

**SUPPORTING STATEMENT****For the Paperwork Reduction Act Information Collection Submission for  
Rule 30b1-7 and Form N-MFP****A. JUSTIFICATION****1. Necessity for the Information Collection**

Section 30(b) of the Investment Company Act of 1940 (“Investment Company Act”)<sup>1</sup> 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....”<sup>2</sup>

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-7<sup>3</sup> must file with the Commission a monthly report of portfolio holdings on Form N-MFP<sup>4</sup> no later than the fifth business day of each month.<sup>5</sup> 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.

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<sup>1</sup> 15 U.S.C. 80a-1 *et seq.*

<sup>2</sup> 15 U.S.C. 80a-30(b).

<sup>3</sup> 17 CFR 270.2a-7.

<sup>4</sup> 17 CFR 274.201.

<sup>5</sup> 17 CFR 270.30b1-7.

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.

On July 12, 2023, the Securities and Exchange Commission adopted amendments to Form N-MFP's reporting requirements.<sup>6</sup> As discussed more fully in the adopting release, the amended reporting requirements: (1) increase the frequency of certain data points from weekly to daily; (2) collect new information about securities that have been disposed of before maturity; (3) collect new information about the composition and concentration of money market funds' shareholders; (4) collect new information about the use of liquidity fees and share cancellation; and (5) collect additional information about repurchase agreement transactions, as well as certain other information about the fund's portfolio securities. The amendments also improve identifying information about the fund, including changes to better identify different categories of government money market funds, changes to identify privately offered funds that are used for internal cash management purposes, and amendments to provide the name and other identifying information for the registrant, series, and class.

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<sup>6</sup> See Money Market Fund Reforms; Form PF Reporting Requirements for Large Liquidity Fund Advisers; Technical Amendments to Form N-CSR and Form N-1A, Investment Company Act Release No. 34959 (Jul. 12, 2023) [88 FR 51404 (Aug. 3, 2023)] ("2023 MMF Reforms").

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

Certain of the provisions of the rule, including the amendments, contain “collection of information” requirements within the meaning on the Paperwork Reduction Act of 1995 (“Paperwork Reduction Act”),<sup>7</sup> and the Commission is submitting the collection of information to the Office of Management and Budget (“OMB”) for review. The information collection requirements of rule 30b1-7 and reports on Form N-MFP are designed to assist the Commission in analyzing the portfolio holdings of money market funds, and thereby augment our understanding of the risk characteristics of individual money market funds and money market funds as a group and industry trends. This information collection enhances our oversight of money market funds and our ability to respond to market events. In addition, although the portfolio reports to the Commission are not primarily designed for individual investors, the information will be available to the public. Academic researchers, financial analysts, and economic research firms may use the information to study money market fund holdings and evaluate their risk information, and their analyses may further help investors and regulators better understand risks in money market funds.

## **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,

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

generating benefits to investors and financial markets. Funds are required to file reports on Form N-MFP on EDGAR.<sup>8</sup> In addition, the XML-tagged format facilitates efficient and expeditious analysis of portfolio holdings information by the Commission and other interested persons.

#### **4. Duplication**

The Commission periodically evaluates rule-based reporting and recordkeeping requirements for duplication and reevaluates them whenever it proposes a rule or form or a change in a rule or form. The information provided under rule 30b1-7 and reports on Form N-MFP may duplicate some information included in other filings with the Commission and/or information required to be disclosed on fund websites. Unlike other filings, however, reports of Form N-MFP must be filed in XML-tagged format, which facilitates staff analysis of portfolio holdings information and enhances Commission oversight of money market funds.

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

The information collection requirements of Form N-MFP do not distinguish between small entities and other funds. The burden of the conditions on smaller funds may be proportionally greater than for larger funds. This burden includes the cost of producing and filing the reports. The Commission believes, however, that imposing different requirements on smaller money market funds would not be consistent with investor protection. The Commission reviews all rules periodically, as required by the

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<sup>8</sup> See rule 101(a)(1)(iv) of Regulation S-T [17 CFR 232.101(a)(1)(iv)].

Regulatory Flexibility Act, to identify methods to minimize recordkeeping or reporting requirements affecting small businesses.

With respect to the final amendments, pursuant to 5 U.S.C. section 605(b), the Commission certified that the amendments to Form N-MFP will not have a significant impact on a substantial number of small entities.

#### **6. Consequences of Not Conducting Collection**

Rule 30b1-7 provides that money market funds file a report on Form N-MFP each month. Given the rapidly changing composition of money market fund portfolios, which consist of only short-term securities, we believe that less frequent collections would render the portfolio information less timely and relevant.

