



PAPERWORK REDUCTION ACT SUPPORTING STATEMENT

for the Extension of

Form N-14, for the registration of securities under the Securities Act of 1933 issued in business combination transaction by investment companies and business development companies.

OMB Control Number 3235-0336

The U.S. Securities and Exchange Commission (“Commission” or SEC) submits this information collection request (ICR) pursuant to the Paperwork Reduction Act of 1995 (PRA), 44 U.S.C. Section 3501 et seq., with the following justification.

1. Necessity of Information Collection

Section 5(c) of the Securities Act of 1933 (“Securities Act”)¹ requires a company to have filed a registration statement with the Commission before it offers securities to the public by use of the mails or other channels of interstate commerce.² Section 5(b) requires that a prospectus containing the pertinent information set forth in the registration statement be furnished to the purchaser of a security prior to or with the confirmation of sale or delivery of the security after sale, whichever comes first.³ Investment companies are required to register under section 8(a) of the Investment Company Act of 1940 (“Investment Company Act”)⁴ and to file a registration statement under section 8(b) of the Investment Company Act containing such information as the Commission has determined to be necessary or appropriate in the public interest or for the protection of investors.⁵

Form N-14⁶ is the form for registration under the Securities Act of securities to be issued by management investment companies registered under the Investment Company Act and business development companies (“BDCs”) as defined by section 2(a)(48) of the Investment Company Act (collectively, “funds”) in certain business combination transactions: (1) a transaction of the type specified in rule 145(a) under the Securities Act;⁷ (2) a merger in which a vote or consent of the security holders of the company being acquired is not required pursuant to applicable state law; (3) an exchange offer for securities of the issuer or another person; (4) a public reoffering or resale of any securities acquired in an offering registered on Form N-14; or (5) two or more of the transactions listed in (1)

¹ 15 U.S.C. 77a et seq.

² 15 U.S.C. 77e(c).

³ See Securities Act Release No. 8591 (July 19, 2005) [70 FR 44722, 44782 (Aug. 3, 2005)].

⁴ 15 U.S.C. 80a-1 et seq.

⁵ 15 U.S.C. 80a-8.

⁶ 17 CFR 239.23.

⁷ 17 CFR 230.145(a).

through (4) registered on one registration statement. Rule 145(a) provides that submitting a proposal for certain reclassification of securities, mergers, consolidations, or transfers of assets for the vote or consent of security holders, is deemed to involve an “offer,” “offer to sell,” “offer for sale,” or “sale” of the securities to be issued in the transaction. The effect of the rule is to require registration of the securities to be issued in connection with such transactions, unless an exemption from registration is available.

The Commission has adopted amendments to the financial statement requirements for acquired and disposed businesses to improve the financial information about acquired or disposed businesses, facilitate more timely access to capital, and reduce the complexity and costs of preparing the disclosure.⁸

2. Purpose and Use of Information Collection

The principal purpose of Form N-14 is to make available to investors material information regarding securities to be issued in connection with business combination transactions. The information required to be filed with the Commission permits verification of compliance with securities law requirements and assures the public availability and dissemination of such information. Without the registration statement requirement, material information may not necessarily be available to investors.

3. Use and Consideration of 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. Registration statements on Form N-14 are required to be filed electronically on EDGAR.⁹ The public may access filings on EDGAR through the Commission’s website (<http://www.sec.gov>). Prospectuses may be sent to investors by electronic means so long as certain requirements are met.¹⁰

4. Identifying and Minimizing 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. The information in Form N-14 is not generally duplicated elsewhere.

5. Effect on Small Entities

The Commission reviews all rules periodically, as required by the Regulatory Flexibility Act,¹¹ to identify methods to minimize recordkeeping or reporting requirements affecting small businesses. The current disclosure requirements for registration statements on Form N-14, and the amendments, do not distinguish between small entities and other investment companies. The burden on smaller

⁸ Among other amendments, the Commission added rule 6-11 of Regulation S-X and amended Form N-14 to govern financial reporting for acquisitions involving investment companies. More specifically, the Commission amended Form N-14 to make its disclosure requirements consistent with the disclosures required in rule 6-11. *See* Amendments to Financial Disclosures about Acquired and Disposed Businesses, Securities Act Release No. 10786 (May 20, 2020) [85 FR 54002 (Aug. 31, 2020)].

⁹ *See* 17 CFR 232.101(a)(1)(i).

¹⁰ *See* Use of Electronic Media for Delivery Purposes, Securities Act Release No. 7233 (Oct. 6, 1995) [60 FR 53458 (Oct. 13, 1995)].

¹¹ 5 U.S.C. 601 *et seq.*

investment companies of preparing and filing registration statements may be proportionately greater than for larger investment companies. This burden includes the cost of producing, printing, filing, and disseminating prospectuses. The Commission believes, however, that imposing different requirements on smaller investment companies would not be consistent with investor protection and the purposes of the registration statements.

6. Consequences of Not Conducting Collection and Obstacles to Reducing Burden

The purpose of Form N-14 is to meet the filing and disclosure requirements of the Securities Act and the Investment Company Act and to enable filers to provide investors with information necessary to evaluate an investment in the security. Less frequent filing would be inconsistent with the filing and disclosure requirements of the Securities Act and the Investment Company Act. In addition, if the form were to be filed less frequently, investors may not be provided with the information necessary to evaluate an investment in the security.

