

**SUPPORTING STATEMENT**  
**For the Paperwork Reduction Act Information Collection for**  
**Form S-6**

**A. JUSTIFICATION**

**1. Necessity for the Information Collection**

Form S-6<sup>1</sup> is a form used for registration under the Securities Act of 1933 (“Securities Act”)<sup>2</sup> of securities of any unit investment trust (“UIT”) registered under the Investment Company Act of 1940 (“Investment Company Act”)<sup>3</sup> on Form N-8B-2.<sup>4</sup> Section 5 of the Securities Act requires the filing of a registration statement prior to the offer of securities to the public and that the statement be effective before any securities are sold.<sup>5</sup> Section 5(b) of the Securities Act requires that investors be provided with a prospectus containing the information required in a registration statement prior to the sale or at the time of confirmation or delivery of the securities.

Section 10(a)(3) of the Securities Act provides that when a prospectus is used more than nine months after the effective date of the registration statement, the information therein shall be as of a date not more than sixteen months prior to such use.<sup>6</sup> As a result, most UITs update their registration statements under the Securities Act on an annual basis in order that their sponsors may continue to maintain a secondary market in the units. UITs that are registered under the Investment Company Act on Form N-8B-2 file post-effective amendments to their registration statements on Form S-6 in order to update their prospectuses.

**2. Purpose and Use of the Information Collection**

The purpose of Form S-6 is to meet the filing and disclosure requirements of the Securities Act and to enable filers to provide investors with information necessary to evaluate an investment in the security. This information collection differs significantly from many other federal information collections, which are primarily

---

<sup>1</sup> 17 CFR 239.16.

<sup>2</sup> 15 U.S.C. 77a *et seq.*

<sup>3</sup> 15 U.S.C. 80a-1 *et seq.*

<sup>4</sup> 17 CFR 274.12. Form N-8B-2 is the form used by 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 to register under the Investment Company Act pursuant to Section 8 thereof.

<sup>5</sup> 15 U.S.C. 77e.

<sup>6</sup> 15 U.S.C. 77j(a)(3).

for the use and benefit of the collecting agency. The information required to be filed with the Commission permits verification of compliance with securities law requirements and assures the public availability and dissemination of the information.

### **3. Consideration Given to Information Technology**

The Commission's Electronic Data Gathering, Analysis and Retrieval ("EDGAR") automates the filing, processing, and dissemination of full disclosure filings. This automation has increased the speed, accuracy, and availability of information, generating benefits to investors and financial markets. Form S-6 is required to be filed with the Commission electronically on EDGAR.<sup>7</sup> The public may access filings on EDGAR through the Commission's website (<http://www.sec.gov>) or at EDGAR terminals located at the Commission's public reference rooms. Prospectuses may be sent to investors by electronic means so long as certain requirements are met.<sup>8</sup>

### **4. Duplication**

The Commission periodically evaluates rule-based reporting and recordkeeping requirements for duplication and reevaluates them whenever it proposes a rule or a change in a rule. Form S-6 requires a prospectus that includes much of the information requested in Form N-8B-2. Form N-8B-2, however, is filed only once to register the UIT under the Investment Company Act.<sup>9</sup>

---

<sup>7</sup> See rule 101(a)(1)(i) of Regulation S-T [17 CFR 232.101(a)(1)(i)].

<sup>8</sup> See Investment Company Act Release No. 21399 (Oct. 6, 1995) [60 FR 53458 (Oct. 13, 1995)].

<sup>9</sup> To eliminate the duplicative information presented in the registration forms used by UITs, the Commission has proposed and repropose, but has not yet adopted, Form N-7, an integrated disclosure form under the Securities Act and the Investment Company Act. See Investment Company Act Release No. 14513 (May 14, 1985) [50 FR 21282 (May 23, 1985)]; Investment Company Act Release No. 15612 (Mar. 9, 1987) [52 FR 8268 (March 17, 1987)].