#### **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**

On December 15, 2021, the Commission issued a proposing release soliciting comment on collections of information related to, among other things, the proposed amendments to Form N-MFP.<sup>9</sup> The Commission's solicitation of public comments included estimating and requesting public comments on updated burden estimates for all information collections under this OMB control number (i.e., both changes associated with the rulemaking and other burden updates). Comments on the Commission's releases

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<sup>9</sup> See Money Market Fund Reforms, Investment Company Act Release No. 34441 (Dec. 15, 2021) [87 FR 7248 (Feb. 8, 2022)] (the "Proposing Release").

are generally received from registrants, investors, and other market participants. In addition, the Commission and staff participate in an ongoing dialogue with representatives of various market participants through public conferences, meetings, and informal exchanges. All comments received on the proposal are available at <https://www.sec.gov/comments/s7-22-21/s72221.htm>. The Commission considered all comments received prior to publishing the final rules as required by 5 CFR 1320.11(f). The Commission did not receive public comment regarding the PRA estimates for Form N-MFP in the Proposing Release.

**9. Payment or Gift**

No payment or gift to respondents was provided.

**10. Confidentiality**

Information received pursuant to this collection of information will be kept private to the extent permitted by law.

**11. Sensitive Questions**

Form N-MFP collects information that is relevant to an evaluation of the risk characteristics of the fund and its portfolio holdings. No information of a sensitive nature, including social security numbers, is required under this collection of information. The information collection does collect basic personally identifiable information (PII) that may include name and job title. However, the agency has determined that the information collection does not constitute a system of record for purposes of the Privacy Act. 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 March 22, 2023, 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 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.

We are revising our total burden estimates to reflect the adopted amendments to Form N-MFP, as discussed above.<sup>10</sup> The respondents to these collections of information will be money market funds. The Commission estimates there are 294 money market funds that report information on Form N-MFP although certain components of the new collections of information will apply to certain subsets of money market funds, as reflected in the below table.

We estimate that 35% of money market funds (or 103 money market funds) license a software solution and file reports on Form N-MFP in house. We estimate that the remaining 65% of money market funds (or 191 money market funds) retain the

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<sup>10</sup> See 2023 MMF Reforms *supra* note 6. For the previously approved estimates, see ICR Reference No. 202203-3235-024.

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 understand that the required data in the final amendments to Form N-MFP generally are already 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 believe that the final amendments add significant burden hours for filers of Form N-MFP.

In our most recent PRA submission for Form N-MFP, we estimated the annual aggregate compliance burden to comply with the collection of information requirement of Form N-MFP is 44,263 burden hours with an internal cost burden of \$14,385,475 and an external cost burden estimate of \$2,613,300.<sup>11</sup> The table below summarizes our PRA initial and ongoing annual burden estimates associated with the amendments to Form N-MFP.

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<sup>11</sup> This estimate is based on the last time the PRA submission for the rule's information collection was approved in 2022 (OMB Control No. 3235-0657).



**Table 1: Burden Estimate for Form N-MFP**

	Internal initial burden hours	Internal annual burden hours <sup>2</sup>		Wage rate <sup>3</sup>	Internal time costs	Annual external cost burden
<b>PROPOSED ESTIMATES<sup>1</sup></b>						
Reporting on disposed securities	3 hours	2 hours	×	\$304	\$608	
Number of funds for disposed securities information		× 64			× 64	
<b>Total new annual burden for disposed securities information (I)</b>		<b>128 hours</b>			<b>\$38,912</b>	
Other proposed amendments	9 hours	7 hours		\$304	\$2,128	\$912
Number of funds		× 318			× 318	× 318
<b>Total new annual burden for Other proposed amendments (II)</b>		<b>2,226 hours</b>			<b>\$676,704</b>	<b>\$290,016</b>
<b>Total new annual burden (I +II)</b>		<b>2,354 hours</b>			<b>\$715,616</b>	<b>\$290,016</b>
Current burden estimates		64,667 hours			\$6,754,832	\$3,179,700
Revised burden estimates		67,021 hours			\$7,470,448	\$3,469,716
<b>FINAL ESTIMATES</b>						
Reporting on disposed securities	3 hours	2 hours <sup>4</sup>	×	\$346 <sup>5</sup>	\$692	
Number of funds for disposed securities information <sup>6</sup>		× 60			× 60	
<b>Total new annual burden for disposed securities information (I)</b>		<b>120 hours</b>			<b>\$41,520</b>	
Other proposed amendments	7.5 hours	5.5 hours <sup>7</sup>		\$346 <sup>5</sup>	\$1,903	\$912
Number of funds <sup>8</sup>		× 294			× 294	× 294
<b>Total new annual burden for Other proposed amendments (II)</b>		<b>1,617 hours</b>			<b>\$559,482</b>	<b>\$268,128<sup>9</sup></b>
<b>Total new annual burden (I +II)</b>		<b>1,737 hours</b>			<b>\$601,002</b>	<b>\$268,128</b>
Current burden estimates		44,263 hours			\$6,319,950	\$2,613,300
Revised burden estimates		46,000 hours			\$6,920,952	\$2,881,428

