

**SUPPORTING STATEMENT**  
**For the Paperwork Reduction Act Information Collection Submission for**  
**Rule 30b2-1**

**A. JUSTIFICATION**

**1. Necessity for the Information Collection**

Section 30(b)(2) of the Investment Company Act of 1940 (“Investment Company Act”) requires that each registered management investment company (“fund”) file with the Commission copies of every periodic or interim report or similar communication containing financial statements and transmitted to any class of such company’s security holders, such copies to be filed not later than 10 days after such transmission.<sup>1</sup> Rule 30b2-1 under the Investment Company Act requires a fund to file with the Commission (1) a report on Form N-CSR<sup>2</sup> not later than 10 days after the transmission of any report required to be transmitted to shareholders under rule 30e-1 under the Investment Company Act, and (2) a copy of every periodic or interim report or similar communication containing financial statements that is transmitted by or on behalf of such fund to any class of such fund’s security holders and that is not required to be filed with the Commission under (1), not later than 10 days after the transmission to security holders.

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

The purpose of the collection of information required by rule 30b2-1 is to meet the disclosure requirements of the Investment Company Act and certification

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<sup>1</sup> 15 U.S.C. 80a-29(b)(2).

<sup>2</sup> 17 CFR 249.331 and 274.128.

requirements of the Sarbanes-Oxley Act of 2002,<sup>3</sup> and to provide investors with information necessary to evaluate an interest in the fund. 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 information.

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

Reports required to be filed pursuant to rule 30b2-1 are electronically filed with the Commission. The Commission's electronic filing system (Electronic Data Gathering, Analysis and Retrieval, or "EDGAR") automates the filing, processing, and dissemination of full disclosure filings. The system permits public companies to transmit filings to the Commission electronically. This automation has increased the speed, accuracy, and availability of information, generating benefits to investors and financial markets.

### **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. The information required by rule 30b2-1 is not generally duplicated elsewhere.

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

The Commission reviews all rules periodically, as required by the Regulatory Flexibility Act, to identify methods to minimize recordkeeping or reporting requirements affecting small businesses. The current disclosure requirements under the rule do not distinguish between small entities and other funds. The burden on smaller funds may be

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<sup>3</sup> Pub. L. 107-204, 116 Stat. 745 (2002).

greater than for larger funds. This burden includes the costs related to the requirement that funds file their certified shareholder reports with the Commission. These costs could include expenses for computer time, legal and accounting fees, information technology staff, and additional computer and telephone equipment. The Commission believes, however, that imposing different requirements on smaller investment companies would not be consistent with investor protection and the purposes of the disclosure requirements.

**6. Consequences of Not Conducting Collection**

Less frequent collection of certified shareholder reports would impede the Commission's regulatory functions and impede the amount of current information provided to investors about their funds.

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

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

**8. Consultations Outside the Agency**

The Commission and the Division of Investment Management staff participate in an ongoing dialogue with representatives of the fund industry 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 that may confront the industry.

The Commission requested public comment on the collection of information required by 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**

No payment or gift to respondents was provided.

**10. Confidentiality**

No assurance of confidentiality was provided.

**11. Sensitive Questions**

The information collection collects basic personally identifiable information (PII) that may include a name and job title. However, the agency has determined that the information collection does not constitute a system of records for purposes of the Privacy Act because information is not retrieved by a personal identifier. In accordance with Section 208 of the E-Government Act of 2002, the agency has conducted a Privacy Impact Assessment (PIA) of the EDGAR system, in connection with this collection of information. The EDGAR PIA, published on 1/29/2016, is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

**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 (“PRA”) and are not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms. Compliance with rule 30b2-1 is mandatory for every fund. Responses to the disclosure requirements are not kept confidential.

We estimate that there are approximately 2,401 funds, with a total of approximately 11,555 portfolios, that are affected by the rule. Each of those 2,401 funds is required by rule 30b2-1 to file with the Commission reports on Form N-CSR and periodic or interim reports or similar communications containing financial information

that is transmitted to shareholders. For purposes of this PRA analysis, the hour burden associated with the requirements of rule 30b2-1 has been included in the collection of information requirements of rule 30e-1 under the Investment Company Act and Form N-CSR, rather than the rule. Although the rule 30b2-1 information collection imposes no hour burden, we are, however, requesting a one hour burden for administrative purposes.

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

Cost burden is the cost of services purchased to prepare and update reports filed pursuant to rule 30b2-1, such as for the services of independent auditors, outside counsel, and the costs associated with purchasing technology or other components used in generating, maintaining, and disclosing or providing the information. Estimates are based on the Commission's experience with the filing of registration forms and shareholder reports.

For purposes of this PRA analysis, the burden associated with the requirements of rule 30b2-1 has been included in the collection of information requirements of rule 30e-1 and Form N-CSR, rather than the rule, and, therefore, the information collection imposes no cost burden.

### **14. Cost to the Federal Government**

The annual cost of reviewing and processing disclosure documents, including new registration statements, post-effective amendments, proxy statements, and shareholder reports of investment companies amounted to approximately \$22.9 million in fiscal year 2016, based on the Commission's computation of the value of staff time devoted to this activity and related overhead.

### **15. Change in Burden**

This information collection imposes no hour or cost burdens; however, we are requesting a one hour burden for administrative purposes. This does not result in a change to the existing burden.

**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. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

The collection of information will not employ statistical methods.