

SUPPORTING STATEMENT
For the Paperwork Reduction Act Information Collection Submission for
Form N-8B-2

A. JUSTIFICATION

1. Necessity for the Information Collection

Unit investment trusts (“UITs”) are required to register with the Securities and Exchange Commission (“Commission”) as investment companies under the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*) (the “Investment Company Act”). Section 8(b) of the Investment Company Act (15 U.S.C. 80a-8(b)) provides that each 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. UITs other than separate accounts that are currently issuing securities, including UITs that are issuers of periodic payment plan certificates, UITs of which a management investment company is the sponsor or depositor, and UIT ETFs¹, satisfy this requirement by filing on Form N-8B-2. Among other items, this Form requires disclosure about the organization of a UIT, its securities, the personnel and affiliated persons of the depositor, distribution and redemption of securities, the trustee or custodian, and financial statements.

¹ See Exchange-Traded Funds, Investment Company Act Release No. 33646 (Sept. 25, 2019) [84 FR 57162 (Oct. 24, 2019)] (“ETF Adopting Release”). The Commission adopted a new rule permitting exchange-traded funds (“ETFs”) that satisfy certain conditions to operate without the expense and delay of obtaining an exemptive order. The release also includes certain disclosure amendments to Form N-8B-2 to provide investors who purchase and sell ETF shares on the secondary market with additional information regarding ETF trading and associated costs, regardless of whether such ETFs are structured as registered open-end management investment companies or UITs.

UITs also may be required to register offerings of securities with the Commission under the Securities Act of 1933 (15 U.S.C. 77a et seq.) (“Securities Act”). Section 5 of the Securities Act (15 U.S.C. 77e) requires that, unless an exemption is available, a registration statement be filed before any securities are offered to the public by use of the mails or other facilities of interstate commerce, and that the statement be declared effective before any securities are sold. The purpose of the registration statement is not to gather information for the Commission to use, but rather to provide disclosure of financial and other information on the basis of which investors may make informed decisions regarding the merits of the securities being offered for sale. To that end, section 5(b) of the Securities Act (15 U.S.C. 77e(b)) requires that investors be furnished a prospectus containing material information along with or prior to the confirmation of sale or delivery of securities, whichever occurs first. UITs that are required to file on Form N-8B-2 to register under the Investment Company Act satisfy the requirements imposed under the Securities Act by filing a registration statement on Form S-6. This form requires a prospectus that includes much of the information required in Form N-8B-2 and certain financial statements for the trust, in addition to undertakings by the UIT to file, among other things, periodic reports with the Commission.

For UITs that are required to file on Form N-8B-2 to register under the Investment Company Act, the Commission has yet to adopt an integrated registration form satisfying the requirements of the Securities Act and the Investment Company Act. Absent an integrated disclosure system, filings on Form N-8B-2 serve as the only means by which such UITs can satisfy the filing and disclosure requirements imposed by section 8(b) of the Investment Company Act.

On May 25, 2022, the Commission proposed a series of rule and form amendments that would require certain registered investment companies, including UITs, to provide additional information regarding their environmental, social, and governance (“ESG”) investment practices.² Among other things, the proposed amendments would require any UIT with portfolio securities selected based on one or more ESG factors to explain on N-8B-2 how those factors were used to select the portfolio securities.

2. Purpose and Use of the Information Collection

The purpose of Form N-8B-2 is to satisfy the filing and disclosure requirements of the Investment Company Act. This information collection differs significantly from many other federal information collections, which are primarily for the use and benefit of the collecting agency. The information required to be filed with the Commission assures the public availability and dissemination of the information and permits verification of compliance with Investment Company Act requirements. In addition, the adopted amendments will facilitate access to exhibits by investors and other users of the information.

² Enhanced Disclosures by Certain Investment Advisers and Investment Companies about Environmental, Social, and Governance Investment Practices, Investment Company Act Release No. 34594 (May 25, 2022).

3. Consideration Given to Information Technology

The Commission's electronic filing system, called "EDGAR" (for Electronic Data Gathering, Analysis and Retrieval), automates the filing, processing, and dissemination of all 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 UITs filing Form N-8B-2 are required to use EDGAR to make such filings.³

4. Duplication

Form S-6, the form used by certain UITs to register their securities under the Securities Act, requires a prospectus that includes much of the information requested in Form N-8B-2. To eliminate presenting duplicative information in the registration forms used by those UITs, the Commission has proposed⁴ and repropoed,⁵ but has not yet adopted, Form N-7, an integrated disclosure form under the Securities Act and the Investment Company Act.

Other than the information required in Form S-6, the Commission believes that there are no federal rules duplicating, overlapping, or conflicting with Form N-8B-2.

5. Effect on Small Entities

The current disclosure requirements for registration statements do not distinguish between small entities and other investment companies. The burden on smaller investment companies to prepare and file registration statements may be greater than for larger investment companies. The

³ See rule 101(a)(iv) of Regulation S-T [17 CFR 232.101(a)(iv)].

⁴ Investment Company Act Release No. 14513 (May 14, 1985) (50 FR 21282 (May 23, 1985)).

⁵ Investment Company Act Release No. 15612 (Mar. 9, 1987) (52 FR 8268 (Mar. 17, 1987)).

Commission believes, however, that 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 Investment Company Act requires each registered investment company to file an initial 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-2, UITs required to file on Form N-8B-2 to register under the Investment Company Act would fail to satisfy this legal requirement. Each UIT subject to the Form N-8B-2 filing requirement is required to file Form N-8B-2 only once and does not file post-effective amendments to Form N-8B-2.⁶

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

Not applicable.

