

SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon Written Request, Copies Available From
Securities and Exchange Commission
Office of FOIA Services
100 F Street, NE
Washington, DC 20549-2736

Extension: Form N-MFP and Rule 30b1-7

SEC File No. 270-604, OMB Control No. 3235-0657

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Section 30(b) of the Investment Company Act of 1940 (“Investment Company Act”)¹ provides that “[e]very registered investment company shall file with the Commission ... such information, documents, and reports (other than financial statements), as the Commission may require to keep reasonably current the information and documents contained in the registration statement of such company....”² Rule 30b1-7 under the Investment Company Act, entitled “Monthly Report for Money Market Funds,” provides that every registered investment company, or series thereof, that is regulated as a money market funds under rule 2a-7³ must file with the Commission a monthly report

¹ 15 U.S.C. 80a-1 *et seq.*

² 15 U.S.C. 80a-30(b).

³ 17 CFR 270.2a-7.

of portfolio holdings on Form N-MFP⁴ no later than the fifth business day of each month.⁵ Form N-MFP sets forth the specific disclosure items that money market funds must provide. Filers must submit this report electronically using the Commission’s electronic filing system (“EDGAR”) in Extensible Markup Language (“XML”) format.

Compliance with rule 30b1-7 is mandatory for any fund that holds itself out as a money market fund in reliance on rule 2a-7. Responses to the disclosure requirements will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The following estimates of average burden hours and costs are made solely for purposes of the Paperwork Reduction Act and are not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms. A fund must comply with the requirement to prepare Form N-MFP in order to hold itself out to investors as a money market fund or the equivalent of a money market fund in reliance on rule 2a-7. The collection of information is mandatory for money market funds that rely on rule 2a-7, and responses to the information collections will not be kept confidential.

The Commission estimates there are currently 429⁶ money market funds that report information on Form N-MFP, with approximately 10⁷ of them being new money market funds that are filing reports on Form N-PORT for the first time.

⁴ 17 CFR 274.201.

⁵ 17 CFR 270.30b1-7.

⁶ This estimate is based on staff review of reports on Form N-MFP filed with the Commission for the month ended February 28, 2018.

⁷ This estimate is based on staff review of reports on Form N-MFP filed with the Commission for 2015 (1 new filer), 2016 (23 new filers), and 2017 (6 new filers). Amortizing those numbers over three years provides an estimate of 10 new filers per year.

We estimate that 35% of money market funds (or 150 money market funds, broken down into 146 existing funds and 4 new funds)⁸ license a software solution and file reports on Form N-MFP in house; we further estimate that each fund that files reports on Form N-MFP in house requires an average of approximately 47 burden hours to compile (including review of the information), tag, and electronically file the Form N-MFP for the first time and an average of approximately 13 burden hours for subsequent filings.⁹ Therefore, we estimate the per fund average annual hour burden is 96 hours¹⁰ for existing funds and 130 hours¹¹ for new money market funds. Based on an estimate of 146 existing fund filers and 4 new fund filers each year, we estimate that filing reports on Form N-MFP in house takes 23,536 hours and costs funds, in aggregate, \$6,754,832 per

⁸ The estimate is based on the following calculation: (429 money market funds x 35% = 150 money market funds. Of that amount, we estimate that 4 are new money market funds (10 new money market fund filers each year x 35% = 3.5 funds, rounded to 4). Therefore, 150 money market funds - 4 new money market funds = 146 existing money market funds.

⁹ We understand that the required information is currently maintained by money market funds pursuant to other regulatory requirements or in the ordinary course of business. Accordingly, for the purposes of our analysis, we do not ascribe any time to producing the required information.

¹⁰ This estimate is based on the following calculation: 12 filings per year x 13 burden hours per filing = 156 burden hours per year.

¹¹ This estimate is based on the following calculation: (First month's initial filing x 47 burden hours) + (11 subsequent month filings x 13 burden hours per filing) = 190 burden hours per year.

year.¹²

We estimate that 65% of money market funds (or 279 money market funds, broken down into 272 existing fund and 7 new funds)¹³ retain the services of a third party to provide data aggregation and validation services as part of the preparation and filing of reports on Form N-MFP on the fund's behalf; we further estimate that each fund requires an average of approximately 26 burden hours to compile and review the information with the service provider prior to electronically filing the report for the first time and an average of approximately 9 burden hours for subsequent filings. Therefore, we estimate the per fund average annual hour burden is 108 hours¹⁴ for existing funds and 125 hours¹⁵ for new money market funds. Based on an estimate of 272 existing fund filers and 7 new fund filers each year, we estimate that filing reports on Form N-MFP using a service

¹² These estimates are based on the following calculations: Existing fund filers: (156 hours x blended hourly rate of \$287 for a Financial Reporting Manager (\$280 per hour), Fund Senior Accountant (\$209 per hour), Senior Database Administrator (\$329 per hour), Senior Portfolio Manager (\$317 per hour), Compliance Manager (\$298 per hour)) = \$44,772. The blended hourly rate was calculated as $(\$280 + \$209 + \$329 + \$317 + 209) / 5 = \$287$. There are 146 existing money market funds who use in house solutions x 156 hours with a monetized cost of \$44,772 per fund = 22,776 hours with a monetized cost of \$6,536,712.

