

**SUPPORTING STATEMENT**  
**Rule 30b2-1**

**A. JUSTIFICATION**

**1. Necessity for the Information Collection**

Investment companies registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.) are required by Section 30 of that Act to file annual and periodic reports with the Securities and Exchange Commission (“Commission”) and to send to the Commission copies of their reports to stockholders. The purpose of these reporting requirements is to ensure that the Commission has enough information in its files to perform its regulatory functions and to apprise investors of the operational and financial condition of registered investment companies. Annual and periodic reports to the Commission become part of the Commission’s public files and, therefore, are available for use by prospective investors and stockholders.

Rule 30b2-1 (17 CFR 270.30b2-1) provides that four copies of every periodic or interim report which contains financial statements and is transmitted by or on behalf of any registered investment company to any of its stockholders must be filed with the Commission within ten days of such transmission.<sup>1</sup>

Although Form N-SAR was previously the form designated for registered investment companies to comply with their reporting requirements under Sections 13(a) and 15(d) of the Exchange Act, the Commission determined that certification of Form N-SAR alone was not sufficient to fully implement the intent of the certification requirement of Section 302 of the Sarbanes-Oxley Act of 2002<sup>2</sup> for registered

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<sup>1</sup> Electronic filing with the Commission eliminates the need for multiple copies of filings.

<sup>2</sup> Pub. L. 107-204, 116 Stat. 745 (2002).

management investment companies. This certification requirement is intended to improve the quality of the disclosure that a company provides about its financial condition in its periodic reports to investors. For registered management investment companies, the required reports to shareholders, rather than Form N-SAR, are the primary vehicle for providing financial statements to investors.<sup>3</sup> Rule 30b2-1 requires a registered management investment company to file a report with the Commission on Form N-CSR (“certified shareholder report”) containing (i) a copy of any required shareholder report, (ii) the certification required by the Sarbanes-Oxley Act, and (iii) additional information regarding disclosure controls and procedures.<sup>4</sup>

## **2. Purpose of the Information Collection**

The filing of the periodic or interim reports is used by the Commission to perform its regulatory functions and apprise investors of the operational and financial condition of registered investment companies.

## **3. Role of Improved Information Technology**

The Commission’s electronic filing system (Electronic Data Gathering, Analysis and Retrieval, or “EDGAR”) is designed to automate the filing, processing and dissemination of filings. The system permits publicly held companies to transmit their filings to the Commission electronically. This automation has increased the speed, accuracy and availability of information, generating benefits to investors and financial markets. Most filings are made via the EDGAR system; therefore, paper filings under

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<sup>3</sup> Rule 30e-1 under the Investment Company Act [17 CFR 270.30e-1].

<sup>4</sup> Rule 30b2-1 [17 CFR 270.30b2-1]

Rule 30b2-1 occur only in exceptional circumstances. Electronic filing eliminates the need for multiple copies of filings.

#### **4. Efforts to Identify Duplication**

To ensure the relevance of the information filed by each registered investment company and to avoid unnecessary paperwork and duplicative reporting, the Commission has promulgated specific rules and designed specific forms or items of forms for each type of investment company. Because the certification required by Section 302 of the Sarbanes-Oxley Act is imposed on Form N-CSR only, the certification would not be duplicated.

#### **5. Effect on Small Entities**

The Commission reviews all rules, as required by the Regulatory Flexibility Act, to identify methods to minimize record keeping or filing requirements affecting small businesses. The burden imposed by rule 30b2-1 may have a relatively greater impact on smaller registered investment companies. Imposing different requirements on smaller investment companies, however, would not be consistent with investor protection and the statutory requirement that all investment companies file periodic or interim reports.

#### **6. Consequences of Less Frequent Collection**

If there were less frequent collection of periodic or interim reports, the Commission would not be able to perform its regulatory functions and investors would not be apprised of the operational and financial condition of registered investment companies.

#### **7. Inconsistencies With Guidelines in 5 CFR 1320.5(d)(2)**

Not applicable.

**8. Consultations Outside the Agency**

Comments are generally received from registrants, trade associations, the legal and accounting professions, and other interested parties. In addition, the Commission and staff of the Division of Investment Management participate in an ongoing dialogue with representatives of the investment company industry through public conferences, meetings, and informal exchanges. These various forums provide the Commission and the staff with a medium of ascertaining and acting upon paperwork burdens confronting the industry.

The Commission requested public comment on the information collection requirement with respect to Rule 30b2-1 before it submitted this request for extension and approval to the Office of Management and Budget. The Commission received no comments in response to its request.

**9. Payment or Gift to Respondents**

Not applicable.

**10. Assurance of Confidentiality**

Not applicable.

**11. Sensitive Questions**

Not applicable.

**12. Estimate of Hour Burden**

Registered management investment companies are required by rule 30d-1 to report to shareholders at least twice annually. Each respondent's reporting burden under Rule 30b2-1 relates to the burden associated with filing its reports electronically. The

burden of filing electronically, however, is negligible. Rule 30b2-1 does not have a burden. The burden of the rule is currently included in the burden of rule 30e-1 and Form N-CSR. We are requesting one burden hour remain in inventory for administrative purposes.

**13. Estimate of Total Annual Cost Burden**

There are no costs to respondents to comply with the rule.

**14. Estimate of Cost to the Federal Government**

The cost to the federal government to administer the filing of the reports is minimal.

**15. Explanation in Changes in Burden**

There has been no change in burden for Rule 30b2-1.

**16. Information Collection Planned for Statistical Purposes**

Not applicable.

**17. Approval to not Display Expiration Date**

Not applicable.

**18. Exceptions to Certification Statement**

Not applicable.

**B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

Not applicable.