

SUPPORTING STATEMENT
For the Paperwork Reduction Act Information Collection Submission for
Rules 8b-1 to 8b-33

A. JUSTIFICATION

1. Necessity for the Information Collection

The Investment Company Act of 1940 (“Investment Company Act”)¹ requires every registered investment company to file a registration statement.² The Commission adopted rules under Section 8(b) of the Investment Company Act to standardize the mechanics of registration under the Investment Company Act and to provide more specific guidance than provided by the statute for persons registering under the Investment Company Act.³ Generally, the rules under Section 8(b) do not specify the information to be set forth in the registration statement, but rather set forth the procedures to be followed by a registrant in preparing and filing a registration statement with the Commission. The specific requirements applicable to registration under Section 8(b) generally relate to such matters as: (a) interpretations of filing requirements; (b) requirements for proper form, paper, printing, and language; (c) riders and inserts; (d) amendments to registration statements; (e) incorporation by reference; (f) omission of documents; and (g) the time for filing registration statements. The rules under Section 8(b) of the Investment Company Act generally do not require the reporting of information. Rather, they describe procedures to assist respondents in preparing and filing registration statements.⁴

¹ 15 U.S.C. 80a-1 *et seq.*

² *See* Investment Company Act Section 8(b), 15 U.S.C. 80a-8(b).

³ 17 CFR 270.8b-1 to 8b-33. *See* Investment Company Act Release No. 26747 (Feb. 8, 2005) [70 FR 6556 (Feb. 8, 2005)]; Investment Company Act Release No. 1931 (Dec. 15, 1953) [18 FR 8575 (Dec. 19, 1953)].

⁴ Although the rules under Section 8(b) of the Investment Company Act are generally procedural in nature, two of the rules require respondents to disclose some limited information. Rule 8b-3 (17 CFR 270.8b-3) provides that whenever a registration form requires the title of securities to be stated, the registrant must indicate the type and general character of the securities to be issued. Rule 8b-22 (17 CFR 270.8b-22) provides that if the existence of control is open to reasonable doubt, the registrant may disclaim the existence of control, but it must state the material facts pertinent to the possible existence of control. The information required by both of these rules is necessary to insure that investors have clear and complete information upon which to base an investment decision.

2. Purpose and Use of the Information Collection

Rules 8b-1 through 8b-33 set forth the procedures for preparing and filing a registration statement under the Investment Company Act. These procedures are intended to facilitate the registration process. As noted above, these rules generally do not require respondents to report information. However, to the extent that they do require respondents to report information, the purpose and use of the information reported on the various forms designated for use by investment companies is discussed in the Paperwork Reduction Act submissions for the individual registration forms.

3. Consideration Given to Information Technology

The Commission's Electronic Data Gathering, Analysis, and Retrieval System ("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. Any information required to be reported by rules under Section 8(b) of the Investment Company Act is required to be filed electronically on EDGAR.⁵ 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.

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. Rules 8b-1 through 8b-33 set forth procedures, which are not duplicative of any other rule, and there is no other rule that requires registered investment companies to provide the Commission with the same information.

5. Effect on Small Entities

The Commission reviews all rules periodically, as required by the Regulatory Flexibility Act,⁶ to identify methods to minimize recordkeeping or reporting requirements affecting small businesses. The requirements of rules 8b-1 through 8b-33 do not distinguish between small entities and other funds. Although the burden on smaller funds to prepare and file registration statements may be greater than for larger funds, the Commission believes that imposing different requirements on

⁵ See rule 101(a)(1)(v) of Regulation S-T, 17 CFR 232.101(a)(1)(v).

⁶ 5 U.S.C. 601 *et seq.*

smaller investment companies would not be consistent with investor protection and the purposes of the registration statements.

6. Consequences of Not Conducting Collection

Registration statements are filed once initially and then updated as appropriate. Less frequent updating would result in misleading information being presented to the public.

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 the paperwork burdens confronting the industry. The Commission requested public comment on the collection of information requirements of rules 8b-1 to 8b-33 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

No information of a sensitive nature, including social security numbers, will be required under this collection of information. The information collection does not collect personally identifiable information (PII). The agency has determined that a system of records notice (SORN) and privacy impact assessment (PIA) are not required in connection with the collection of information. 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 Commission believes that it is appropriate to estimate the total respondent burden associated with preparing each registration statement form rather than attempt to isolate the impact of the procedural instructions under Section 8(b) of the Investment Company Act, which impose burdens only in the context of the preparation of the various registration statement forms. Accordingly, the Commission is not submitting a separate burden estimate for rules 8b-1 through 8b-33, but instead will include the hour burden for these rules in its estimates of hour burden for each of the registration forms under the Investment Company Act. The Commission is, however, submitting an hourly burden estimate of one hour for administrative purposes.

13. Costs to Respondents

The Commission believes that it is appropriate to estimate the total annual cost burden associated with the preparation of each registration form rather than attempt to isolate the impact of the procedural instructions under Section 8(b), which impose burdens only in the context of the preparation of the various registration statement forms. Accordingly, the Commission is not submitting a separate estimate of the cost burden of rules 8b-1 through 8b-33, but instead will include the cost burden for these rules in its estimates of cost burden for each registration form under the Investment Company Act.

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 \$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. Changes in Burden

There has been no change in estimated burden hours or cost 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

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

18. Exceptions to Certification for Paperwork Reduction Act Submissions

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.