and Form MSD, 78 FR 36605, 36606 (June 18, 2013), available at <https://www.govinfo.gov/content/pkg/FR-2013-06-18/pdf/2013-14421.pdf> (“Based upon past submissions, the staff estimates that approximately 22 respondents will utilize this application procedure annually. The staff estimates that the average number of hours necessary to comply with the requirements of Rule 15Ba2-1 and Form MSD is 1.5 hours per respondent, for a total burden of 33 hours per year.”).

⁷¹ See generally Reginfo.gov, OMB Control Number History: OMB Control Number 3235-0083, <https://www.reginfo.gov/public/do/PRAOMBHistory?ombControlNumber=3235-0083>.

hours to prepare and complete each Form MSD filing continues to be reasonable. Commission staff does acknowledge, however, that depending on the availability of specific supporting data, it could potentially be useful in future PRA extensions to separately estimate the time requirements for filers to complete new applications versus the estimated time it takes filers to complete amendments. Commission staff will therefore take that recommendation under advisement.

Reducing Regulatory Duplication for Bank Municipal Securities Dealers and Other Registrants in the Municipal Securities Markets

With respect to the filing requirements for bank municipal securities dealers across regulators, the commenter asserted that “regulatory duplication” exists because, for example: (1) bank municipal securities dealers must file an original signed copy of Form MSD and Form MSDW with multiple federal financial regulators (i.e., the Commission and the appropriate federal bank regulatory agency),⁷² and (2) in addition to filing Forms MSD and MSDW with the Commission, bank municipal securities dealers must file federal bank regulatory agency Forms MSD-4 and MSD-5 with the appropriate federal bank regulatory agency, and both sets of forms “call for certain information about individuals.”⁷³ The commenter recommended that “[t]he Commission and the other relevant financial regulators should work together to streamline these filing requirements, including by creating a single common electronic form that includes the information necessary for regulators to appropriately monitor the activities of bank municipal securities dealers.”⁷⁴

More broadly, the commenter asserted that “there is significant regulatory duplication and redundancy via forms calling for similar information that market participants in the municipal securities markets are required to send to a variety of different federal securities and banking regulators,”⁷⁵ which “create[s] significant administrative burdens and regulatory risks without countervailing benefits to regulators.”⁷⁶ The commenter recommended that “the Commission . . . continue to work with FINRA, the MSRB, and the relevant banking regulators to ensure a coordinated effort to reduce the regulatory burdens on all municipal securities dealers while increasing transparency.”⁷⁷ In particular, the commenter referenced certain registration forms applicable to brokers, dealers, municipal securities dealers, municipal advisors, and their associated persons,⁷⁸ and recommended “harmonizing these forms across regulatory entities”⁷⁹ or, at a

⁷² SIFMA Letter, at 3.

⁷³ Id., at 3-4. As the commenter acknowledged, in order to avoid unnecessary duplication with respect to the response to Item 5 of Form MSD, an applicant may submit a copy of the Form MSD-4, the form that is filed with the appropriate federal bank regulatory agency regarding individuals associated with the municipal securities dealer, rather than the otherwise required Schedule A. See id., at 4 (“bank municipal securities dealers may use their Form MSD-4 filed with the bank regulatory agencies if it satisfies the requirements of Forms MSD/MSDW”).

⁷⁴ Id.

⁷⁵ Id.

⁷⁶ Id.

⁷⁷ Id.

⁷⁸ The commenter stated, for example, that “FINRA’s Form BD collects information similar to MSRB’s Form A-12 and the SEC’s Form MA for registered entities,” and “FINRA’s form U-4, the banking regulators’ Form MSD-4, and the Commission’s Form MA-I also collect similar information on associated persons such as name, firm name, location, address, and qualifications.” Id.

⁷⁹ Id.

minimum, “increas[ing] access and connectivity to each other’s electronic databases containing this information so that live links can direct market participants to one set of source data.”⁸⁰

After consideration, the Commission has not made any changes to its burden estimates based on these comments. To the extent these recommendations would require amendments to Commission rules or forms, Commission staff notes that amendments would need to be effected pursuant to a Commission rulemaking and is beyond the scope of the PRA analysis. Commission staff does acknowledge, however, that it would be beneficial for the Commission to work with FINRA, the MSRB, and the Federal Reserve Board, FDIC, and OCC to: (1) identify potential sources of regulatory duplication and redundancy via forms calling for similar information from market participants in the municipal securities markets, including bank municipal securities dealers; (2) potentially harmonize such forms and streamline filing requirements across regulators, including for bank municipal securities dealers; and (3) potentially provide market participants with a single set of statistics and data consolidated across such forms. Commission staff will therefore take these recommendations under advisement.⁸¹

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality and Privacy

The information collection collects elements of PII that is covered by the EDGAR Privacy Impact Assessment (“EDGAR PIA”).⁸² No information of a sensitive nature, including social security numbers, will be required under this collection of information. Additionally, the agency has determined that the information collection does not constitute a system of record for purposes of the Privacy Act.⁸³ Information is not retrieved by a personal identifier. No assurances of confidentiality have been provided.

