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SECURITIES AND EXCHANGE COMMISSION

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Submission for OMB Review; Comment Request

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Office of FOIA Services
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Extension: Rules 17h-1T and 17h-2T

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”) has submitted to the Office of Management and Budget (“OMB”) a request for approval of extension of the previously approved 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 (15 U.S.C. 78a et seq.).

Rule 17h-1T requires a covered 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 covered 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 or 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 285 respondents that must comply with Rules 17h-1T and 17h-2T. Each of these 285 respondents are estimated to require 10 hours per year to maintain the records required under Rule 17h-1T, for an aggregate estimated annual burden of 2,850 hours (285 respondents X 10 hours). In addition, each of these 285 respondents must make five annual responses under Rule 17h-2T. These five responses are estimated to require 14 hours per respondent per year for an aggregate estimated annual burden of 3,990 hours (285 respondents X 14 hours).

In addition, new respondents 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. Based on the reduction in the number of filers in recent years, the staff estimates there will be zero new respondents, and thus, a corresponding estimated burden of zero hours for new respondents. Thus, the total compliance burden per year is approximately 6,840 burden hours (2,850 hours + 3,990 hours).

The retention period for the recordkeeping requirement for the information, reports and records required under Rule 17h-1T is not less than three years. There is no specific retention period or recordkeeping requirement for Rule 17h-2T. The collection of information is mandatory. All information obtained by the Commission pursuant to the provisions of Rules

17h-1T and 17h-2T from a broker or dealer concerning a material associated person is deemed confidential information for the purposes of section 24(b) of the Exchange Act.

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.

The public may view background documentation for this information collection at the following website: www.reginfo.gov. 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: Lindsay.M.Abate@omb.eop.gov; and (ii) Charles Riddle, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o Candace Kenner, 100 F Street, NE, Washington, DC 20549, or by sending an e-mail to: PRA_Mailbox@sec.gov. Comments must be submitted to OMB within 30 days of this notice.

Dated: December 10, 2018 .

Eduardo A. Aleman,
Deputy Secretary.

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