

## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: U.S. Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549-0213.

*Extension:* Rule 17i-2, SEC File No. 270-528, OMB Control No. 3235-0592.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995<sup>1</sup> the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below. The Code of Federal Regulation citation to this collection of information is the following: 17 CFR 240.17i-2.

Section 231 of the Gramm-Leach-Bliley Act of 1999<sup>2</sup> (the "GLBA") amended Section 17 of the Securities Exchange Act of 1934 (17 USC 78a *et seq.*) ("the Exchange Act") to create a regulatory framework under which a holding company of a broker-dealer ("investment bank holding company" or "IBHC") may voluntarily be supervised by the Commission as a supervised investment bank holding company (or "SIBHC").<sup>3</sup> In 2004, the Commission promulgated rules, including Rule 17i-2, to create a framework for the Commission to supervise SIBHCs.<sup>4</sup> This framework includes qualification criteria for SIBHCs, as well as recordkeeping and reporting requirements. Among other things, this regulatory framework for SIBHCs is intended to provide a basis for non-U.S. financial regulators to treat the Commission as the principal U.S. consolidated, home-country supervisor<sup>5</sup> for SIBHCs and their affiliated broker-dealers.

Rule 17i-2 provides the method by which an IBHC can elect to become an SIBHC. In addition, Rule 17i-2 indicates that the IBHC will automatically become an SIBHC 45 days after the Commission receives its completed Notice of Intention unless the Commission issues an order indicating either that it will begin its supervision sooner or that it does not believe it to be necessary or appropriate in furtherance of Section 17

of the Exchange Act for the IBHC to be so supervised. Finally, Rule 17i-2 sets forth the criteria the Commission would use to make this determination.

The collections of information required by Rule 17i-2 are necessary to allow the Commission to effectively determine whether supervision of an IBHC as an SIBHC is necessary or appropriate in furtherance of the purposes of Section 17 of the Exchange Act. In addition, these collections are needed so that the Commission can adequately supervise the activities of these SIBHCs. Finally, these rules enhance the Commission's supervision of the SIBHCs' subsidiary broker-dealers through collection of additional information and inspections of affiliates of those broker-dealers.

We estimate that three IBHCs will file Notices of Intention with the Commission to be supervised by the Commission as SIBHCs. Each IBHC that files a Notice of Intention to become supervised by the Commission as an SIBHC will require approximately 900 hours to draft the Notice of Intention, compile the various documents to be included with the Notice of Intention, and work with the Commission staff. Further, each IBHC likely will have an attorney review its Notice of Intention, and it will take the attorney approximately 100 hours to complete such a review. Consequently, we estimate the total one-time burden for all three firms to file their Notices of Intention would be approximately 3,000 hours.<sup>6</sup> Rule 17i-2 also requires that an IBHC/SIBHC update its Notice of Intention on an ongoing basis.<sup>7</sup> Each IBHC/SIBHC will require approximately two hours each month to update its Notice of Intention, as necessary. Thus, we estimate that it will take the three IBHC/SIBHCs, in the aggregate, about 72 hours each year to update their Notices of Intention.<sup>8</sup> Thus, the total burden relating to Rule 17i-2 for all SIBHCs would be approximately 3,072 hours in the first year,<sup>9</sup> and approximately 72 hours each year thereafter.

The records required to be created pursuant to Rule 17i-2 must be preserved for a period of not less than

<sup>6</sup> (900 hours + 100 hours) × 3 IBHCs/SIBHCs = 3,000 hours.

<sup>7</sup> An IBHC would be required to review and update its Notice of Intention to the extent it becomes inaccurate prior to a Commission determination, and an SIBHC would be required to update its Notice of Intention if it changes a mathematical model used to calculate its risk allowances pursuant to Rule 17i-7 after a Commission determination was made.

<sup>8</sup> (2 hours × 12 months each year) × 3 SIBHCs = 72.

<sup>9</sup> (3,000 hours to file the Notices of Intention + 72 hours to update them) = first year cost of 3,072.

three years.<sup>10</sup> The collection of information is mandatory and the information required to be provided to the Commission pursuant to this Rule is deemed confidential pursuant to Section 17(j) of the Exchange Act and Section 552(b)(3)(B) of the Freedom of Information Act,<sup>11</sup> notwithstanding any other provision of law. In addition, Exchange Act Rule 17i-2(d)(1)<sup>12</sup> states that all Notices of Intention, amendments, and other documentation and information filed pursuant to Rule 17i-2 will be accorded confidential treatment to the extent permitted by law.