New money market fund filers: (190 hours x blended hourly rate of \$287 for a Financial Reporting Manager (\$280 per hour), Fund Senior Accountant (\$209 per hour), Senior Database Administrator (\$329 per hour), Senior Portfolio Manager (\$317 per hour), Compliance Manager (\$298 per hour)) = \$54,530. The blended hourly rate was calculated as $(\$280 + \$209 + \$329 + \$317 + 209) / 5 = \$287$. Four new money market funds x 190 hours with a monetized cost of \$54,530 per fund = 760 hours with a monetized cost of \$218,120.

Aggregate annual hourly burden for all funds filing reports on Form N-MFP in house: 22,776 hours + 760 hours = 23,536 hours.

Aggregate annual costs for all funds filing reports on Form N-MFP in house: \$6,536,712 + \$218,120 = \$6,754,832.

¹³ The estimate is based on the following calculation: (429 money market funds x 65% = 279 money market funds. Of that amount, we estimate that 7 are new money market funds (10 new money market fund filers each year x 65% = 6.5 funds, rounded to 7). Therefore, 279 money market funds - 7 new money market funds = 272 existing money market funds.

¹⁴ This estimate is based on the following calculation: 12 filings per year x 9 burden hours per filing = 108 burden hours per year.

¹⁵ This estimate is based on the following calculation: (First month's initial filing x 26 burden hours) + (11 subsequent month filings x 9 burden hours per filing) = 125 burden hours per year.

provider takes 41,131 hours and costs funds, in aggregate, \$8,682,037 per year.¹⁶ In sum, we estimate that filing reports on Form N-MFP imposes a total annual hour burden of 64,667 hours,¹⁷ at an aggregate cost of \$15,436,869 on all money market funds.¹⁸

Cost to Respondents

Cost burden is the cost of goods and services purchased in connection with complying with the collection of information requirements of rule 30b1-7 and Form N-MFP. The cost burden does not include the cost of the hour burden discussed in Item 12 above.

Based on discussions with industry participants, we estimate that money market funds that file reports on Form N-MFP in house license a third-party software solution to assist in filing their reports at an average cost of \$3,900 per fund per year. In addition, we estimate that money market funds that use a service provider to prepare

¹⁶ These estimates are based on the following calculations: Existing fund filers: (108 hours x blended hourly rate of \$287 for a Financial Reporting Manager (\$280 per hour), Fund Senior Accountant (\$209 per hour), Senior Database Administrator (\$329 per hour), Senior Portfolio Manager (\$317 per hour), Compliance Manager (\$298 per hour)) = \$30,996. The blended hourly rate was calculated as $(\$280 + \$209 + \$329 + \$317 + 209) / 5 = \$287$. There are 272 existing money market funds who use a third-party service provider x 148 hours with a monetized cost of \$30,996 per fund = 40,256 hours with a monetized cost of \$8,430,912.

New money market fund filers: (125 hours x blended hourly rate of \$287 for a Financial Reporting Manager (\$280 per hour), Fund Senior Accountant (\$209 per hour), Senior Database Administrator (\$329 per hour), Senior Portfolio Manager (\$317 per hour), Compliance Manager (\$298 per hour)) = \$35,875. The blended hourly rate was calculated as $(\$280 + \$209 + \$329 + \$317 + 209) / 5 = \$287$. Seven new money market funds x 125 hours with a monetized cost of \$35,875 per fund = 875 hours with a monetized cost of \$251,125.

Aggregate annual hourly burden for all funds filing reports on Form N-MFP in house: 40,256 hours + 875 hours = 41,131 hours.

Aggregate annual costs for all funds filing reports on Form N-MFP in house: \$8,430,912 + \$251,125 = \$8,682,037.

¹⁷ This estimate is based on the following calculation: 23,536 hours for filers licensing a software solution and filing in-house + 41,131 hours for filers using a third-party service provider = 64,667 hours in total.

¹⁸ This estimate is based on the following calculation: \$6,754,832 (in-house filers) + \$8,682,037 (filers using a service provider) = \$15,436,869.

and file reports on Form N-MFP pay an average fee of \$9,300 per fund per year. In sum, we estimate that all money market funds incur on average, in the aggregate, external annual costs of \$3,179,700.¹⁹

Written comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to Charles Riddle, Acting Director/Chief Information Officer, Securities and Exchange Commission, C/O Candace Kenner, 100 F Street, NE, Washington, DC 20549; or send an email to: PRA_Mailbox@sec.gov.

Eduardo A. Aleman
Deputy Secretary

February 11, 2019

¹⁹ This estimate is based on the following calculation: (150 money market funds (146 existing funds + 4 new funds) that file reports on Form N-MFP in house x \$3,900 per fund, per year) + (279 money market funds (272 existing funds + 7 new funds) that file reports on Form N-MFP using a service provider x \$9,300 per fund, per year) = \$3,179,700.