

**SUPPORTING STATEMENT**  
**For the Paperwork Reduction Act Information Collection Submission for**  
**Investment Company Interactive Data**

This supporting statement is part of a submission under the Paperwork Reduction Act of 1995 (“PRA”), 44 U.S.C. §3501, *et seq.*

**A. JUSTIFICATION**

**1. NECESSITY FOR THE INFORMATION COLLECTION**

Certain funds have current requirements to submit to the Commission information included in their registration statements, or information included in or amended by any post-effective amendments to such registration statements, in response to certain form items in structured data language (“Investment Company Interactive Data”). This collection of information relates to regulations and forms under the Securities Act of 1933 (“Securities Act”) [15 U.S.C. 77a *et seq.*]. This collection of information relates to regulations and forms under the Investment Company Act of 1940 (“Investment Company Act”) [15 U.S.C. 80a-1 *et seq.*] that set forth disclosure requirements for funds and other issuers.

On September 20, 2023 the Commission adopted certain amendments to the “names rule,” rule 35d-1 of the Investment Company Act.<sup>1</sup> The Commission also amended Form N-2,<sup>2</sup> Form N-8B-2,<sup>3</sup> and Form S-6,<sup>4</sup> under the Securities Act to require certain new structured data

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<sup>1</sup> Investment Company Names, Investment Company Act Release No. 35000 (September 20, 2023) (the “2023 Names Rule Adoption”).

<sup>2</sup> 17 CFR 274.11a-1.

<sup>3</sup> 17 CFR 274.12

<sup>4</sup> 17 CFR 239.16.

reporting requirements for funds.<sup>5</sup> Specifically, the amendments include new structured data requirements that require funds to tag the information that the amendments require funds to include in their registration statements about their fund name using Inline eXtensible Business Reporting Language or “Inline XBRL.”

The amendments affect “collection of information” requirements within the meaning of the PRA.<sup>6</sup>

## **2. PURPOSE AND USE OF THE INFORMATION COLLECTION**

The purpose of the new information collections is to make information regarding fund names easier for investors to analyze and to help automate regulatory filings and business information processing, and to improve consistency across all types of funds with respect to the accessibility of fund name information they provide to the market. Requiring registrants to use Inline XBRL to tag disclosures will improve the data’s usefulness, timeliness, and quality, benefiting investors and other market participants, and to decrease, over time, the cost of preparing the data for submission to the Commission.

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<sup>5</sup> The Investment Company Interactive Data collection of information do not impose any separate burden aside from that described in our discussion of the burden estimates for this collection of information. The amendments we are adopting to rules 485 and 497 under the Securities Act, as well as rules 11 and 405 to Regulation S-T, are conforming amendments that have no associated PRA burden. While the new names related information that open-end funds will be required to disclose under our final amendments to Form N-1A also will be required to be tagged using Inline XBRL, the final amendments to Form N-1A will create no additional PRA burden. The final rule amends Items 4 and 9 of Form N-1A; Form N-1A registrants are already required to submit the information that they provide in response to Item 4 using Inline XBRL, and the final rules do not require funds to tag the information disclosed in response to Item 9. Therefore, the burdens associated with tagging Item 4 disclosure are already accounted for under the current Investment Company Interactive Data collection of information.

<sup>6</sup> This supporting statement relates only to the amendments to Forms N-1A, N-2, N-8B-2, and Form S-6, as well as Regulation S-T. The amendments only affect investments companies that file on Forms N-1A, N-2, N-8B-2, and Form S-6, and that under the final amendments would be required to use Inline XBRL to tag specified disclosures.

### **3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY**

The collection of information requirements are set forth in the respective forms and related rules. The information that will be required by these provisions would continue to be filed electronically with the Commission using the Commission's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system.

