

SUPPORTING STATEMENT
For the Paperwork Reduction Act Information Collection Submission for
Form N-8B-2

A. JUSTIFICATION

1. Necessity for the Information Collection

Unit investment trusts (“UITs”) are required to register with the Securities and Exchange Commission (“Commission”) as investment companies under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.) (the “Investment Company Act”). Section 8(b) of the Investment Company Act (15 U.S.C. 80a-8(b)) provides that each registered investment company must file a registration statement with the Commission that includes certain information about the company and recites the company’s policies on certain significant matters. UITs other than separate accounts that are currently issuing securities, including UITs that are issuers of periodic payment plan certificates and UITs of which a management investment company is the sponsor or depositor, satisfy this requirement by filing on Form N-8B-2. Among other items, this Form requires disclosure about the organization of a UIT, its securities, the personnel and affiliated persons of the depositor, distribution and redemption of securities, the trustee or custodian, and financial statements.

UITs also may be required to register offerings of securities with the Commission under the Securities Act of 1933 (15 U.S.C. 77a et seq.) (“Securities Act”). Section 5 of the Securities Act (15 U.S.C. 77e) requires that, unless an exemption is available, a registration statement be filed before any securities are offered to the public by use of the mails or other facilities of interstate commerce, and that the statement be declared effective before any securities are sold. The purpose of the registration statement is not to gather information for the Commission to use,

but rather to provide disclosure of financial and other information on the basis of which investors may make informed decisions regarding the merits of the securities being offered for sale. To that end, section 5(b) of the Securities Act (15 U.S.C. 77e(b)) requires that investors be furnished a prospectus containing material information along with or prior to the confirmation of sale or delivery of securities, whichever occurs first. UITs that are required to file on Form N-8B-2 to register under the Investment Company Act satisfy the requirements imposed under the Securities Act by filing a registration statement on Form S-6. This form requires a prospectus that includes much of the information required in Form N-8B-2 and certain financial statements for the trust, in addition to undertakings by the UIT to file, among other things, periodic reports with the Commission.

For UITs that are required to file on Form N-8B-2 to register under the Investment Company Act, the Commission has yet to adopt an integrated registration form satisfying the requirements of the Securities Act and the Investment Company Act. Absent an integrated disclosure system, filings on Form N-8B-2 serve as the only means by which such UITs can satisfy the filing and disclosure requirements imposed by section 8(b) of the Investment Company Act.

2. Purpose of the Information Collection

The purpose of Form N-8B-2 is to satisfy the filing and disclosure requirements of the Investment Company Act. This information collection differs significantly from many other federal information collections, which are primarily for the use and benefit of the collecting agency. The information required to be filed with the Commission assures the public availability

and dissemination of the information and permits verification of compliance with Investment Company Act requirements.

3. Role of Improved Information Technology

The Commission's electronic filing system, called "EDGAR" (for Electronic Data Gathering, Analysis and Retrieval), automates the filing, processing, and dissemination of all disclosure filings. EDGAR 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. All UITs filing Form N-8B-2 are required to use EDGAR to make such filings.¹

4. Duplication

Form S-6, the form used by certain UITs to register their securities under the Securities Act, requires a prospectus that includes much of the information requested in Form N-8B-2. To eliminate presenting duplicative information in the registration forms used by those UITs, the Commission has proposed² and repropoed,³ but has not yet adopted, Form N-7, an integrated disclosure form under the Securities Act and the Investment Company Act.

Other than the information required in Form S-6, the Commission believes that there are no federal rules duplicating, overlapping, or conflicting with Form N-8B-2.

¹ See rule 101(a)(iv) of Regulation S-T [17 CFR 232.101(a)(iv)].

² Investment Company Act Release No. 14513 (May 14, 1985) (50 FR 21282 (May 23, 1985)).

³ Investment Company Act Release No. 15612 (Mar. 9, 1987) (52 FR 8268 (Mar. 17, 1987)).

5. Effect on Small Entities

The current disclosure requirements for registration statements do not distinguish between small entities and other investment companies. The burden on smaller investment companies to prepare and file registration statements may be greater than for larger investment companies. The Commission believes, however, that it would not be in the best interest of investors to reduce the reporting and recordkeeping requirements for small entities.

6. Consequences of Less Frequent Collection

Section 8(b) of the Investment Company Act requires each registered investment company to file an initial registration statement with the Commission that includes certain information about the company and recites the company's policies on certain significant matters. Absent information collection on Form N-8B-2, UITs required to file on Form N-8B-2 to register under the Investment Company Act would fail to satisfy this legal requirement. Each UIT subject to the Form N-8B-2 filing requirement is required to file Form N-8B-2 only once and does not file post-effective amendments to Form N-8B-2.⁴

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

Not applicable.