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

*Comments should be directed to:* (i) Desk Officer for the Securities and Exchange Commission Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503 or by sending an e-mail to: [Shagufta\\_Ahmed@omb.eop.gov](mailto:Shagufta_Ahmed@omb.eop.gov); and (ii) Charles Boucher, Director/Chief Information Officer, Securities and Exchange Commission, c/o Shirley Martinson, 6432 General Green Way, Alexandria, Virginia 22312 or send an e-mail to [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

Dated: December 30, 2009.

**Florence E. Harmon,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; Comment Request;

Upon Written Request, Copies Available From: U.S. Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549-0213.

*Extension:* Rule 17i-4, SEC File No. 270-530, OMB Control No. 3235-0594.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995<sup>1</sup> the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget request for extension of the

<sup>10</sup> 17 CFR 240.17i-5(b)(2).

<sup>11</sup> 5 U.S.C. 552(b)(3)(B).

<sup>12</sup> 17 CFR 240.17i-2(d)(1).

<sup>14</sup> 44 U.S.C. 3501 *et seq.*

<sup>1</sup> 44 U.S.C. 3501 *et seq.*

<sup>2</sup> Pub. L. No. 106-102, 113 Stat. 1338 (1999).

<sup>3</sup> See 15 U.S.C. 78q(i).

<sup>4</sup> See Exchange Act Release No. 49831 (Jun. 8, 2004), 69 FR 34472 (Jun. 21, 2004).

<sup>5</sup> See H.R. Conf. Rep. No. 106-434, 165 (1999).

See also Exchange Act Release No. 49831, at 6 (Jun. 8, 2004), 69 FR 34472, at 34473 (Jun. 21, 2004).

previously approved collection of information discussed below. The Code of Federal Regulation citation to this collection of information is the following rule: 17 CFR 240.17i-4.

Section 231 of the Gramm-Leach-Bliley Act of 1999<sup>2</sup> (the "GLBA") amended Section 17 of the Securities Exchange Act of 1934 (17 USC 78a *et seq.*) ("Exchange Act") to create a regulatory framework under which a holding company of a broker-dealer ("investment bank holding company" or "IBHC") may voluntarily be supervised by the Commission as a supervised investment bank holding company (or "SIBHC").<sup>3</sup> In 2004, the Commission promulgated rules, including Rule 17i-4, to create a framework for the Commission to supervise SIBHCs.<sup>4</sup> This framework includes qualification criteria for SIBHCs, as well as recordkeeping and reporting requirements. Among other things, this regulatory framework for SIBHCs is intended to provide a basis for non-U.S. financial regulators to treat the Commission as the principal U.S. consolidated home-country supervisor for SIBHCs and their affiliated broker-dealers.<sup>5</sup>

Rule 17i-4 requires an SIBHC to comply with present Exchange Act Rule 15c3-4<sup>6</sup> as though it were a broker-dealer, which requires that the firm establish, document and maintain a system of internal risk management controls to assist it in managing the risks associated with its business activities (including market, credit, operational, funding, and legal risks). In addition, Rule 17i-4 requires that an SIBHC establish, document, and maintain procedures for the detection and prevention of money laundering and terrorist financing as part of its internal risk management control system. Finally, Rule 17i-4 requires that an SIBHC periodically review its internal risk management control system for integrity of the risk measurement, monitoring, and management process, and accountability, at the appropriate organizational level, for defining the permitted scope of activity and level of risk.

The collection of information required pursuant to Rule 17i-4 is needed so that the Commission can adequately supervise the activities of these SIBHCs,

and to allow the Commission to effectively determine whether supervision of an IBHC as an SIBHC is necessary or appropriate in furtherance of the purposes of Section 17 of the Exchange Act. Without this information, the Commission would be unable to adequately supervise the SIBHC as provided for under the Exchange Act.