### **4. DUPLICATION**

The Commission periodically evaluates rule-based reporting and recordkeeping requirements for duplication and reevaluates them whenever it proposes a rule or a form, or a change in either. The Investment Company Interactive Data requirements generally are not 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 burden on small entities to prepare and then submit Investment Company Interactive Data may be proportionally greater than for larger registrants. This burden may include the cost of software designed to prepare information in interactive data format and hiring a consultant or filing agent to prepare and file the information in interactive data format. The Commission believes, however, that imposing different requirements on smaller funds would not be consistent with investor protection and the purposes of the Investment Company Interactive Data requirements.

### **6. CONSEQUENCES OF NOT CONDUCTING COLLECTION**

The final names rule disclosures and structured data requirements are designed to help investors make informed investment decisions. Failure to conduct these collections of information

would reduce the information available to investors to make these decisions. The amendments collectively are intended to improve disclosure about a fund's name.

## **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 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 paperwork burdens confronting the industry. The Commission requested public comment on the proposed amendments, including the collection of information requirements resulting from the proposed amendments. The Commission's solicitation of public comments included estimating and requesting public comments on the burden estimates for all information collections under this OMB control number (i.e., both changes associated with the rulemaking and other burden updates). The Commission received no comments in response to its request.

## **9. PAYMENT OR GIFT**

No payment or gift has been provided to any respondents.

## **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 the following collections of information. The information collections that are currently

included in the Investment Company Interactive Data collection of information (although not the amendments that would affect this collection of information) include basic Personally Identifiable Information (“PII”) that may include a name and job title. However, the agency has determined that the information collections do not constitute a system of records 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 these collections of information. The EDGAR PIA, published on February 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<sup>7</sup> and are not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms. Compliance with the Investment Company Interactive Data requirements is mandatory. Responses to the disclosure requirements will not be kept confidential.

Funds filing registration statements on Form N-2 already submit certain information using Inline XBRL format. Based on filing data as of December 2022, we estimate that 663 funds filing registration statements on these forms would be subject to the interactive data amendments. UITs filing initial registration statements on Form N-8B-2 and post-effective amendments on Form S-6 are not currently subject to requirements to submit information in structured form. Because these UITs have not previously been subject to Inline XBRL

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<sup>7</sup> 44 U.S.C. 3501 et seq.

requirements, we assume that these funds will experience additional burdens related to one-time costs associated with becoming familiarized with Inline XBRL reporting. These costs will include, for example, the acquisition of new software or the services of consultants, and the training of staff. Based on filing data as of December 30, 2020, we estimate that 796 filings would be subject to these amendments. Therefore, we estimate 15,492 responses (the currently approved 14,702 responses + 796 additional responses) associated with the Investment Company Interactive Data information collection burden estimate.<sup>8</sup> Compliance with the interactive data requirements is mandatory, and the responses will not be kept confidential.

In our most recent Paperwork Reduction Act submission for Investment Company Interactive Data, we estimated a total aggregate annual hour burden of 323,724 hours, and a total aggregate annual external cost burden of \$16,041,450. The table below summarizes our PRA initial and ongoing annual burden estimates associated with the amendments to Form N-1A, Form N-2, Form N-8B-2, and Form S-6, as well as Regulation S-T.

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<sup>8</sup> Of these responses, we estimate 83 respondents are small entities. *See* 2023 Names Rule Adoption at section VI.C.