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

This collection is not inconsistent with 5 CFR 1320.5(d)(2).

8. Public Comment and Consultations Outside the Agency

The Commission requested public comment on the information collection requirements of the amendments to Form N-14 before it submitted this request for revision and approval to the Office of Management and Budget. The Commission did not receive public comment during the 60-day notice and comment period. Moreover, the Commission and 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.

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality and Privacy

The information collection collects elements of PII that is covered by the EDGAR PIA. No information of a sensitive nature, including social security numbers, will be required under this collection of information. Additionally, 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.

11. Collection Questions of a Sensitive Nature

Not applicable.

12. Estimated Time Burden and its Cost Equivalent

The following estimates of average burden hours and costs are made solely for purposes of the Paperwork Reduction Act of 1995¹² and are not derived from a comprehensive or even representative

¹² 44 U.S.C. 3501 *et seq.*

survey or study of the cost of Commission rules and forms. Compliance with Form N-14 is mandatory. Responses to the collection of information will not be kept confidential.

We estimate that approximately 141 new registration statements and 92 amendments to a registration statement are filed on Form N-14 annually, for a total of 233 registration statements.¹³ Based on conversations with fund representatives and the Commission’s experience with the filing and amending of Form N-14 and with disclosure documents generally, we estimate that the reporting burden of compliance with Form N-14 is approximately 590 hours per respondent for a new Form N-14 registration statement, and 300 hours per respondent for amending the Form N-14 registration statement. This time is spent, for example, preparing and reviewing the registration statements. Accordingly, we calculate the total estimated annual internal burden of responding to Form N-14 to be approximately 103,685 hours.

ICR Estimated Time Burden and its Cost Equivalent							
Information Collections (ICs)	Requirement Type	Number of Respondents	Frequency of Response (Number of Responses per Respondent per Time Period)	Time per Response	Equivalent Cost per Response(\$) ¹	Total Annual Time Burden (Hours)	Total Annual Cost Burden Equivalent (\$)
Form N-14	Reporting	233	1 Annually	445 hours ²	348	103,685	36,082,380
TOTAL ICs:		233			ICR TOTAL:	103,685	36,082,380

¹ The equivalent cost per response is the average cost (\$348) of an attorney (\$511), paralegal (\$268), and a senior accountant. Each average per hour figure is from SIFMA's Management & Professional Earnings in the Securities Industry 2013, modified by Commission staff to account for an 1800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

² We estimate 445 hours per response. This is the average of 590 hours for a new registration statement and 300 hours for an amendment.

13. Estimated Additional Cost Burden

Cost burden is the cost of goods and services purchased to prepare and amend registration statements on Form N-14, such as for the services of independent auditors and outside counsel. The cost burden does not include the hour burden discussed in Item 12 above. Estimates are based on the Commission’s experience with the filing of registration forms.

ICR Estimated Additional Cost Burden

¹³ Based on the number of Form N-14 filings made from 2022 to 2024. On average, 141 new and 92 amended registration statements were filed over the three-year period.

Additional Information Collections (ICs)	Related Supporting Statement Question 12 IC	Requirement Type	Number of Respondents	Total Annual Additional Cost Burden (\$)
Form N-14	Form N-14	Reporting	233 ¹	3,401,800
TOTAL ICs: 233			ICR TOTAL:	3,401,800

¹ This is based on 25 hours of time spent on each Form N-14 and an estimated \$584 per hour cost for outside legal services.

14. Annual Cost to the Federal Government

The SEC is in the process of revising its methodologies to estimate annualized costs to the Federal government for all its relevant collections of information. The SEC anticipates that future extensions of this collection of information will reflect the revised methodologies.

15. Reasons for Changes in Burden Estimates

The estimated total annual hour burden for entities affected by Form N-14 has decreased from 123,063 hours to 103,685 hours (a decrease of 19,378 hours). The estimated annual external costs have increased from \$3,206,050 to \$3,401,800 (an increase of \$195,750). These estimated increases in burden hours and external costs reflect changes in the number of affected entities and in the external cost associated with the information collection requirements. These changes reflect revised estimates and burdens attributable to requirements under the Form.

Reasons for Changes in Burden Estimates		
Information Collections (ICs)	Area of Change	Reason for Change in Burden Estimates
Form N-14	Annual Number of Responses for this IC	<ul style="list-style-type: none"> Change Due to Adjustment in Agency Estimate
	Annual IC Time Burden (Hours)	<ul style="list-style-type: none"> Change Due to Adjustment in Agency Estimate
	Annual IC Cost Burden (Dollars)	<ul style="list-style-type: none"> Change Due to Adjustment in Agency Estimate

16. Plans for Publishing Results

Not applicable.

17. Approval to Omit Display of OMB Expiration Date

The Commission requests authorization to omit the expiration date on the electronic version of the forms and schedules. Including the expiration date on the electronic version of the forms and schedules will result in increased costs, because the need to make changes to the forms and schedules may not follow the application's scheduled version release dates. The OMB control number will be displayed.

18. Exceptions to the Certification for Paperwork Reduction Act Submissions

The following exceptions apply to Form N-14:

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- Small entities (see explanation in Item 5): The Commission believes that imposing different requirements on smaller investment companies would not be consistent with investor protection and the purposes of the registration statements.
- Recordkeeping requirements: Form N-14 does not have separate recordkeeping requirements.
- Statistical survey methodology: Form N-14 does not employ statistical survey methods.