

Rule 17a-13, SEC File No. 270-27, OMB Control No. 3235-0035.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments on the collection of information provided for in Rule 17a-13 (17 CFR 240.17a-13) under the Securities Exchange Act of 1934 (15 U.S.C. 78 *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.

Rule 17a-13(b) (17 CFR 240.17a-13(b)) generally requires that at least once each calendar quarter, all registered brokers-dealers physically examine and count all securities held and account for all other securities not in their possession, but subject to the broker-dealer's control or direction. Any discrepancies between the broker-dealer's securities count and the firm's records must be noted and, within seven days, the unaccounted for difference must be recorded in the firm's records. Rule 17a-13(c) (17 CFR 240.17a-13(c)) provides that under specified conditions, the count, examination, and verification of the broker-dealer's entire list of securities may be conducted on a cyclical basis rather than on a certain date. Although Rule 17a-13 does not require broker-dealers to file a report with the Commission, discrepancies between a broker-dealer's records and the securities counts may be required to be reported, for example, as a loss on Form X-17a-5 (17 CFR 248.617), which must be filed with the Commission under Exchange Act Rule 17a-5 (17 CFR 240.17a-5). Rule 17a-13 exempts broker-dealers that limit their business to the sale and redemption of securities of registered investment companies and interests or participation in an insurance company separate account and those who solicit accounts for federally insured savings and loan associations, provided that such persons promptly transmit all funds and securities and hold no customer funds and securities. Rule 17a-13 also does not apply to certain broker-dealers required to register only because they effect transactions in securities futures products.

The information obtained from Rule 17a-13 is used as an inventory control device to monitor a broker-dealer's ability to account for all securities held in transfer, in transit, pledged, loaned, borrowed, deposited, or otherwise subject to the firm's control or direction. Discrepancies between the securities

counts and the broker-dealer's records alert the Commission and applicable self-regulatory organizations ("SROs") to those firms experiencing back-office operational issues.

Currently, there are approximately 4,067 broker-dealers registered with the Commission. However, given the variability in their businesses, it is difficult to quantify how many hours per year each broker-dealer spends complying with Rule 17a-13. As noted, Rule 17a-13 requires a respondent to account for all securities in its possession or subject to its control or direction. Many respondents hold few, if any, securities; while others hold large quantities. Therefore, the time burden of complying with Rule 17a-13 will depend on respondent-specific factors, including a broker-dealer's size, number of customers, and proprietary trading activity. The staff estimates that the average time spent per respondent is 100 hours per year on an ongoing basis to maintain the records required under Rule 17a-13. This estimate takes into account the fact that more than half of the 4,067 respondents—according to financial reports filed with the Commission—may spend little or no time complying with the rule, given that they do not do a public securities business or do not hold inventories of securities. For these reasons, the staff estimates that the total compliance burden per year is 406,700 hours (4,067 respondents × 100 hours/respondent).

The records required to be made by Rule 17a-13 are available only to Commission examination staff, state securities authorities, and applicable SROs. Subject to the provisions of the Freedom of Information Act, 5 U.S.C. 522, and the Commission's rules thereunder (17 CFR 200.80(b)(4)(iii)), the Commission does not generally publish or make available information contained in any reports, summaries, analyses, letters, or memoranda arising out of, in anticipation of, or in connection with an examination or inspection of the books and records of any person or any other investigation.

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 has practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed 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.

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

Please direct your written comments to: Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549, or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: December 6, 2016.

**Brent J. Fields,**  
Secretary.

[FR Doc. 2016-30375 Filed 12-16-16; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; Comment Request

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549-2736.

#### Extension:

Rules 15Ba1-1 through 15Ba1-8, SEC File No. 270-619, OMB Control No. 3235-0681.

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 collection of information provided for in Rules 15Ba1-1 to 15Ba1-8 (17 CFR 240.15Ba1-1 to 17 CFR 240.15Ba1-8)—Registration of Municipal Advisors, under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) (the "Act"). The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

On September 20, 2013 (*see* 78 FR 67468, November 12, 2013), the Commission adopted Rules 15Ba1-1 through 15Ba1-8 and Rule 15Bc4-1 under the Act to establish the rules by which a municipal advisor must obtain, maintain, and terminate its registration with the Commission. In addition, the rules interpret the definition of the term "municipal advisor," interpret the statutory exclusions from that definition, and provide certain additional regulatory exemptions. The rules became effective on January 13,

2014; however, on January 13, 2014, the Commission temporarily stayed such rules until July 1, 2014 (*see* 79 FR 2777, January 16, 2014). Section 15B(a)(1) of the Act makes it unlawful for a municipal advisor to provide advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, or to undertake a solicitation of a municipal entity or obligated person, unless the municipal advisor is registered with the Commission. The rules, among other things (i) require municipal advisors to file certain forms (*i.e.*, Form MA, Form MA-A, Form MA/A, Form MA-I, Form MA-I/A, Form MA-NR, and Form MA-W) with the Commission to, as appropriate, obtain, maintain, or terminate their registration with the Commission and maintain certain books and records in accordance with the Act, and (ii) set forth how certain entities may meet the requirements of the statutory exclusions or regulatory exemptions from the definition of "municipal advisor."

