

**SUPPORTING STATEMENT**  
**For the Paperwork Reduction Act Information Collection Submission for**  
**Form N-8B-4**

**A. JUSTIFICATION**

**1. Necessity for the Information Collection**

Section 8(b) of the Investment Company Act of 1940 (“Act”) provides that every 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. Face-amount certificate companies satisfy this requirement by filing a registration statement on Form N-8B-4.<sup>1</sup> Among other items, Form N-8B-4 requires disclosure of the following information about the face-amount certificate company: date and form of organization; controlling persons; current business and contemplated changes to the company’s business; investment, borrowing, and lending policies, as well as other fundamental policies; securities issued by the company; investment adviser; depositaries; management personnel; compensation paid to directors, officers, and certain employees; and financial statements. In addition to filing a registration statement on Form N-8B-4, face-amount certificate companies file a registration statement on Form S-1 to comply with the Securities Act of 1933.

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

Registration statements are required in order to provide the Commission, investors, and the public with certain basic information about investment companies. The information enables

---

<sup>1</sup> Face amount certificate companies issue certificates that obligate the company to pay, at maturity, fixed sums (*i.e.*, the face amounts of the certificates) to purchasers who have made a series of installment payments. The rates of return on the certificates issued by face-amount certificate companies are almost entirely predetermined, although these companies may, and on occasion do, pay supplemental credits in addition to the interest rate called for by the certificate.

the Commission to determine whether a company's operations and policies comply with the Act and provides data upon which the Commission may base changes in its regulatory program for companies subject to the form. Absent the requirement to file, the Commission would be unable to determine whether the operations of investment company registrants are in compliance with the Act or whether changes regarding the regulation of such companies are necessary.

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

The Commission's electronic filing system ("EDGAR") automates the filing, processing, and dissemination of full 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 face-amount certificate companies are currently required to file Form N-8B-4 electronically.<sup>2</sup>

### **4. Duplication**

Form S-1, the form used by face-amount certificate companies to register their securities under the Securities Act of 1933, requires a prospectus that includes much of the information requested in Form N-8B-4. To eliminate presenting duplicative information in the registration forms used by face-amount certificate companies, the Commission allows face-amount certificate companies to respond to many of the items set forth in Form N-8B-4 by incorporating certain disclosures contained in the company's Form S-1 registration statement by reference.<sup>3</sup>

Otherwise, the Commission believes that there are no federal rules that duplicate, overlap with, or conflict with Form N-8B-4.

---

<sup>2</sup> See rule 101(a)(iv) of Regulation S-T [17 CFR 232.101(a)(iv)].

<sup>3</sup> See rule 8b-23 under the Act and General Instruction 1 to Form N-8B-4.

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

Form N-8B-4 must be filed by all face-amount certificate companies, regardless of size. It would not be in the best interest of investors to reduce the reporting and recordkeeping requirements for small entities.

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

Section 8(b) of the Act requires each registered investment company to file a 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-4, face-amount certificate companies would fail to satisfy this legal requirement. As discussed in more detail below, each face-amount certificate company is required to file Form N-8B-4 only once and does not file post-effective amendments to Form N-8B-4.<sup>4</sup>

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

Not applicable. The collection is not inconsistent with 5 CFR 1320.5(d)(2).

## **8. Consultation Outside the Agency**

The Commission requested public comment on the collection of information requirements of Form N-8B-4 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.

---

<sup>4</sup> See *infra* note 7 and accompanying text.

## **9. Payment or Gift**

No payment or gift to respondents was provided.

## **10. Confidentiality**

No assurance of confidentiality was provided.

## **11. Sensitive Questions**

Form N-8B-4 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>.<sup>5</sup>

## **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 (44 U.S.C. 3501-3521) 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-4 is mandatory. The information provided on Form N-8B-4 will not be kept confidential.

---

<sup>5</sup> 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.”

Form N-8B-4 and the burden of compliance have not changed since the last approval.<sup>6</sup> Each registrant files Form N-8B-4 for its initial filing and does not file post-effective amendments to Form N-8B-4.<sup>7</sup> Commission staff estimates that no respondents will file Form N-8B-4 each year. There are currently only four existing face-amount certificate companies, and none have filed a Form N-8B-4 in many years. No new face-amount certificate companies have been established since the last OMB information collection approval for this form, which occurred in 2014. Accordingly, the staff estimates that, each year, no face-amount certificate companies will file Form N-8B-4, and that the total burden for the information collection is zero hours at a cost of \$0.

Although Commission staff estimates that there is no hour burden associated with Form N-8B-4, the staff is requesting a burden of one hour for administrative purposes.

### **13. Cost to Respondents**

The preparation and filing of Form N-8B-4 by face-amount certificate companies will not require any investment in capital equipment. The total cost burden is the cost of services purchased to prepare Form N-8B-4. Because the staff estimates that, each year, no face-amount certificate companies will file a registration statement on Form N-8B-4, we estimate the total annual cost burden of preparing and filing Form N-8B-4 to be \$0.

---

<sup>6</sup> During the last approval, the staff estimated that the burden of compliance associated with preparing and filing registration statements on Form N-8B-4 was 171 hours per filing.

<sup>7</sup> Pursuant to Section 30(b)(1) of the Act, each respondent keeps its registration statement current through the filing of periodic reports as required by Section 13 of the Securities Exchange Act of 1934 and the rules thereunder. Post-effective amendments are filed with the Commission on the face-amount certificate company's Form S-1. Hence, respondents only file Form N-8B-4 for their initial registration statement and not for post-effective amendments.

**14. 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 \$19.5 million in fiscal year 2015, based on the Commission's computation of the value of staff time devoted to this activity and related overhead.

**15. Change in Burden**

The estimated burden hours associated with preparing and filing registration statements on Form N-8B-4 has remained the same as the current allocation of 1 hour. As noted earlier, although Commission staff estimates that there is no hour burden associated with preparing and filing Form N-8B-4, the staff is requesting a burden of one hour for administrative purposes.

The estimated cost burden of \$0 has remained the same.

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

The results of any information collected will not be published.

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

We request authorization to omit the expiration date on the electronic version of the form, although the OMB control number will be displayed. Including the expiration date on the electronic version of this 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.

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

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

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

The collection of information will not employ statistical methods.