

## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; 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 17g-5, SEC File. No. 270-581, OMB Control No. 3235-0649.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments on the existing collection of information provided for in Rule 17g-5 (17 CFR 240.17g-5) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) ("Exchange Act"). The Commission plans to submit this existing collection of information to the Office of Management and Budget ("OMB") for extension and approval.

The Credit Rating Agency Reform Act of 2006 (Pub. L. 109-291) ("Rating Agency Act"), enacted on September 29, 2006, defines the term "nationally recognized statistical rating organization," or "NRSRO" and provides authority for the Commission to implement registration, recordkeeping, financial reporting, and oversight rules with respect to registered credit rating agencies.

In 2009, the Commission adopted amendments to Rule 17g-5. Rule 17g-5, as amended, imposes additional requirements on NRSROs in order to address concerns about the integrity of their credit rating procedures and methodologies in light of the role they played in determining credit ratings for securities collateralized by or linked to subprime residential mortgages.

Rule 17g-5, as amended, requires NRSROs to disclose and manage certain conflicts of interest. The collection of information obligation imposed by Rule 17g-5 is mandatory for credit rating agencies that are applying to register or are registered with the Commission as NRSROs. Registration with the Commission as an NRSRO is voluntary.

The Rating Agency Act added a new Section 15E, "Registration of Nationally Recognized Statistical Rating Organizations" (15 U.S.C. 78o-7) to the Exchange Act. Exchange Act Section 15E(h)(2) provides the Commission with authority to prohibit, or require the management and disclosure of, any potential conflict of interest relating to the issuance of credit ratings by an NRSRO (15 U.S.C. 78o-7(h)(2)).

Rule 17g-5, as amended, requires the disclosure and establishment of procedures to manage an additional conflict of interest and prohibits an NRSRO from issuing a rating for a structured finance product unless information about the transaction and the assets underlying the rated security are disclosed to certain persons. The Commission estimates that it will take 10 NRSROs approximately 300 hours to develop a system, as well as the policies and procedures, for the disclosures required by Rule 17g-5, resulting in a total one-time hour burden of 3,000.

Rule 17g-5, as amended, also requires disclosures on a transaction by transaction basis. The Commission estimates that the total number of structured finance ratings issued by all NRSROs in a given year would be 14,880 and that it would take 1 hour per transaction to make the information publicly available resulting in a total aggregate annual burden to the industry of 14,880 hours.

Rule 17g-5, as amended, also requires arrangers to disclose certain information. The Commission estimates that it would take 200 arrangers subject to the rule approximately 300 hours to develop a system, as well as the policies and procedures, for the disclosures required by Rule 17g-5, resulting in a total one-time hour burden of 60,000.

Rule 17g-5, as amended, also requires disclosures by arrangers on a transaction by transaction basis. The Commission estimates that 200 arrangers would arrange approximately 20 new transactions per year and that it would take 1 hour per transaction to make the information publicly available, resulting in a total aggregate annual burden of 4,000 hours.

Rule 17g-5, as amended, also requires disclosure of information by arrangers on an ongoing basis that is used by an NRSRO to undertake credit rating surveillance on the structured finance product. The Commission estimates this disclosure would be required for approximately 125 transactions a month, and it would take each respondent approximately 0.5 hours per transaction to disclose the information. Therefore, the Commission estimates that it would take each respondent approximately 750 hours on an annual basis to disclose such information, for a total aggregate annual burden of 150,000 hours.

Finally, Rule 17g-5, as amended, requires NRSROs to submit an annual certification to the Commission. The Commission estimates that it would take each NRSRO approximately 2 hours to complete the certification, resulting in a

total aggregate annual burden of 20 hours.

Accordingly, the total estimated burden associated with Rule 17g-5 is 63,000 hours on a one-time basis (3,000 + 60,000 = 63,000) and 168,900 on an annual basis (14,880 + 150,000 + 4,000 + 20 = 168,900).

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information on respondents; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

The Commission may not conduct or sponsor a collection of information unless it displays a currently valid OMB control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid OMB control number.

Please direct your written comments to: Thomas Bayer, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 6432 General Green Way, Alexandria, VA 22312 or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: May 21, 2012.

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2012-12724 Filed 5-24-12; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; Comment Request

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

#### Extension:

Rules 17h-1T and 17h-2T, SEC File No. 270-359, OMB Control No. 3235-0410.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) ("PRA"), the Securities and Exchange Commission

("Commission") is soliciting comments on the existing collection of information provided for in Rules 17h-1T and 17h-2T (17 CFR 240.17h-1T and 17 CFR 240.17h-2T), under the Securities Exchange Act of 1934 (17 U.S.C. 78a *et seq.*). The Commission plans to submit this existing collection of information to the Office of Management and Budget ("OMB") for extension and approval.