#### Form MA

The Commission estimates that approximately 75 respondents will submit new Form MA applications annually in each of the next three years. The Commission further estimates that each submission will take approximately 3.5 hours. Thus, the total annual burden borne by respondents for submitting an initial Form MA application will be approximately 263 hours.<sup>1</sup> The Commission estimates that respondents submitting new Form MA applications would, on average, consult with outside counsel for one hour, at a rate of \$400/hour. Thus, the Commission estimates that the average total annual cost that may be incurred by all respondents filing new Form MA applications will be \$30,000.<sup>2</sup> In addition to filing initial Form MA applications, the rules require municipal advisors to amend Form MA once annually (Form MA-A) and after the occurrence of any material event (Form MA/A). The requirement to amend Form MA applies to all registered municipal advisors. There are currently approximately 668 municipal advisors registered with the Commission and, as noted above, the Commission anticipates receiving 225 new Form MA submissions over the next three years. Therefore, the Commission expects that the rules' requirement to amend Form MA will apply to approximately 743 municipal

advisors in year one, approximately 818 municipal advisors in year two, and approximately 893 municipal advisors in year three. The Commission estimates that completing an annual amendment would take a municipal advisor approximately 1.5 hours and completing a material event amendment would take 0.5 hours. The Commission further estimates that each municipal advisor will submit two amendments per year (one Form MA-A and one Form MA/A). Thus, the Commission estimates that the average annual burden borne by respondents for amending Form MA during the three-year period will be approximately 1,636 hours.<sup>3</sup>

#### Form MA-I

The Commission estimates that it will receive approximately 950 new Form MA-I submissions annually. The Commission further estimates that each Form MA-I submission will take approximately three hours to complete. Thus, the total annual burden borne by respondents submitting Form MA-I will be approximately 2,850 hours.<sup>4</sup> The Commission also estimates that a Form MA-I respondent will submit 1.7 updating amendments per year (Form MA-I/A), and that each such amendment will take approximately 0.5 hours to complete. There are currently approximately 5,685 Form MA-IIs on file with the Commission and, as noted above, the Commission expects to receive 2,850 Form MA-I submissions over the next three years. Therefore, the Commission expects the rules' requirement to amend Form MA-I to apply to approximately 6,635 Form MA-IIs in year one, approximately 7,585 Form MA-IIs in year two, and approximately 8,535 Form MA-IIs in year three. Thus, the Commission estimates that the average annual burden borne by respondents submitting Form MA-I amendments during the three-year period will be approximately 6,447 hours.<sup>5</sup>

#### Form MA-W

The Commission estimates that it will receive 40 new Form MA-W submissions annually. The Commission further estimates that each Form MA-W submission will take approximately 0.5 hours to complete. Thus, the total annual burden borne by respondents submitting Form MA-W will be approximately 20 hours.<sup>6</sup>

<sup>3</sup> 818 respondents × 2 hours.

<sup>4</sup> 950 submissions × 3 hours.

<sup>5</sup> 7,585 Form MA-I/As × (1.7 amendments × 0.5 hours).

<sup>6</sup> 40 respondents × 0.5 hours.

#### Form MA-NR

The Commission estimates that three municipal advisors will have a non-resident general partner, non-resident managing agent, or non-resident associated person and such advisors will submit a total of approximately nine Form MA-NRs annually. The Commission further estimates that each Form MA-NR submission will take approximately 1.5 hours to complete. Thus, the total annual burden borne by respondents submitting Form MA-NR will be approximately 13.5 hours.<sup>7</sup> In addition, each respondent that submits a Form MA-NR must also provide an opinion of counsel. The Commission estimates that such an opinion of counsel would take three hours to complete, at a rate of \$400/hour. Thus, the Commission estimates that the total annual burden borne by respondents providing an opinion of counsel will be approximately nine hours.<sup>8</sup> The estimated average total cost that may be incurred by all respondents providing an opinion of counsel will be \$3,600.<sup>9</sup>

#### Consent to Service of Process

The Commission estimates that 75 new municipal advisors will have to develop a template document to use in obtaining written consents to service of process from their associated persons annually. The Commission further estimates that each template document will take approximately one hour to draft. Thus, the Commission estimates that the total annual burden borne by respondents developing a template document will be approximately 75 hours.<sup>10</sup> In addition, the Commission estimates that municipal advisors will need to obtain 950 new consents to service of process from associated persons annually. The Commission further estimates that, after the written consents are drafted, it will take municipal advisors approximately 0.10 hours to obtain each consent. Thus, the Commission estimates that the total annual burden borne by respondents obtaining consents to service of process will be 170 hours.<sup>11</sup>

#### Books and Records To Be Maintained by Municipal Advisors

The Commission estimates 743, 818, and 893 municipal advisors will be subject to the books and records rules during each of the next three years, respectively. The Commission further

<sup>7</sup> 3 respondents × (3 Form MA-NR submissions × 1.5 hours).

