



441 G St. N.W.  
Washington, DC 20548

B-335341

June 12, 2023

The Honorable Sherrod Brown  
Chairman  
The Honorable Tim Scott  
Ranking Member  
Committee on Banking, Housing, and Urban Affairs  
United States Senate

The Honorable Patrick McHenry  
Chairman  
The Honorable Maxine Waters  
Ranking Member  
Committee on Financial Services  
House of Representatives

Subject: *Securities and Exchange Commission: Share Repurchase Disclosure Modernization*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Securities and Exchange Commission (SEC) entitled "Share Repurchase Disclosure Modernization" (RIN: 3235-AM94). We received the rule on May 3, 2023. It was published in the *Federal Register* as a final rule on June 1, 2023. 88 Fed. Reg. 36002. The effective date is July 31, 2023.

SEC states that the final rule adopts amendments to modernize and improve disclosure about repurchases of an issuer's equity securities that are registered under the Securities Exchange Act of 1934, 15 U.S.C. § 78a *et seq.* Specifically, SEC states that the final rule requires additional detail regarding the structure of an issuer's repurchase program and its share repurchases, requires the filing of daily quantitative repurchase data either quarterly or semi-annually, and eliminates the requirement to file monthly repurchase data in an issuer's periodic reports. SEC further states that the final rule revises and expands the existing periodic disclosure requirements about repurchases. Finally, SEC states that the final rule adds new quarterly disclosure in requirements in certain periodic reports related to an issuer's adoption and termination of certain trading arrangements.

Enclosed is our assessment of SEC's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Shari Brewster, Assistant General Counsel, at (202) 512-6398.

A handwritten signature in black ink that reads "Shirley A. Jones".

Shirley A. Jones  
Managing Associate General Counsel

Enclosure

cc: Vanessa A. Countryman  
Secretary  
Securities and Exchange Commission

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE  
ISSUED BY THE  
SECURITIES AND EXCHANGE COMMISSION  
ENTITLED  
“SHARE REPURCHASE DISCLOSURE MODERNIZATION”  
(RIN: 3235-AM94)

(i) Cost-benefit analysis

The Securities and Exchange Commission (SEC) conducted an economic analysis of this final rule. SEC’s analysis included the establishment of a baseline against which the changes imposed by the rule could be measured, as well as the identification of affected parties. SEC’s analysis then discussed general costs and benefits, as well as specific costs and benefits associated with quantitative and qualitative repurchase disclosure requirements and eXtensible Business Reporting Language (XBRL) requirements. Finally, SEC discussed the rule’s effects on efficiency, competition, and capital formation, as well as alternatives it considered to the rule.

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603–605, 607, and 609

SEC prepared a Final Regulatory Flexibility Analysis. The analysis included: (1) a statement of the need for and objectives of the rule; (2) a description of significant issues raised by public comments; (3) a description of the small entities subject to the rule; (4) projected reporting, recordkeeping, and other compliance requirements; and (5) a description of agency actions to minimize effects on small entities.

(iii) Agency actions relevant to sections 202–205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532–1535

As an independent regulatory agency, SEC is not subject to the Act.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

On February 15, 2022, SEC published a proposed rule. 87 Fed. Reg. 8443. SEC stated that it received over 170 unique comment letters and over 3,200 form letters. SEC responded to comments in the final rule.

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501–3520

SEC determined that the final rule contains information collection requirements under the PRA, and it stated that it has submitted these requirements to the Office of Management and Budget (OMB) for review. SEC further stated that the titles of the affected collections of information, along with the associated paperwork burden of the affected forms and schedules, taking into account the final rule, are as follows:

- Form 10-K (OMB Control Number 3235-0063) (14,005,870 hours and \$1,839,008,919);

- Form 10-Q (OMB Control Number 3235-0070) (3,149,384 hours and \$420,517,154);
- Form 20-F (OMB Control Number 3235-0288) (479,021 hours and \$576,558,125);
- Form N-CSR (OMB Control Number 3235-0570) (228,037 hours and \$6,129,524); and
- Form F-SR (new collection of information) (2,100 hours and \$3,780,000).

#### Statutory authorization for the rule

SEC promulgated this final rule pursuant to section 2(c)(2)(E) of title 7; sections 5221(e)(3) and 5461 *et seq.* of title 12; sections 77c, 77d, 77e, 77f, 77g, 77h, 77j, 77k, 77s, 77z-2, 77z-3, 77aa, 77ddd, 77eee, 77ggg, 77hhh, 77iii, 77jjj, 77nnn, 77sss, 77ttt, 78a, 78c, 78c-3, 78c-5, 78d, 78e, 78f, 78g, 78i, 78j, 78j-1, 78j-3, 78j-4, 78k, 78k-1, 78l, 78m, 78n, 78n-1, 78o, 78o-4, 78o-10, 78p, 78q, 78q-1, 78s, 78u-5, 78w, 78x, 78dd, 78ll, 78mm, 80a-6(c), 80a-8, 80a-9, 80a-20, 80a-23, 80a-24, 80a-26, 80a-29, 80a-30, 80a-31, 80a-37, 80a-38, 80a-39, 80b-3, 80b-4, 80b-6a, 80b-11, 7201 *et seq.*, and 8302 *et seq.* of title 15; and section 1350 of title 18, United States Code, as well as Public Laws 111-203, 107-204, 112-106, 114-94, and 116-222.

#### Executive Order No. 12866 (Regulatory Planning and Review)

As an independent regulatory agency, SEC is not subject to the Order.

#### Executive Order No. 13132 (Federalism)

As an independent regulatory agency, SEC is not subject to the Order.