

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 1999² (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”).³ In 2004, the Commission promulgated rules, including Rule 17i-4, to create a framework for the Commission to supervise SIBHCs.⁴ 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.⁵

Rule 17i-4 requires an SIBHC to comply with present Exchange Act Rule 15c3-4⁶ 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 hours⁷ and the continuing annual burden is about 750 hours.⁸ Thus, the total burden relating to Rule 17i-4 for all SIBHCs is approximately 11,550 hours⁹ in the first year, and approximately 750 hours each year thereafter.¹⁰

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.¹¹ 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,¹² 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@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. 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 1995¹ 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 1999² (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

² Public Law 106-102, 113 Stat. 1338 (1999).

³ See 15 U.S.C. 78q(i).

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

⁵ 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).

⁶ 17 CFR 240.15c3-4.

⁷ (3,600 hours × 3 SIBHCs) = 10,800 hours.

⁸ (250 hours per year × 3 SIBHCs) = 750 hours per year.

⁹ (3,600 hours × 3 SIBHCs) + (250 hours per year × 3 SIBHCs).

¹⁰ (250 hours per year × 3 SIBHCs).

¹¹ 17 CFR 240.17i-5(b)(5).

¹² 5 U.S.C. 552(b)(3)(B).

¹⁴ 44 U.S.C. 3501 *et seq.*

² Public Law 106-102, 113 Stat. 1338 (1999).

“IBHC”) may voluntarily be supervised by the Commission as a supervised investment bank holding company (or “SIBHC”).³ In 2004, the Commission promulgated rules, including Rule 17i-6, to create a framework for the Commission to supervise SIBHCs.⁴ 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.⁵

Pursuant to Section 17(i)(3)(A) of the Exchange Act, an SIBHC must make and keep records, furnish copies thereof, and make such reports as the Commission may require by rule.⁶ Rule 17i-6 requires that an SIBHC file with the Commission certain monthly and quarterly reports and an annual audit report.

The collections of information required by Rule 17i-6 are necessary to allow the Commission to adequately to supervise the activities of these SIBHCs and 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 Act. Rule 17i-6s also enhances the Commission’s supervision of a SIBHCs’ subsidiary broker-dealers through collection of additional information and inspections of affiliates of those broker-dealers. Without these reports, the Commission would be unable to adequately supervise an SIBHC, nor would it be able to determine whether continued supervision of an IBHC as an SIBHC were necessary and appropriate in furtherance of the purposes of Section 17 of the 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 about 8 hours to prepare and file each monthly report required by this rule (or approximately 64 hours per year).⁷ On average, it will take an SIBHC about 16 hours each quarter (or 64 hours

each year)⁸ to prepare and file the quarterly reports required by this rule. An SIBHC will require about 200 hours to prepare and file the annual audit reports required by this rule. Consequently, the total annual burden of Rule 17i-6 on all SIBHCs is approximately 984 hours.⁹

Rule 17i-6 requires that an SIBHC file certain monthly and quarterly reports with the Commission, as well as an annual audit report. The average cost for an SIBHC to prepare and file the monthly reports is about \$1,424 per month, and thus approximately \$11,392 per year.¹⁰ On average, an SIBHC will incur a quarterly cost of \$2,848 to prepare and file the required quarterly reports, and thus will incur an annual cost of \$11,392 to file these reports.¹¹ Finally, an SIBHC, on average, will incur an annual cost of \$40,400 to prepare and file an annual audit.¹² Thus, the total dollar cost of the ongoing paperwork burden associated with Rule 17i-6 is approximately \$189,552.¹³

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

⁸ (16 hours × 4 quarters in a year) = 64 hours/year.

⁹ (64 hours per year to prepare and file monthly reports + 64 hours each year to prepare and file quarterly reports + 200 hours each year to prepare and file annual audit reports) × 3 SIBHCs = 984 hours.

¹⁰ We believe that an SIBHC would have a Senior Accountant prepare and file these reports. According to the Securities Industry Financial Management Association (or “SIFMA”), the hourly cost of a Senior Accountant is \$178, as reflected in the SIFMA’s *Report on Management and Professional Earnings for 2008*, and modified to account for an 1,800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead. (\$178 × 8 hours) = \$1,424. (\$1,424 × 8 months) = \$11,392.

¹¹ We believe that an SIBHC would have a Senior Accountant prepare and file these reports. The hourly cost of a Senior Accountant is \$178. (\$178 × 16 hours) = \$2,842. (\$2,842 × 4 quarters) = \$11,392.

¹² We believe that an SIBHC would have a Senior Internal Auditor work with accountants to prepare and file these reports. According to the SIFMA, the hourly cost of a Senior Internal Auditor is \$202, as reflected in its *Report on Management and Professional Earnings for 2008*, and modified to account for an 1,800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead. (\$202 × 200 hours) = \$40,400.

¹³ ((\$11,392 + \$11,392 + \$40,400) × 3 SIBHCs) = \$189,552.

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-6.

The reports and notices required to be filed pursuant to Rule 17i-6 must be preserved for a period of not less than three years.¹⁴ 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 Securities Exchange Act of 1934¹⁵ and Section 552(b)(3)(B) of the Freedom of Information Act,¹⁶ notwithstanding any other provision of law. In addition, paragraph 17i-6(h) specifies that all reports and statements filed by an SIBHC in accordance with Rule 17i-6 shall be accorded confidential treatment.

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 of OMB Review; Comment Request

Upon Written Request, Copies Available
From: Securities and Exchange
Commission, Office of Investor

¹⁴ 17 CFR 240.17i-5(b)(3).

¹⁵ 15 U.S.C. 78q(j)

¹⁶ 5 U.S.C. 552(b)(3)(B).

³ See 15 U.S.C. 78q(i).

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

⁵ 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).

⁶ 15 U.S.C. 78q(i)(3)(A).

⁷ The SIBHC must file with the Commission a monthly report within 30 calendar days after the end of each month that does not coincide with a fiscal quarter end. Consequently, the SIBHC must file a monthly report 8 times each year. (8 hours × 8 months) = 64 hours/year.