Notes:

- For additional detail about the proposed estimates, *see* Proposing Release, *supra* note 9, at section IV.B.
- This estimate includes the initial burden estimates amortized over a three-year period.
- The Commission's estimates of the relevant wage rates are based on salary information for the securities industry compiled by the Securities Industry and Financial Markets Association's Office Salaries in the Securities Industry 2013. The estimated wage figures are modified by Commission staff to account for an 1,800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits, overhead, and adjusted to account for the effects of inflation. These PRA estimates assume that the same types of professionals would be involved in the new reporting requirements that we believe otherwise would be involved in preparing

and filing reports on Form N-MFP.

4. This estimate assumes that, after the initial 3 hours that a fund would spend complying with the requirement to report on disposed securities, which we annualized over a 3-year period, the fund would incur 1 additional burden hour associated with ongoing compliance with this reporting requirement.

5. This represents a blended hourly rate of \$347 for a Financial Reporting Manager (\$339 per hour), Fund Senior Accountant (\$252 per hour), Senior Database Administrator (\$397 per hour), Senior Portfolio Manager (\$383 per hour), and Compliance Manager (\$360 per hour). The blended hourly rate was calculated as  $(\$339 + \$252 + \$397 + \$383 + \$360) / 5 = \$346$  rounded to the nearest whole dollar.

6. This reflects that our final amendments require that only prime money market funds report information about disposed securities on Form N-MFP. We estimate that there were 60 prime funds as of Mar. 2023, based on Form N-MFP filings.

7. This estimate assumes that, after the initial 7.5 hours that a fund would spend complying with the other amendments to Form N-MFP, which we annualized over a 3-year period, the fund would incur 3 additional burden hours associated with ongoing compliance with the reporting requirements.

8. We estimate that there were 294 money market funds as of Mar. 2023, based on Form N-MFP filings.

9. This estimate is based on the following information and calculations:  $(35\% \times \$4,805$  (the average cost to license a third-party software solution per year) =  $\$1,681.75) + (65\% \times \$11,440$  (the average cost of retaining the services of a third-party vendor to prepare and file reports on Form N-MFP on the fund's behalf) =  $\$7,436) =$  basis for existing external N-MFP filing costs. We estimate that the new Form N-MFP requirements will add an additional 10% costs (e.g.,  $(\$1,681.75 + \$7,436 = \$9,117.75) \times 10\% = \$912$  per fund).  $\$912 \times 294 = \$268,128$ .

TABLE 2: CHANGE IN BURDEN ESTIMATES FOR FORM N-MFP

Annual Number of Responses			Annual Time Burden (hours)			Cost Burden (dollars)		
Previously Approved	Revised Estimate	Change	Previously Approved	Revised Estimate	Change	Previously Approved	Revised Estimate	Change
4,236	4,236	0	44,263	46,000	1,737	\$2,613,300	\$2,881,428	\$268,128

### 13. Cost to Respondents

Cost burden is the cost of goods and services purchased to comply with rule 30b1-7 and Form N-MFP, such as licensing software solutions or for the services of external

service providers. As discussed in Tables 1 and 2 above, the total estimated external cost associated with this information collection has increased from \$2,613,300 to \$2,881,428 as a result of the amendments.

#### **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. Changes in Burden**

The total annual hour burden of 46,000 hours represents an increase of 1,737 hours over the previous burden estimate of 44,263 hours. The total annual external cost burden of \$2,881,428 represents an increase of \$268,128 over the prior burden estimate of \$2,613,300.

The change in burden hours and external costs is due to the increased burdens associated with the recent amendments.

#### **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. Including the expiration date on the electronic version of the 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. The OMB control number will be displayed.

**18. Exceptions to Certification for Paperwork Reduction Act Submissions**

The Commission is not seeking an exception to the certification statement.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

The collection of information will not employ statistical methods.