8. Consultation Outside the Agency

The Commission requested public comment on the information collection requirement with respect to Form N-8B-2 before submitting this request for extension to the Office of Management and Budget. The Commission received no comments in response to its request.

⁴ See *infra* note 6 and accompanying text.

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality

Not applicable.

11. Sensitive Questions

Form N-8B-2 collects certain Personally Identifiable Information (“PII”). Records include information on the officers, directors, and principal shareholders of the registrant, as well as information on certain other persons having a relationship with the registrant. The records describe the individual’s relationship to the registrant and other relevant material business information about the individual. The records do not include Social Security Numbers. A System of Records Notice has been published in the Federal Register at 40 FR 39255 and can also be found at <http://www.sec.gov/about/privacy/secprivacyoffice.htm>.⁵

12. Estimate of Hour Burden

The following estimates of average burden hours and costs are made solely for purposes of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) and are not derived from a quantitative, comprehensive, or even representative survey or study of the burdens associated with Commission rules and forms. The information provided on Form N-8B-2 is mandatory. The information provided on Form N-8B-2 will not be kept confidential.

⁵ See “(SEC-1) Registration Statements Filed Pursuant to Provisions of the Securities Act of 1933, Securities Exchange Act of 1934, Public Utility Holding Company Act of 1935, and Investment Company Act of 1940.”

Each registrant subject to the Form N-8B-2 filing requirement files Form N-8B-2 for its initial filing and does not file post-effective amendments on Form N-8B-2.⁶ The Commission staff estimates that approximately four respondents each file one Form N-8B-2 filing annually with the Commission. Staff estimates that the burden for compliance with the Form N-8B-2 filing requirement is approximately 10 hours per filing. The total hour burden for the Form N-8B-2 filing requirement therefore is 40 hours in the aggregate (4 respondents x one filing per respondent x 10 hours per filing). Based on an estimated wage rate of the professionals who prepare and file the form, the total estimated aggregate annual cost of the hour burden for Form N-8B-2 filings is \$12,760 (\$319 x 40 hours).⁷

13. Estimate of Total Annual Cost Burden

The preparation and filing of Form N-8B-2 will not require any investment in capital equipment. The total cost burden associated with the preparation and filing of Form N-8B-2 is the cost of services purchased to prepare Form N-8B-2. Commission staff estimates that the cost burden per filing of preparing and filing Form N-8B-2 is \$10,000. As discussed above, staff estimates that approximately four respondents each file one Form N-8B-2 filing annually with

⁶ Post-effective amendments are filed with the Commission on the UIT's Form S-6. Hence, respondents only file Form N-8B-2 for their initial registration statement and not for post-effective amendments.

⁷ The estimated wage figure is based on published rates for Compliance Attorneys (\$334) and Senior Programmers (\$303). The \$334/hour figure for a Compliance Attorney and \$303/hour figure for a Senior Programmer are from SIFMA's Management & Professional Earnings in the Securities Industry 2013, modified by Commission staff to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead. The estimated wage rate was further based on the estimate that Compliance Attorneys and Senior Programmers would divide time equally, resulting in a weighted wage rate of \$319 (((\$334 x .50) + (\$303 x .50)).

the Commission, and therefore the total cost burden of preparing and filing Form N-8B-2 is \$40,000 (4 respondents x one filing per respondent x \$10,000 per filing). This cost burden does not include the cost of the hour burden discussed in item 12.

14. Estimate of Cost to the Federal Government

The annual cost of reviewing and processing registration statements, post-effective amendments, proxy statements, shareholder reports, and other filings of investment companies amounted to approximately \$19.2 million in fiscal year 2014, based on the Commission's computation of the value of staff time devoted to this activity and related overhead.

15. Explanation of Changes in Burden

The estimated burden hours associated with preparing and filing registration statements on Form N-8B-2 have decreased from the current allocation of 56 hours to 40 hours, a decrease of 16 hours. This decrease is due to a change in the Commission staff's methodology for estimating the burden hours associated with preparing and filing registration statements on Form N-8B-2.

The estimated cost burden associated with preparing and filing registration statements on Form N-8B-2 has decreased from \$59,000 to \$40,000. This decrease is also due to a change in the Commission staff's methodology for estimating the burden hours associated with preparing and filing registration statements on Form N-8B-2.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to Omit Expiration Date

We request authorization to omit the expiration date on the electronic version of the form. Including the expiration date on the electronic version of the form will result in increased costs, because the need to make changes to the form may not follow the application's scheduled version release dates. The OMB control number will be displayed

18. Exceptions to Certification Statement

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.