Duplication has been lessened for insurance company separate accounts organized as UITs that offer variable annuity or variable life insurance contracts, because each such entity registers offerings of securities under the Securities Act and registers as an investment company under the Investment Company Act using a single form, Form N-4 (for insurance company separate accounts organized as UITs that offer variable annuity contracts) or Form N-6 (for insurance company separate accounts organized as UITs that offer variable life insurance contracts).

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

The Commission reviews all rules periodically, as required by the Regulatory Flexibility Act,<sup>10</sup> to identify methods to minimize recordkeeping or reporting requirements affecting small businesses. The current disclosure requirements for registration statements on Form S-6 do not distinguish between small entities and other investment companies. The burden on smaller investment companies of preparing and filing registration statements may be proportionately greater than for larger investment companies. This burden includes the cost of producing, printing, filing, and disseminating prospectuses. The Commission believes, however, that imposing different requirements on smaller investment companies would not be consistent with investor protection and the purposes of the registration statements.

## **6. Consequences of Not Conducting Collection**

The purpose of Form S-6 is to meet the filing and disclosure requirements of the Securities Act and to enable filers to provide investors with information necessary to evaluate an investment in the security. Less frequent filing would be inconsistent with the filing and disclosure requirements of the Securities Act. In addition, if the form were to be filed less frequently, investors may not be provided with the information necessary to evaluate an investment in the security.

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

This collection is not inconsistent with 5 CFR 1320.5(d)(2).

## **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 through public conferences, meetings, and informal exchanges. These various forums provide the Commission and 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 S-6 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**

No payment or gift to respondents was provided.

---

<sup>10</sup> 5 U.S.C. 601 *et seq.*

## 10. Assurance of Confidentiality

No assurance of confidentiality was provided.

## 11. Sensitive Questions

No questions of a sensitive nature are involved. The information collection does not include personally identifiable information. The system of records notice for this form may be found here: <https://www.sec.gov/about/privacy/sorn/secsorn1.pdf>.

## 12. Burden of Information Collection

The following estimates of average burden hours and costs are made solely for purposes of the Paperwork Reduction Act of 1995<sup>11</sup> and are not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms. Compliance with Form S-6 is mandatory. Responses to the collection of information will not be kept confidential.

The estimated number of annual initial registration statements filed on Form S-6 and the estimated number of annual post-effective amendments to previously effective registration statements filed on Form S-6 are based on filings with the Commission in 2014. The hour burden estimates for preparing and filing Form S-6 are based on the Commission's experience with the contents of the form. The number of burden hours may vary depending on, among other things, the complexity of the filing and whether preparation of the forms is performed by internal staff or outside counsel.

Form S-6 imposes two types of reporting burdens on UITs that are registered under the Investment Company Act on Form N-8B-2: (1) the burden of preparing and filing the initial registration statement; and (2) the burden of preparing and filing post-effective amendments to a previously effective registration statement. The Commission estimates that the burden hours that will be imposed by Form S-6 are as follows:

### CALCULATION OF HOUR BURDEN OF INITIAL FORM S-6 FILINGS

Number of initial filings on Form S-6 annually.....	1,340
Number of portfolios in initial Form S-6 filings annually.....	1
Current hour burden per portfolio for initial filings on Form S-6 .....	45
Total annual hour burden for initial Form S-6 filings (1,340 filings × 45 hours per filing) .....	60,300

---

<sup>11</sup> 44 U.S.C. 3501 *et seq.*

## CALCULATION OF HOUR BURDEN OF POST-EFFECTIVE AMENDMENTS

Number of post-effective amendments filed annually .....	1,158
Number of portfolios in post-effective amendments to filings on Form S-6 filed annually .....	1
Current hour burden per portfolio for post-effective amendment filings.....	40
Total annual hour burden to prepare post-effective amendments (1,158 filings × 40 hour per filing) .....	46,320

### TOTAL ANNUAL HOUR BURDEN

Total annual hours for Form S-6 filings (60,300 hours for initial filings + 46,320 hours for post-effective amendment filings) .....	106,620
--	---------