<sup>8</sup> 3 respondents × 3 hours.

<sup>9</sup> 3 respondents × (3.0 hours × \$400/hour).

<sup>10</sup> 75 respondents × 1 hour.

<sup>11</sup> 75 hours + (950 × 0.1 hours).

<sup>1</sup> 75 respondents × 3.5 hours.

<sup>2</sup> 75 respondents × (\$400/hour × 1 hour).

estimates that the average annual burden for a municipal advisor to comply with the books and records requirement is approximately 182 hours. Thus, the Commission estimates that the average annual burden borne by respondents to comply with the books and records requirements during the three-year period will be approximately 148,876 hours.<sup>12</sup>

#### Independent Registered Municipal Advisor Exemption

The Commission estimates that approximately 150 persons will seek to rely on the independent registered municipal advisor exemption annually. The Commission further estimates that the one-time burden of developing a written template disclosure document will be approximately one hour. Thus, the Commission estimates that the total one-time burden borne by respondents developing a template disclosure document will be approximately 150 hours.<sup>13</sup> The Commission also recognizes that respondents will be subject to a recurring burden each time they seek to rely on the exemption. The Commission estimates that respondents may seek the exemption on approximately 7,400 transactions annually. The Commission further estimates that the burden of obtaining the written representations needed from the municipal entity or obligated person client will be approximately 0.25 hours. Thus, the Commission estimates that the total annual burden borne by respondents seeking to rely on the independent registered municipal advisor exemption will be approximately 1,850 hours.<sup>14</sup>

#### Definition of Municipal Escrow Investments Exemption

The Commission estimates that approximately 700 respondents will seek to rely on the municipal escrow investments exemption. The Commission further estimates that the one-time burden of creating a template document to use in obtaining the written representations necessary to rely on the exemption will be approximately one hour. Thus, the Commission estimates that the total one-time burden borne by respondents developing a template document will be approximately 700 hours.<sup>15</sup> The Commission also recognizes that respondents will be subject to a recurring burden each time they seek to rely on the exemption. The Commission

estimates the respondents will seek to rely on the exemption with approximately 8,620 municipal entity clients. The Commission further estimates that the burden of obtaining the required written representations from the respondent's client will be approximately 0.25 hours. Thus, the Commission estimates that the total annual burden borne by respondents seeking to rely on the municipal escrow investments exemption will be approximately 2,155 hours.<sup>16</sup>

#### Definition of Proceeds of Municipal Securities Exemption

The Commission estimates that approximately 880 respondents will seek to rely on the proceeds of municipal securities exemption. The Commission further estimates that the one-time burden of creating a template document to use in obtaining the written representations necessary to rely on the exemption will be approximately one hour. Thus, the Commission estimates that the total one-time burden borne by respondents developing a template document will be approximately 880 hours.<sup>17</sup> The Commission also recognizes that respondents will be subject to a recurring burden each time they seek to rely on the exemption. The Commission estimates that respondents will seek to rely on the exemption in connection with services provided to approximately 25,420 clients. The Commission further estimates that the burden of obtaining the required written consents from the respondent's client will be approximately 0.25 hours. Thus, the Commission estimates that the total annual burden borne by respondents seeking to rely on proceeds of municipal securities exemption will be approximately 6,355 hours.<sup>18</sup>

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 estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be 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

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Dated: December 6, 2016.

**Brent J. Fields,**  
Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79533; File No. SR-BatsBZX-2016-82]

### Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Exchange Rule 11.27(b) Regarding the Data Collection Requirements of the Regulation NMS Plan to Implement a Tick Size Pilot Program

December 13, 2016

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 30, 2016, Bats BZX Exchange, Inc. (the "Exchange" or "BZX") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6)(iii) thereunder,<sup>4</sup> which renders it effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange filed a proposal to amend Exchange Rule 11.27(b) regarding the data collection requirements of the Regulation NMS

<sup>12</sup> 818 respondents × 182 hours.

<sup>13</sup> 150 respondents × 1 hour.

<sup>14</sup> 7,400 transactions × 0.25 hours.

<sup>15</sup> 700 respondents × 1 hour.

<sup>16</sup> 8,620 clients × 0.25 hours.

<sup>17</sup> 880 respondents × 1 hour.

<sup>18</sup> 25,420 clients × 0.25 hours.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(6)(iii).