

We are exploring potential methods for the system to identify uniquely each insider and enable an insider, or an issuer or other third party acting on the insider's behalf, to manage the access codes more effectively and arrange new access codes, if necessary, on a real-time basis. Ultimately, we may address the situation even more broadly (*i.e.*, not only in the context of section 16 filings). For the time being, however, we urge

- Insiders to file Forms ID well in advance of when they expect to need codes, to keep track of their codes and to advise issuers for which they later become insiders of their existing codes; and

- Issuers and other third parties involved in the filing process to inquire whether an insider already has codes before submitting a Form ID filing on the insider's behalf.<sup>108</sup>

Five commenters addressed alternatives to limiting electronic filing of insider reports to the new on-line system. All five commenters suggested that insiders remain able to file through the current EDGARLink system during at least the initial few months of the new on-line system. Among their reasons were to provide more time for third-party software development, facilitate a smoother transition and enable filers to prepare a submission in advance (and thereby ease proofreading).

We have considered the commenters' suggestions and concerns regarding alternate methods of filing. However, due to technical and resource limitations, we cannot maintain parallel systems, such as EDGARLink and the new on-line system.

A significant number of commenters addressed the operation of the new on-line system. They addressed input features generally, the relationship between reduced content filings and on-line filing, and technical issues regarding data format and tagging.

Commenters suggested input features that are user-friendly in general and, in particular, allow users to

- Save incomplete forms for the next on-line session;
- Complete forms off-line and file them on-line;
- Use an unlimited number of lines in each transaction table;
- Receive a warning before a time-out;
- Avoid separately converting attachments into an EDGAR format;

- Avoid the need to input data manually into fields automatically populated based on, for an initial report, information in the Form ID and, for a subsequent report, information in the last previous report;

- Access instructions from the related part of the on-line template; and
- Use pull-down menus for a variety of items.

The system allows users to avoid separately converting attachments into an EDGAR form<sup>109</sup> and allows users to use pull-down menus in responding to some items. As the Commission staff and filers develop operational experience with the on-line filing system, we plan to consider whether pull-down menus would be feasible for additional items.

Due to cost and storage limitations, the system currently does not allow users to:

- Save incomplete forms for the next on-line session (but the system does allow users to print their incomplete forms and, thereby, retain a hard copy);
- Complete forms off-line and file them on-line except by using a third party or other reduced content filing process;
- Use an unlimited number of lines in each transaction table (but we believe the number of lines available adequate);
- Receive a warning before a time-out;
- Avoid the need to input data manually into fields automatically populated based on, for a Form 4 or Form 5, information in the last previous report (but some fields will be populated automatically based on information in the Form ID (*e.g.*, the insider's name)); or
- Access instructions from the related part of the on-line template.

We plan to consider these features and other improvements in connection with potential future system enhancements. We encourage system users to continue to provide their comments and suggestions to the staff.

Six commenters asked questions or cited concerns about data tagging and the format selected for information filed and displayed. The system requires that information be filed in the standard format of XML. We will disseminate that information on our website in two formats—viewable through a form and XML tagged. Users can take the XML tagged information and download it into an existing application or create an application to use the information. We believe that our approach to filing and dissemination formats makes it

relatively easy to file, access and analyze insider beneficial ownership information.

Some commenters requested that we put Forms 3, 4 and 5 and their amendments in a separate area of our website. They stated that this would provide easy access to the information for members of the public interested in these forms. We believe that the same effect has been accomplished by providing the ability on our Web site to make a search limited to these forms, as well as the ability to search for company filings excluding these forms.<sup>110</sup>

#### IV. Paperwork Reduction Act

The amendments contain "collection of information" requirements within the meaning of the Paperwork Reduction Act of 1995 ("PRA").<sup>111</sup> We published a notice requesting comment on the collection of information requirements in the Proposing Release, and submitted these requirements to the Office of Management and Budget ("OMB") for review.<sup>112</sup> These requests are pending before the OMB. When we receive OMB clearance, we will publish notice in the **Federal Register**. We did not receive any comments on the Paperwork Reduction Act analysis contained in the Proposing Release.

Consistent with the will of Congress, the amendments that affect all of these information collections, except for Form ET, generally conform the amended rules and forms to the mandated electronic filing requirements provided by the amendments to section 16(a) enacted in section 403 of the Sarbanes-Oxley Act.

Compliance with the adopted amendments will be mandatory. The information required by the amendments will not be kept confidential by the Commission except that the information required by Form ID will be kept confidential, subject to a request under the Freedom of Information Act.<sup>113</sup>

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

<sup>110</sup> See the latest version of the "EDGAR Company Search," which allows site visitors to choose to include Forms 3, 4 and 5 with other company filings in their search results, exclude them entirely or display only Forms 3, 4 and 5. This search may be found on our website at <http://www.sec.gov/edgar/searchedgar/companysearch.html>.

<sup>111</sup> 44 U.S.C. 3501 *et seq.*

<sup>112</sup> Publication and submission were in accordance with 44 U.S.C. 3507(d) and 5 CFR 1320.11.

<sup>113</sup> 5 U.S.C. 552. The Commission's regulations that implement the act are at 17 CFR 200.80 *et seq.*

<sup>108</sup> As previously noted, this can be done for persons that have used their CIK code in making a filing by using the "Companies and Other Filers" search on our Web site at <http://www.sec.gov/edgar/searchedgar/companysearch.html>.

<sup>109</sup> Attachments must be in HTML or ASCII format.