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Washington, DC 20548

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January 14, 2025

Committee on Banking, Housing, and Urban Affairs
United States Senate

Committee on Financial Services
House of Representatives

Subject: *Securities and Exchange Commission: EDGAR Filer Access and Account Management*

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) titled “EDGAR Filer Access and Account Management” (RIN: 3235-AM58). We received the rule on December 30, 2024. It was published in the *Federal Register* on December 27, 2024. 89 Fed. Reg. 106168. The effective date of the rule is March 24, 2025.

According to SEC, it is adopting this rule concerning access to and management of accounts on SEC’s Electronic Data Gathering, Analysis, and Retrieval system (EDGAR) that are related to certain technical changes to EDGAR (collectively referred to as EDGAR Next). SEC stated that EDGAR Next will improve the security of EDGAR, enhance filers’ ability to manage their EDGAR accounts, and modernize connections to EDGAR. SEC also stated that the rule requires electronic filers (filers) to authorize and maintain designated individuals as account administrators and to take certain actions, through their account administrators, to manage their accounts on EDGAR. SEC stated further that filers may only authorize individuals as account administrators or in the other roles described in the rule if those individuals first obtain individual account credentials in the manner specified in the EDGAR Filer Manual. SEC explained that EDGAR Next changes include optional Application Programming Interfaces (APIs) for machine-to-machine communication with EDGAR. Lastly, SEC noted that it is amending Volume I of the EDGAR Filer Manual to accord with the changes in the rule and that filers will have 12 months from the issuance of the rule to transition to EDGAR Next.

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 Charlie McKiver, Assistant General Counsel, at (202) 512-5992.

Shirley A. Jones
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Enclosure

cc: J. Matthew DeLesDernier
Deputy 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
TITLED
“EDGAR FILER ACCESS AND ACCOUNT MANAGEMENT”
(RIN: 3235-AM58)

(i) Cost-benefit analysis

The Securities and Exchange Commission (SEC) provided a qualitative analysis of the costs and benefits for this final rule. 89 Fed. Reg. 106168, 106204 (Dec. 27, 2024). SEC discussed several benefits of the rule. *Id.* For example, SEC stated that the main economic benefit includes enhanced security for SEC’s Electronic Data Gathering, Analysis, and Retrieval system (EDGAR) by reducing the risks of unauthorized access to electronic filers’ accounts and unauthorized filings. *Id.* SEC also stated that reducing these risks will in turn mitigate the adverse economic consequences, such as financial harms, to electronic filers and market participants that could result from unauthorized access and filings. *Id.* In addition, SEC discussed several costs associated with the rule. 89 Fed. Reg. at 106208. For example, SEC stated that the costs associated with changes to EDGAR include one-time costs for electronic filers to setup their EDGAR dashboard and ongoing costs for electronic filers to comply with new requirements related to access and management of EDGAR accounts. *Id.*

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

SEC determined that the rule will have a significant economic impact on substantial numbers of small entities and prepared a Final Regulatory Flexibility Analysis. 89 Fed. Reg. at 106218.

(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. See 2 U.S.C. §§ 658(1), 1502(1).

(iv) Agency actions relevant to the Administrative Pay-As-You-Go-Act of 2023, Pub. L. No. 118-5, div. B, title III, 137 Stat 31 (June 3, 2023)

Section 270 of the Administrative Pay-As-You-Go-Act of 2023 amended 5 U.S.C. § 801(a)(2)(A) to require GAO to assess agency compliance with the Act, which establishes requirements for administrative actions that affect direct spending, in GAO’s major rule reports. In guidance to Executive Branch agencies, issued on September 1, 2023, the Office of Management and Budget (OMB) instructed that agencies should include a statement explaining that either: “the Act does not apply to this rule because it does not increase direct spending; the Act does not apply to this rule because it meets one of the Act’s exemptions (and specifying the relevant exemption); the OMB Director granted a waiver of the Act’s requirements pursuant to section 265(a)(1) or (2) of the Act; or the agency has submitted a notice or written opinion to the OMB Director as required by section 263(a) or (b) of the Act” in their submissions of rules to GAO under the Congressional Review Act. OMB, *Memorandum for the Heads of Executive*

Departments and Agencies, Subject: Guidance for Implementation of the Administrative Pay-As-You-Go Act of 2023, M-23-21 (Sept. 1, 2023), at 11–12. OMB also states that directives in the memorandum that supplement the requirements in the Act do not apply to proposed rules that have already been submitted to the Office of Information and Regulatory Affairs, however agencies must comply with any applicable requirements of the Act before finalizing such rules.

In its submission to us, SEC indicated the Act is not applicable to this rule.

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

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

On September 22, 2023, SEC issued a proposed rule. 88 Fed. Reg. 65524. SEC summarized and addressed public comments throughout the preamble of this rule.

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

SEC determined that this rule contains information collection requirements under the Act. 89 Fed. Reg. at 106216.

Statutory authorization for the rule

SEC promulgated this rule pursuant to sections 77c, 77f, 77g, 77h, 77j, 77s(a), 77z-3, 77sss, 78c, 78l, 78m, 78n, 78n-1, 78o, 78w, 78ll, 80a-6, 80a-8, 80a-29, 80a-30, 80a-37, and 7201 *et seq.* of title 15, and section 1350 of title 16, United States Code.

Executive Order No. 12866 (Regulatory Planning and Review)

As an independent regulatory agency, SEC is not subject to the Order's regulatory review procedures.

Executive Order No. 13132 (Federalism)

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