



8011-01p
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: Regulation S-AM

SEC File No. 270-548, OMB Control No. 3235-0609

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 existing collection of information provided for in Regulation S-AM (17 CFR Part 248, Subpart B), under the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) (“FCRA”), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.), and the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Regulation S-AM implements the requirements of Section 624 of the FCRA (15 U.S.C. 1681s-3) with respect to investment advisers and transfer agents registered with the Commission, as well as brokers, dealers and investment companies (collectively, “Covered Persons”). Section 624 and Regulation S-AM limit a Covered Person’s use of certain consumer financial information received from an affiliate to solicit a consumer for marketing purposes, unless the consumer has been given notice and a reasonable opportunity and a reasonable and simple method to opt out of such solicitations. Regulation S-AM potentially applies to all of the

approximately 20,195 Covered Persons registered with the Commission, although only approximately 11,309 of them have one or more corporate affiliates, and the regulation requires only approximately 2,020 to provide consumers with an affiliate marketing notice and an opt-out opportunity.

The Commission staff estimates that there are approximately 11,309 Covered Persons having one or more affiliates, and that they each spend an average of 0.20 hours per year to review affiliate marketing practices, for, collectively, an estimated annual time burden of 2,262 hours at an annual internal compliance cost of approximately \$1,203,384. The staff also estimates that approximately 2,020 Covered Persons provide notice and opt-out opportunities to consumers, and that they each spend an average of 7.6 hours per year creating notices, providing notices and opt-out opportunities, monitoring the opt-out notice process, making and updating records of opt-out elections, and addressing consumer questions and concerns about opt-out notices, for, collectively, an estimated annual time burden of 15,352 hours at an annual internal compliance cost of approximately \$2,999,296. Thus, the staff estimates that the collection of information requires a total of approximately 11,309 respondents to incur an estimated annual time burden of a total of 17,614 hours at a total annual internal cost of compliance of approximately \$4,202,680.

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 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: Charles Riddle, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o Candace Kenner, 100 F Street, NE, Washington, DC 20549, or send an e-mail to: PRA_Mailbox@sec.gov.

Dated: September 11, 2019.

Jill M. Peterson,
Assistant Secretary.

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