*PRA Table 1. INVESTMENT COMPANY INTERACTIVE DATA PRA ESTIMATES*

	Internal initial burden hours	Internal annual burden hours <sup>1</sup>	Wage rate <sup>2</sup>	Internal time costs	Annual external cost burden
<b>PROPOSED BURDENS</b>					
Names rule information for current XBRL filers <sup>3</sup>	1 hour	1 hour <sup>4</sup>	\$356 (blended rate for compliance attorney and senior programmer)	\$356	\$50 <sup>5</sup>
Number of funds		× 626 funds <sup>6</sup>		× 626 funds	× 626 funds
Names rule information for new XBRL filers <sup>7</sup>	9 hours	4 hours <sup>8</sup>	\$356 (blended rate for compliance attorney and senior programmer)	\$1,424	\$900 <sup>9</sup>
Number of filings		× 785 filings <sup>10</sup>		× 785 filings	× 785 filings
Total new aggregate annual burden		3,766 hours <sup>11</sup>		\$1,340,696 <sup>12</sup>	\$737,800 <sup>13</sup>
Current aggregate annual burden estimates		+ 252,602 hours			+ \$15,350,750
Revised aggregate annual burden estimates		256,368 hours			\$16,088,550
<b>FINAL ESTIMATED BURDENS</b>					
Names rule information for current XBRL filers <sup>3</sup>	1 hour	1 hour <sup>4</sup>	\$406 (blended rate for compliance attorney and senior programmer)	\$406	\$50 <sup>5</sup>
Number of funds		× 663 funds <sup>6</sup>		× 663 funds	× 663 funds
Names rule information for new XBRL filers <sup>7</sup>	9 hours	4 hours <sup>8</sup>	\$406 (blended rate for compliance attorney and senior programmer)	\$1,625	\$900 <sup>9</sup>
Number of filings		× 796 filings <sup>14</sup>		× 796 filings	× 796 filings
Total new aggregate annual burden		3,847 hours <sup>11</sup>		\$1,562,678 <sup>12</sup>	\$749,550 <sup>13</sup>
<b>TOTAL FINAL ESTIMATED BURDENS INCLUDING AMENDMENTS</b>					
Current aggregate annual burden estimates		+ 323,724 hours			+ \$16,041,450
Revised aggregate annual burden estimates		327,571 hours <sup>15</sup>			\$16,791,000
Notes:					
1. Includes initial burden estimates annualized over a 3-year period.					
2. The estimated wage figures are based on published rates for the professionals described in this chart, modified to account for an 1800-hour work-year and inflation. The estimates for the proposed and final burdens were multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead. See Securities Industry and Financial Markets Association's Report on Management & Professional Earnings in the Securities Industry 2013.					
3. This estimate represents the average burden for a filer on Form N-2 that is currently subject to interactive data requirements.					
4. This estimate included initial burden estimates annualized over a three-year period, plus 0.67 hour of ongoing annual burden hours. The estimate of 1 hour was based on the following calculation: ((1 initial hour / 3) + 0.67 hour of additional ongoing burden hours) = 1 hour.					
5. The Commission estimated an incremental external cost for filers on Form N-2, as they already submit certain information using Inline XBRL.					