We estimate that three IBHCs will file Notices of Intention with the Commission to be supervised by the Commission as SIBHCs. An SIBHC will require, on average, about 3,600 hours to assess its present structure, businesses, and controls, and establish and document its risk management control system. In addition, an SIBHC will require, on average, approximately 250 hours each year to maintain its risk management control system. Consequently, the total initial burden for all SIBHCs is approximately 10,800 hours<sup>7</sup> and the continuing annual burden is about 750 hours.<sup>8</sup> Thus, the total burden relating to Rule 17i-4 for all SIBHCs is approximately 11,550 hours<sup>9</sup> in the first year, and approximately 750 hours each year thereafter.<sup>10</sup>

We believe that an IBHC likely will upgrade its information technology ("IT") systems in order to more efficiently comply with certain of the SIBHC framework rules (including Rules 17i-4, 17i-5, 17i-6 and 17i-7), and that this would be a one-time cost. Depending on the state of development of the IBHC's IT systems, it would cost an IBHC between \$1 million and \$10 million to upgrade its IT systems to comply with the SIBHC framework of rules. Thus, on average, it would cost each of the three IBHCs about \$5.5 million to upgrade their IT systems, or approximately \$16.5 million in total. It is impossible to determine what percentage of the IT systems costs would be attributable to each Rule, so we allocated the total estimated upgrade costs equally (at 25% for each of the above-mentioned Rules), with \$4,125,000 attributable to Rule 17i-4.

The records required to be created pursuant to Rule 17i-4 must be preserved for a period of not less than three years.<sup>11</sup> The collection of information is mandatory and the information required to be provided to the Commission pursuant to this Rule is deemed confidential pursuant to Section 17(j) of the Exchange Act and

Section 552(b)(3)(B) of the Freedom of Information Act,<sup>12</sup> notwithstanding any other provision of law.

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

*Comments should be directed to:* (i) Desk Officer for the Securities and Exchange Commission Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503 or by sending an e-mail to: *Shagufta\_Ahmed@comb.eop.gov*; and (ii) Charles Boucher, Director/Chief Information Officer, Securities and Exchange Commission, c/o Shirley Martinson, 6432 General Green Way, Alexandria, Virginia 22312 or send an e-mail to *PRA\_Mailbox@sec.gov*. Comments must be submitted to OMB within 30 days of this notice.

Dated: December 30, 2009.

**Florence E. Harmon,**  
*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: US Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549-0213.

*Extension:* Rule 17i-6, SEC File No. 270-532, OMB Control No. 3235-0588.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995<sup>1</sup> the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget request for extension of the previously approved collection of information discussed below. The Code of Federal Regulation citation to this collection of information is the following rule: 17 CFR 240.17i-6.

Section 231 of the Gramm-Leach-Bliley Act of 1999<sup>2</sup> (the "GLBA") amended Section 17 of the Securities Exchange Act of 1934 (17 USC 78a *et seq.*) (the "Exchange Act") to create a regulatory framework under which a holding company of a broker-dealer ("investment bank holding company" or

<sup>2</sup> Public Law 106-102, 113 Stat. 1338 (1999).

<sup>3</sup> See 15 U.S.C. 78q(i).

<sup>4</sup> See Exchange Act Release No. 49831 (Jun. 8, 2004), 69 FR 34472 (Jun. 21, 2004).

<sup>5</sup> See H.R. Conf. Rep. No. 106-434, 165 (1999). See also Exchange Act Release No. 49831, at 6 (Jun. 8, 2004), 69 FR 34472, at 34473 (Jun. 21, 2004).

<sup>6</sup> 17 CFR 240.15c3-4.

<sup>7</sup> (3,600 hours × 3 SIBHCs) = 10,800 hours.

<sup>8</sup> (250 hours per year × 3 SIBHCs) = 750 hours per year.

<sup>9</sup> (3,600 hours × 3 SIBHCs) + (250 hours per year × 3 SIBHCs).

<sup>10</sup> (250 hours per year × 3 SIBHCs).

<sup>11</sup> 17 CFR 240.17i-5(b)(5).

<sup>12</sup> 5 U.S.C. 552(b)(3)(B).

<sup>14</sup> 44 U.S.C. 3501 *et seq.*

<sup>2</sup> Public Law 106-102, 113 Stat. 1338 (1999).