8. Consultation Outside the Agency

Before adopting the amendments affecting Form N-8B-2, the Commission solicited and evaluated public comments on the proposal and its collection of information requirements. The Commission received no comments in response to its request. Moreover, 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.

9. Payment or Gift

⁶ See *infra* note 7 and accompanying text.

Not applicable.

10. Confidentiality

Not applicable.

11. Sensitive Questions

Form N-8B-2 collects certain Personally Identifiable Information (“PII”) that may 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. No information of a sensitive nature, including social security numbers, will be required under this collection of information.

Based on the scope of the information collection, the agency has determined that the information collection does not constitute a system of record for purposes of the Privacy Act. 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 2/5/2020, 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 (44 U.S.C. 3501 et seq.) and are not derived from a quantitative, comprehensive, or even representative survey or study of the burdens associated

with Commission rules and forms. Compliance with Form N-8B-2 is mandatory. The information provided on Form N-8B-2 will not be kept confidential.

Form N-8B-2 is used by UITs to initially register under the Investment Company Act pursuant to section 8 thereof. UITs are required to file Form S-6 in order to register offerings of securities with the Commission under the Securities Act. As a result, UITs file Form N-8B-2 only once when the UIT is initially created and then use Form S-6 to file all post-effective amendments to their registration statements in order to update their prospectuses.

In addition, to assist investors with better understanding the total costs of investing in a UIT ETF, the Commission adopted disclosure requirements in Form N-8B-2 designed to provide investors who purchase ETF shares in secondary market transactions with tailored information regarding ETFs, including information regarding purchasing and selling shares of ETFs. All UIT ETFs will be subject to these disclosure requirements.

The most recent PRA revision submitted to OMB reflects the preparation and filing of Form N-8B-2 requiring a total of 28 burden hours, with an external cost burden estimate of \$10,300.⁷

Table 1 below reflects the estimated annual number of registration statements filed on Form N-8B-2

The hour burden estimates for preparing and filing reports on Form N-8B-2 are based on the Commission's experience with the contents of the form and based on past consultations with

⁷ The current PRA estimates are based on the most recent revision to the form's information collection submitted in December of 2019. We note this because the FAST Act Adopting Release PRA section contained figures based on a prior version submitted to OMB. Since the date of adoption of the FAST Act Adopting Release, those figures have changed. This PRA now reflects the most current figures for Form N-8B-2.

filers. 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.

Table 1: BURDEN ESTIMATES FOR FORM N-8B-2 FILINGS

	Initial hours	Annual hours ¹	Wage rate ²	Internal time costs	Annual external cost burden
BURDEN ESTIMATES FOR FORM N-8B-2 FILINGS					
Additional information concerning the securities underlying the trust's securities	2.0 hours	0.67 hours ³	\$306 (blended rate for compliance attorney and intermediate portfolio manager)	\$254	\$617.50 ⁴
Total new annual burden per UIT		0.67 hours		\$254	\$617.50
Number of filings		× 1 filing ⁵		× 1 filing ⁵	× 1 filing ⁵
Total new annual burden		0.67 hours		\$254	\$617.50
TOTAL ESTIMATED BURDENS, INCLUDING AMENDMENTS					
Current burden estimates		28 hours ⁶			\$10,300
Revised burden estimates		29 hours⁶			\$10,917.50

Notes:

1. Includes initial burden estimates annualized over a 3-year period.
2. These PRA estimates assume that the same types of professionals would be involved in satisfying the proposed reporting requirements that we believe otherwise would be involved in complying with this requirement. The Commission's estimates of the relevant wage rates are based on the SIFMA Wage Report.
3. Represents initial burden estimates annualized over a three-year period.
4. \$617.50 includes an estimated \$248 for 0.5 hours of outside legal services and an estimated \$369.50 for 0.5 hours of management consultant services.
5. We are assuming one portfolio per filing. In addition, we may be overestimating the number of filings as the trust may not consider ESG factors when it selects portfolio securities.
6. Rounded to the nearest whole number.

13. Cost to Respondents

The preparation and filing of Form N-8B-2 will not require any investment in capital equipment. The total cost burden associated with the preparation and filing of Form N-8B-2 is the cost of services purchased to prepare Form N-8B-2. Estimates are based on the Commission's experience with the filing of such reports and based on past consultations with filers.

As summarized in Table 1 above, in our most recent Paperwork Reduction Act submission for Form N-8B-2, Commission staff estimated that the total external cost burden of preparing and filing Form N-8B-2 is \$10,300. We estimate that the new requirements would increase the external cost burden by approximately \$618, resulting in a new total external cost burden of \$10,917.

14. Cost to the Federal Government

We previously estimated that the annual cost of reviewing and processing new registration statements, post effective amendments, proxy statements, and shareholder reports of investment companies amounted to approximately \$30 million in fiscal year 2021, based on the Commission's computation of the value of staff time devoted to this activity and related overhead. We estimate that the amendments to Form N-8B-2 will not impose additional costs to the federal government associated with this collection of information.

15. Changes in Burden

As summarized in Table 1, the estimated internal burden hours associated with preparing and filing registration statements on Form N-8B-2 increased to 29 hours and the estimated external cost burden increased by \$618 from \$10,300 to \$10,918. The change in the external cost burden is due to portfolio disclosure requirements of the new rule.

16. Information Collection Planned for Statistical Purposes

Not applicable.

17. Approval to Omit OMB Expiration Date

Not applicable.

18. Exceptions to Certification Statement for Paperwork Reduction Act Submission

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.