11. Collection Questions of a Sensitive Nature

Not applicable.

12. Estimated Time Burden and Its Cost Equivalent

a. Form MSD

Form MSD is a one-time registration form that is used for new applications (Rule 15Ba2-

⁸⁰ Id.

⁸¹ As an initial step to more holistically consider the burdens of the municipal securities dealer registration rules, the Commission is presently requesting approval to: (1) consolidate the information collections under the four OMB control numbers enumerated above into a single control number (revised OMB Control No. 3235-0083); and (2) designate revised OMB Control No. 3235-0083 as a “common form” for purposes of PRA submissions because the Federal Reserve Board, FDIC, and OCC each use Form MSD and Form MSDW in addition to the Commission. See supra, note 1.

⁸² See EDGAR PIA (last updated Mar. 6, 2025), available at <https://www.sec.gov/about/privacy/pia/pia-edgar.pdf>.

⁸³ As reflected in Section 1 above, Commission staff has revised the General Instructions of Form MSD to strike the “Privacy Act Statement” that previously appeared as Item M.

1(a)) and successor applications (Rule 15Ba2-4(a)). Form MSD must be amended only if information contained in the form is, or becomes, inaccurate (Rule 15Ba2-1(b)), or to update any inaccurate information prior to filing a notice of withdrawal on Form MSDW (Rule 15Bc3-1(a)). Form MSD may also be amended to reflect changes where a succession is based solely on a change in the predecessor's date or state of incorporation, form of organization, or composition of a partnership (Rule 15Ba2-4(b)).

Based upon past submissions of 0 new applications, 16 amendments, and 0 successor applications in 2022, 1 new application, 10 amendments, and 0 successor applications in 2023, and 0 new applications, 12 amendments, and 0 successor applications in 2024, the Commission estimates that on an annual basis approximately 1 respondent will use Form MSD for a new application,⁸⁴ approximately 13 respondents will use Form MSD for an amendment,⁸⁵ and approximately 1 respondent will use Form MSD for a successor application,⁸⁶ for a total of approximately 15 respondents per year.⁸⁷

The time required to complete Form MSD varies with the size and complexity of the bank municipal securities dealer's operations (or proposed operations). Commission staff understands that it can take up to 15 hours for a bank with a large operation and many employees to complete the form, but that smaller banks with fewer personnel can complete the form in 1 to 2 hours. Most recent new applications have come from smaller banks. Also, amendments to Form MSD are likely to require significantly less time to complete. Accordingly, Commission staff estimates that the total annual burden is currently approximately 23 hours at an average of 1.5 hours per respondent. (15 respondents/year x 1.5 hours/respondent = 22.5 hours/year, rounded up to 23 hours/year).

The staff estimates that the average internal compliance cost per hour is approximately \$457.⁸⁸ Therefore, the estimated total annual internal cost of compliance is approximately \$10,511 per year (23 hours/year x \$457/hour = \$10,511/year), or approximately \$700.73 per response (\$10,511/year ÷ 15 responses/year = \$700.73).

b. Form MSDW

The Commission estimates that the average amount of time necessary to complete Form MSDW is approximately 0.5 hours. Based upon past submissions of 1 filing in 2022, 1 filing in 2023, and 1 filing in 2024, the Commission estimates that approximately 1 respondent will use Form MSDW annually,⁸⁹ with a total hour burden for all respondents of approximately 1 hour

⁸⁴ Average new applications on Form MSD per year over the last three years: $(0 (2022) + 1 (2023) + 0 (2024) = 1) \div 3 \text{ years} = 0.33$, rounded up to 1.

⁸⁵ Average amendments on Form MSD per year over the last three years: $(16 (2022) + 10 (2023) + 12 (2024) = 38) \div 3 \text{ years} = 12.67$, rounded up to 13.

⁸⁶ Average successor applications on Form MSD per year over the last three years: $(0 (2022) + 0 (2023) + 0 (2024) = 0) \div 3 \text{ years} = 0$, but estimated at 1 to account for potential burden.

⁸⁷ Total estimated Form MSD filings per year: 1 estimated new application + 13 estimated amendments + 1 estimated successor application = 15 Form MSD filings.

⁸⁸ The estimate of \$457 per hour is for a compliance attorney, based on the Securities Industry and Financial Markets Association's Management & Professional Earnings in the Securities Industry 2013, modified by Commission staff to account for an 1800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

⁸⁹ Average Form MSDW filings per year over the last three years: $(1 (2022) + 1 (2023) + 1 (2024) = 3) \div 3 \text{ years} = 1$.

per year (0.5 hours rounded up to 1). This estimate is based on the Commission staff's experience in administering the form.