Based on the Commission's estimate of 106,620 burden hours and an estimated wage rate of approximately \$318.50 per year,<sup>12</sup> the total annual cost to registrants of the hour burden for complying with Form S-6 is approximately \$34 million.<sup>13</sup>

### 13. Cost to Respondents

Cost burden is the cost of goods and services purchased to prepare and update registration statements on Form S-6, such as for the services of independent auditors and outside counsel. The cost burden does not include the hour burden discussed in Item 12 above. Estimates are based on the Commission's experience with the filing of registration forms.

---

<sup>12</sup> The Commission's estimate concerning the wage rate is based on salary information for the securities industry compiled by the Securities Industry and Financial Markets Association. The estimated wage figure is based on published rates for compliance attorneys and senior programmers, modified to account for an 1,800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead, yielding effective hourly rates of \$334 and \$303, respectively. *See* Securities Industry and Financial Markets Association, Report on Management & Professional Earnings in the Securities Industry 2013. We estimate that compliance attorneys and senior programmers would divide their time equally, yielding an estimated hourly wage rate of \$318.50. ( $\$334 \text{ per hour for compliance attorneys} + \$303 \text{ per hour for senior programmers}$ )  $\div 2 = \$318.50 \text{ per hour}$ .

<sup>13</sup>  $106,620 \text{ hours} \times \$318.50 \text{ per hour} = \$33,958,470 \text{ per year}$ .

The current estimated cost burden for preparing and filing an initial registration statement on Form S-6 is \$30,000 and for preparing and filing a post-effective amendment to a previously effective registration statement filed on Form S-6 is \$18,000. The current estimate is based on discussions with industry participants in 2013. We are updating the estimated cost burden of Form S-6 to \$33,104 for an initial registration statement and \$19,862 for a post-effective amendment to account for the effects of inflation.<sup>14</sup> The new total cost burden allocated to Form S-6 is therefore:

#### COST BURDEN OF PREPARING AND FILING INITIAL FORM S-6

Cost burden per portfolio of preparing and filing initial filings on Form S-6 .....	\$33,104
Number of initial filings on Form S-6 filed annually .....	1,340
Cost burden of preparing and filing initial Form S-6 (\$33,104 per filing × 1,340 filings).....	\$44,359,360

#### COST BURDEN OF PREPARING AND FILING POST-EFFECTIVE AMENDMENTS

Cost burden per portfolio of preparing and filing post-effective amendments .....	\$19,862
Number of post-effective amendments filed annually.....	1,158
Cost burden of preparing and filing post-effective amendments (\$19,862 per filing × 1,158 filings) .....	\$23,000,196

#### TOTAL ANNUAL COST BURDEN

Total annual cost burden for Form S-6 filings (\$44,359,360 for initial filings + \$22,824,000 for post-effective amendments).....	\$67,359,556
--	--------------

### 14. Costs to Federal Government

The annual cost of reviewing and processing disclosure documents, including new 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.

---

<sup>14</sup> This adjustment was computed using the personal consumption expenditures index. See FRED Economic Data available at <http://research.stlouisfed.org/fred2/>.

### **15. Changes in Burden**

The estimated hourly burden associated with Form S-6 has decreased from 108,634 to 106,620 (a decrease of 2,014). This decrease is due to a decrease in the number of estimated annual filings. The estimated cost burden associated with Form S-6 has increased from \$61,434,000 to \$67,359,556 (an increase of \$5,925,556). This increase is due to the effects of inflation and is partially offset by a decrease in the number of estimated annual filings.

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

The results of any information collected will not be published.

### **17. Approval to Omit OMB Expiration Date**

The Commission is not seeking approval to not display the expiration date for OMB approval.

### **18. Exceptions to Certification for Paperwork Reduction Act Submission**

The Commission is not seeking an exception to the certification statement.

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

The collection of information will not employ statistical methods.