6. Based on filing data as of December 30, 2020, the Commission estimated 626 funds, including BDCs, filing on Form N-2. Based on filing data as of December 2022, we have adjusted that estimate to 663 funds.
7. This estimate represents the average burden for a filer on Form N-8B-2 and Form S-6 that is not currently subject to interactive data requirements.
8. Includes initial burden estimates annualized over a three-year period, plus 1 hour of ongoing annual burden hours. The estimate of 10 hours is based on the following calculation:  $((27 \text{ initial hours} / 3) + 1 \text{ hour of additional ongoing burden hours}) = 10 \text{ hours}$ .
9. This estimate assumes an external cost for filers on Form N-8B-2 and Form S-6 of \$900 to reflect one-time compliance and initial set-up costs. Because these filers have not been previously been subject to Inline XBRL requirements, this estimate reflects that these funds would experience additional burdens related to one time-costs associated with becoming familiar with Inline XBRL reporting. These costs would include, for example, the acquisition of new software or the services of consultants.
10. The Commission estimated 49 non-separate account and non-ETF UITs registered with the Commission. However, the Commission based the proposed estimate on the belief that the number of filings instead of registrants would form a more accurate estimate of annual burdens. The Commission estimated 1,047 filings based on the average number of filings made on Form S-6 from 2018 to 2020, and therefore estimated that there are approximately 785 filings for funds that have names that would have been covered by the proposed rule amendments, or 75% of the filings for UITs covered by the rule amendments  $(1,047 \text{ filings} \times 75\% = 785 \text{ filings})$ .
11. With respect to the proposed estimate,  $3,766 \text{ hours} = (626 \text{ funds} \times 1 \text{ hour} = 626 \text{ hours}) + (785 \text{ filings} \times 4 \text{ hours} = 3,140 \text{ hours})$ . With respect to the final estimate,  $3,847 \text{ hours} = (663 \text{ funds} \times 1 \text{ hour} = 663 \text{ hours}) + (796 \text{ filings} \times 4 \text{ hours} = 3,184 \text{ hours})$ .
12. With respect to the proposed estimate,  $\$1,340,696 \text{ internal time cost} = (626 \text{ funds} \times \$356 = \$222,856) + (785 \text{ filings} \times \$1,424 = \$1,117,840)$ . With respect to the final estimate,  $\$1,562,678 \text{ internal time cost} = (663 \text{ funds} \times \$406 = \$269,178) + (796 \text{ filings} \times \$1,625 = \$1,293,500)$ .
13. With respect to the proposed estimate,  $\$737,800 \text{ annual external cost} = (626 \text{ funds} \times \$50 = \$31,300) + (785 \text{ filings} \times \$900 = \$706,500)$ . With respect to the final estimate,  $\$749,550 \text{ annual external cost} = (663 \text{ funds} \times \$50 = \$33,150) + (796 \text{ filings} \times \$900 = \$716,400)$ .
14. Based on our current analysis, we estimate that 76% of funds will be subject to rule 35d-1 under the final amendments, and therefore estimate that 796 filings for funds that have names that will be covered by the final amendments  $(1,047 \text{ filings} \times 76\% = 796 \text{ filings})$ .
15. The Names Rule Adopting Release included a scrivener's error that calculated this figure as 324,571 rather than 327,571.



### **13. COST TO RESPONDENTS**

Cost burden is the cost of goods and services purchased to comply with the Investment Company Interactive Data requirements, such as for software or the services of consultants or filing agents. The cost burden does not include the cost of the hour burden discussed in Item 12 above.

As summarized in Table 1 above, in our most recent Paperwork Reduction Act submission for Investment Company Interactive Data, Commission staff estimated about \$16,041,450 in external cost burden per year. We estimate that the annual cost of outside services associated with these amendments to the Names Rule is \$749,550, and therefore the revised external cost burden would be \$16,791,000.<sup>9</sup>

### **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 \$29 million in fiscal year 2022, 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 hourly burden and external cost associated with Investment Company Interactive Data has increased as follows:

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<sup>9</sup> This estimate is based on the following calculation: \$749,550 annual external cost = (663 funds x \$50) + (796 filings x \$900).

*Table 2: Comparison of Current and Revised Burden Hours and External Cost for Investment Company Interactive Data*

	Annual Time Burden (hours)			External Cost Burden (dollars)		
	Currently Approved	Revised Estimate	Change	Currently Approved	Revised Estimate	Change
<b><i>Investment Company Interactive Data</i></b>	323,724	327,571	3,847	\$16,041,450	\$16,791,000	\$749,550

The changes in annual burden hours and external cost burden are due to our amendments requiring a description of a fund's name and requiring funds to tag this disclosure using Inline XBRL. These changes in burden also reflect the Commission's revision and update of burden estimates for all information collections under this OMB control number (whether or not associated with rulemaking changes), and the Commission requested public comment on all information collection burden estimates for this OMB control number.

#### **16. INFORMATION COLLECTION PLANNED FOR STATISTICAL PURPOSES**

The information collections do not employ statistical methods.

#### **17. APPROVAL TO OMIT OMB EXPIRATION DATE**

The Commission is not seeking approval to omit 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. STATISTICAL METHODS**

The collection of information will not employ statistical methods.