The staff estimates that the average internal compliance cost per hour is approximately \$457.⁹⁰ Therefore, the estimated total annual internal cost of compliance is approximately \$229 per year (0.5 hours/year x \$457/hour = \$228.5/year, rounded up to \$229/year), or approximately \$229 per response (\$229/year ÷ 1 response/year = \$229).

c. Rule 15Ba2-5 Statements

The burden of information collection is estimated to involve approximately 1 respondent making 1 response per year for both bank and non-bank municipal securities dealers. The response is estimated to require an average of 4 hours. Thus, the total compliance burden is estimated to be 4 hours per year. This burden is a one-time reporting burden.

A Rule 15Ba2-5 statement must set forth as to the fiduciary substantially the same information required by Form MSD or Form BD. Accordingly, Commission staff estimates that the approximate internal cost of compliance per hour is the same as Form MSD above (\$457), resulting in a total annual internal compliance cost of approximately \$1,828 (4 hours/year x \$457/hour), or approximately \$1,828 per response (\$1,828/year ÷ 1 response/year = \$1,828).

d. Summary of Hourly Burdens

The table below summarizes the Commission's estimates of the total hourly reporting burden for all bank municipal securities dealer respondents related to filings of Form MSD, Form MSDW, and Rule 15Ba2-5 Statements.

REPORTING BURDEN ESTIMATES

	Responses	Annual Number of Responses Per Respondent	Hours Per Response	Cost Per Response	Annual Time Burden (Hours)	Annual Cost Burden (\$)
Form MSD	15	1	1.5	\$700.73	23	\$10,511
Form MSDW	1	1	1	\$229	1	\$229
Rule 15Ba2-5 Statements	1	1	4	\$1,828	4	\$1,828
				TOTALS	28	\$12,568

⁹⁰ The estimate of \$457 per hour is for a compliance attorney, based on the Securities Industry and Financial Markets Association's Management & Professional Earnings in the Securities Industry 2013, modified by Commission staff to account for an 1800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

13. Estimated Additional Cost Burden

Not applicable. The Commission does not believe that respondents will incur any costs in filing a Form MSD, Form MSDW, or Rule 15Ba2-5 Statement other than the internal compliance costs identified above in Section 12.

14. Annual Cost to the Federal Government

Not applicable. Currently, there are no developmental costs associated with Form MSD, Form MSDW, or Rule 15Ba2-5 Statements. The Commission receives approximately 15 Form MSD filings per year, 1 Form MSDW filing per year, and 1 Rule 15Ba2-5 Statement per year. Processing or reviewing these filings does not require the Commission to hire any new employees or relocate any existing employees. This is done by existing staff as part of their regular duties.

15. Reasons for Changes in Burden

The Commission has revised its estimates of time burdens based upon: (1) the reinstatement of OMB Control No. 3235-0089 (Rule 15Ba2-4);⁹¹ (2) the consolidation of the four OMB Control Numbers enumerated above into OMB Control No. 3235-0083;⁹² and (3) actual registration data obtained since the prior PRA renewal process in 2022.

- Form MSD: The increase in annual time burden for this collection is due to the estimated average number of respondents increasing by 8, from approximately 7 to approximately 15. This change is derived from recently obtained data showing that, on average, the number of amendments filed on Form MSD increased by 7. In addition, Commission staff estimates that approximately 1 respondent will use Form MSD for a successor application under Rule 15Ba2-4 each year.
- Form MSDW: Not applicable. The burden is the same as the previous submission.
- Rule 15Ba2-5 Statements: Not applicable. The burden is the same as the previous submission.

The Commission has revised its estimates of cost burdens to include cost equivalents of the time burdens estimated in Section 12 above.

- Form MSD: The increase in annual cost burden for this collection from \$0 to \$10,511 is due to the inclusion of an estimated average of \$700.73 in internal compliance costs per response, with 15 estimated responses per year.
- Form MSDW: The increase in annual cost burden for this collection from \$0 to \$229 is due to the inclusion of an estimated average of \$229 in internal compliance costs per response, with 1 estimated response per year.

⁹¹ See supra, note 1.

⁹² See supra, note 1.

- Rule 15Ba2-5 Statements: The increase in annual cost burden for this collection from \$0 to \$1,828 is due to the inclusion of an estimated average of \$1,828 in internal compliance costs per response, with 1 estimated response per year.

16. Plans for Publishing Results

Not applicable. The information collection is not used for statistical purposes.

17. Approval to Omit Display of OMB Expiration Date

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

18. Exceptions to the Certification for Paperwork Reduction Act Submissions

With the exception of 5 CFR 1320.9(b),⁹³ this collection complies with the requirements in 5 CFR 1320.9. In order to avoid unnecessary duplication, Commission staff intends to recommend that the Commission amend the General Instructions of Form MSD to require only one signed copy of Form MSD to be filed with the Commission (rather than three),⁹⁴ and to amend the General Instructions of Form MSDW to require only one signed copy of Form MSDW to be filed with the Commission (rather than two).⁹⁵

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not involve statistical methods.

⁹³ See 5 CFR 1320.9(b) (“the proposed collection of information . . . [i]s not unnecessarily duplicative of information otherwise reasonably accessible to the agency”).

⁹⁴ See *supra*, Section 4.

⁹⁵ See *supra*, *id.*