

SUPPORTING STATEMENT
Form N-8A

A. JUSTIFICATION

1. Necessity for the Information Collection

The Investment Company Act of 1940, as amended (“1940 Act”) (15 U.S.C. 80a-1 et seq.), requires investment companies to register with the Commission before they conduct any business in interstate commerce. Section 8(a) of the 1940 Act provides that an investment company shall be deemed to be registered upon receipt by the Commission of a notification of registration in such form as the Commission prescribes. Form N-8A is the form for notification of registration that the Commission has adopted under section 8(a).

The purpose of such notification of registration provided on Form N-8A is to notify the Commission of the existence of investment companies required to be registered under the 1940 Act and to enable the Commission to administer the provisions of the 1940 Act with respect to those companies. After an investment company has filed its notification of registration under section 8(a), the company is then subject to the provisions of the 1940 Act which govern certain aspects of its organization and activities, such as the composition of its board of directors and the issuance of senior securities.

Form N-8A requires an investment company to provide its name, state of organization, form of organization, classification, the name and address of each investment adviser of the investment company, the current value of its total assets and certain other information readily available to the investment company. If the investment company is filing a registration statement as required by Section 8(b) of the 1940 Act

concurrently with its notification of registration, Form N-8A requires only that the registrant file the cover page (giving its name, address and agent for service of process) and sign the form in order to effect registration.

2. Purpose of the Information Collection

As noted above, the purpose of Form N-8A is to notify the Commission that an investment company is registering under the 1940 Act. The Commission uses this form to determine the existence of investment companies prior to the filing of the registration statement required by section 8(b). The notification submitted on Form N-8A represents less information than that required in the registration statement required by section 8(b).

3. Role of Improved Information Technology

The Commission's electronic filing system, called EDGAR (for Electronic Data Gathering, Analysis and Retrieval), is designed to automate the filing, processing and dissemination of full disclosure filings. The system permits publicly held companies to transmit their filings to the Commission electronically. As of November 6, 1995, all registered investment companies were required to use EDGAR for their disclosure filings. Therefore, the filing requirement for Form N-8A is satisfied using EDGAR.

4. Efforts to Identify Duplication

The Commission periodically evaluates form-based reporting requirements for duplication and reevaluates them whenever it proposes or amends a rule or form. Form N-8A does not require duplicative reporting. As noted above, an investment company that simultaneously files its notification of registration and its detailed registration statement under section 8(b) may file an abbreviated Form N-8A.

5. Effect on Small Entities

Section 8(a) applies to all investment companies required to register under the 1940 Act, regardless of size. Although the burden on smaller funds may be greater than for larger funds, the Commission believes the burden imposed on any investment company by Form N-8A is small due to the extent and type of information required by the form.

6. Consequences of Less Frequent Collection

Investment companies seeking to register under the 1940 Act are required to file Form N-8A only once, and therefore the filing of Form N-8A is not a recurring event requiring periodic collection.

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

Not applicable.

8. Consultation Outside the Agency

The Commission and the staff of the Division of Investment Management participate in an ongoing dialogue with representatives of the investment company industry and through public conferences, meetings, and informal exchanges. These various forums provide the Commission and the staff with a means of ascertaining and acting upon paperwork burdens confronting the industry. The Commission requested public comment on the collection of information requirements in Form N-8A 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

The following estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act. The estimate is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules and forms.

The number of filings of Form N-8A by investment companies is estimated based on the Commission's industry statistics. The hour burden of preparing and filing a Form N-8A is based on the Commission's experience with the contents of Form N-8A and with disclosure documents generally.

The cost of preparing Form N-8A is minimal because there is no filing fee charged and only readily available identifying information concerning the issuer is required. In the case of investment companies that are filing Form N-8A simultaneously with the registration statement under the 1940 Act, Form N-8A may consist of only a signed cover page.

The Commission estimates that approximately 105 investment companies file Form N-8A each year. An investment company has to file Form N-8A only once. The hour burden per investment company of preparing and filing Form N-8A is approximately one hour. Therefore, the total annual hour burden to prepare and file Form N-8A for all investment companies is 105 hours.

Based on an estimated hourly wage rate of the professionals who fill out the form, the total estimated aggregate annual cost of the hour burden to comply with Form N-8A is \$29,505 (\$281 per hour x 105 hours).¹

13. Estimate of Total Annual Cost Burden

The current cost burden of Form N-8A is \$62,400, or approximately \$400 per response. Adjusting for the effects of inflation since 2007, the Commission estimates that the total cost of outside services used in preparing and filing Form N-8A is approximately \$417 per filing annually, for a total annual cost of approximately \$43,800. Such outside services include costs associated with outside counsel and printing.

14. Estimate of Cost to the Federal Government

The annual operation cost to the Commission of reviewing and processing all new registration statements, post-effective amendments, proxy statements, and shareholder reports of investment companies amounted to approximately \$19.6 million in fiscal year 2008, based on our computation of the value of staff time devoted to this activity and related overhead.

15. Explanation of Changes in Burden

The change in the estimate of burden hours for Form N-8A from the previous submission is due to a decrease in the number of respondents. The number of

¹ The estimated hourly wage of \$281 is based on published compensation for compliance attorneys (\$270/hour) and senior programmers (\$292/hour), and the estimate that compliance attorneys and senior programmers would divide time equally on compliance with the proposed disclosure requirements, yielding a weighted hourly wage rate of \$281 $((\$270 \times .50) + (\$292 \times .50)) = \$281$. The \$270/hour figure for compliance attorneys and the \$292/hour figure for senior programmers are from the Securities Industry and Financial Markets Association Report on Management & Professional Earnings in the Securities Industry 2008, modified to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

respondents has decreased from 156 to 105, resulting in a decrease of 51 burden hours. The change in the estimate of the total annual cost burden from the previous submission is due to the decrease in the number of respondents, together with a change in the estimated per filing cost of outside services used in preparing and filing Form N-8A. The estimated per filing cost of outside services used in preparing and filing Form N-8A increased from \$400 per filing to \$417 per filing. The total annual cost burden decreased from \$62,400 to approximately \$43,800, which reflects the decrease in the number of respondents as well as the increased estimated cost of outside services used in preparing and filing Form N-8A.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to not Display Expiration Date

Not applicable.

18. Exception to Certification Statement

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.