Rule 17h-1T requires a broker-dealer to maintain and preserve records and other information concerning certain entities that are associated with the broker-dealer. This requirement extends to the financial and securities activities of the holding company, affiliates and subsidiaries of the broker-dealer that are reasonably likely to have a material impact on the financial or operational condition of the broker-dealer. Rule 17h-2T requires a broker-dealer to file with the Commission quarterly reports and a cumulative year-end report concerning the information required to be maintained and preserved under Rule 17h-1T.

The collection of information required by Rules 17h-1T and 17h-2T, collectively referred to as the "risk assessment rules" is necessary to enable the Commission to monitor the activities of a broker-dealer affiliate whose business activities are reasonably likely to have a material impact on the financial and operational condition of the broker-dealer. Without this information, the Commission would be unable to assess the potentially damaging impact of the affiliate's activities on the broker-dealer.

There are currently 275 respondents that must comply with Rules 17h-1T and 17h-2T. Each of these 275 respondents requires approximately 10 hours per year, or 2.5 hours per quarter, to maintain the records required under Rule 17h-1T, for an aggregate annual burden of 2750 hours (275 respondents  $\times$  10 hours). In addition, each of these 275 respondents must make five annual responses under Rule 17h-2T. These five responses require approximately 14 hours per respondent per year, or 3.5 hours per quarter, for an aggregate annual burden of 3,850 hours (275 respondents  $\times$  14 hours).

In addition, there are approximately twenty-five new respondents per year that must draft an organizational chart required under Rule 17h-1T and establish a system for complying with the risk assessment rules. The staff estimates that drafting the required organizational chart requires one hour and establishing a system for complying with the risk assessment rules requires three hours, thus requiring an aggregate of 100 hours (25 new respondents  $\times$  4

hours). Thus, the total compliance burden per year is approximately 6,700 burden hours (2,750 + 3,850 + 100).

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility; (b) the accuracy of the Commission's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

The Commission may not conduct or sponsor a collection of information unless it displays a currently valid OMB control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid OMB control number.

Please direct your written comments to: Thomas Bayer, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 6432 General Green Way, Alexandria, Virginia 22312 or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: May 21, 2012.

**Kevin M. O'Neill,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release Nos. 33-9325; 34-67038 File No. 265-27]

### Advisory Committee on Small and Emerging Companies; Meeting

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Notice.

**SUMMARY:** The Securities and Exchange Commission Advisory Committee on Small and Emerging Companies is providing notice that it will hold a public meeting on Friday, June 8, 2012, in Multi-Purpose Room LL-006 at the Commission's headquarters, 100 F Street NE., Washington, DC. The meeting will begin at 9 a.m. (EDT) and will be open to the public. The meeting will be Web cast on the Commission's Web site at [www.sec.gov](http://www.sec.gov). Persons

needing special accommodations to take part because of a disability should notify the contact person listed below. The public is invited to submit written statements to the Committee.

The agenda for the meeting includes discussions of provisions of the Jumpstart Our Business Startups (JOBS) Act and other matters relating to rules and regulations affecting small and emerging companies under the federal securities laws. Notice of this meeting is less than fifteen days prior to the meeting due to an administrative delay.

**DATES:** The public meeting will be held Friday, June 8, 2012. Written statements should be received on or before June 5, 2012.

**ADDRESSES:** The meeting will be held in Multi-Purpose Room LL-006 at the Commission's headquarters, 100 F Street NE., Washington, DC.

Written statements may be submitted by any of the following methods:

#### *Electronic Statements*

- Use the Commission's Internet submission form (<http://www.sec.gov/info/smallbus/acsec.shtml>); or
- Send an email message to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number 265-27 on the subject line; or

#### *Paper Statements*

- Send paper statements in triplicate to Elizabeth M. Murphy, Federal Advisory Committee Management Officer, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File No. 265-27. This file number should be included on the subject line if email is used. To help us process and review your statement more efficiently, please use only one method. The Commission will post all statements on the Advisory Committee's Web site (<http://www.sec.gov/info/smallbus/acsec.shtml>).

Statements also will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Room 1580, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. All statements received will be posted without change; we do not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

**FOR FURTHER INFORMATION CONTACT:** Johanna V. Losert, Special Counsel, at (202) 551-3460, Office of Small Business Policy, Division of Corporation Finance, Securities and Exchange