



## **PAPERWORK REDUCTION ACT SUPPORTING STATEMENT**

for the extension of  
Rule 22d-1  
OMB Control Number 3235-0310

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 22(d) of the Investment Company Act of 1940 (the "Act") (15 U.S.C. 80a-22(d)) generally prohibits the sale of redeemable securities of a registered investment company ("fund") except at a current public offering price described in the prospectus. Rule 22d-1 under the Act (17 CFR 270.22d-1) provides an exemption from section 22(d) to the extent necessary to permit scheduled variations in or elimination of the sales load on fund securities for particular classes of investors or transactions, provided certain conditions are met.<sup>1</sup> These conditions require that (1) the scheduled variation be applied uniformly to all offerees in the specified class; (2) existing shareholders and prospective investors be furnished adequate information concerning the scheduled variation, as prescribed in applicable registration statement form requirements; (3) the fund's prospectus and statement of additional information are revised to describe the new scheduled variation before any new sales load variation is made available to purchasers of fund shares; and (4) within one year of first making the scheduled variation available, existing shareholders are advised of any new sales load variation (items (2) through (4), collectively, "notice requirements").<sup>2</sup> The notice requirements of rule

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<sup>1</sup> A sales load is a front-end charge investors pay when buying shares.

<sup>2</sup> 17 CFR 270.22d-1(a)-(d).  
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22d-1 are designed to ensure that all existing and prospective investors that may be eligible for a reduction or elimination of the sales load receive timely notice regarding the details of such charge.

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

Without the notice requirements, fund investors might be unaware about changes in the fund's sales load arrangements that are important to making informed investment decisions.

## **3. Use and Consideration of Information Technology**

The Commission's electronic filing project (Electronic Data Gathering, Analysis and Retrieval System, or "EDGAR") is designed to automate the filing, processing and dissemination of full disclosure filings. EDGAR permits investment companies to transmit their filings to the Commission electronically. Such automation has increased the speed, accuracy and availability of information, generating benefits to investors and financial markets. Fund registration statements, and any updates to the registration statement, in which funds that offer scheduled variations in sales loads provide the information required by the notice requirements of rule 22d-1, are filed electronically.

## **4. Identifying and Minimizing Duplication**

The notice requirements are consistent with the disclosure requirements of fund registration statements and post-effective amendments, but do not require duplicative information. The information required by the notice requirements is not otherwise available.

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

The Commission does not believe that compliance with rule 22d-1 is unduly burdensome for large or small entities. Rule 22d-1 may be relied upon by any fund, including a fund that is a small entity that wishes to offer a scheduled variation in or eliminate the sales load on its shares for a particular class of investors or transactions. The notice requirements of the rule are designed to provide all investors with information necessary to make informed investment decisions.

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

The notice requirements apply only when a new scheduled variation in a sales load is offered and therefore cannot be applied less frequently.

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

Not applicable

**8. Public Comment and Consultations Outside the Agency**

The SEC did not receive public comment during the 60-day notice and comment period.

**9. Payment or Gift to Respondents**

Not applicable.

**10. Assurance of Confidentiality and Privacy**

Not applicable.

**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 1995<sup>3</sup> and are not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms. Compliance with rule 22d-1 is required to retain or obtain the benefits of rule 22d-1. Responses to the collection of information will not be kept confidential.

We estimate that approximately 6,740 series of funds currently issue redeemable securities that carry a sales load.<sup>4</sup> We estimate that each year, as many as 50% of these series may

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<sup>3</sup> 44 U.S.C. 3501 *et seq.*

<sup>4</sup> We estimate approximately 2,942 open-end funds sold securities subject to a front-end sales load as of December 2025. In addition, we estimate approximately 3,798 non-insurance UITs offer securities with a front-end sales load reported on Form N-CEN as of December 2024. Accordingly, a total of approximately 6,740 series currently issue redeemable securities subject to a front-end sales load.

choose to offer a scheduled variation in or elimination of the sales load in reliance on the rule.<sup>5</sup> Thus, it is estimated that approximately 3,370 series may become subject to the rule annually. Based on a review of internal and external data, including communications with industry representatives, we estimate that the reporting burden of compliance with rule 22d-1 is approximately 0.25 hours per respondent. This time is spent, for example, complying with the notice requirements. Accordingly, we calculate the total estimated annual internal burden of responding to be 843 hours.<sup>6</sup>

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<sup>5</sup> The estimated 50 percent excludes those funds currently offering variations in the sales load because their estimated hourly burden is accounted for in their registration statements.

<sup>6</sup> This estimate is based on the following calculation: 3,370 series x 0.25 burden hours = 843 total annual burden 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 (\$)	Total Annual Time Burden (Hours)	Total Annual Cost Burden Equivalent (\$)
Rule 22d-1	Third-party disclosure	3,370	1	0.25 hours	744 <sup>1</sup>	843	627,192
<b>TOTALS:</b>		3,370				<b>843</b>	<b>627,192</b>

<sup>1</sup> The \$744 wage rate reflects current estimates of the hourly rate for an attorney in the securities industry. To calculate the occupational hourly rates, the Commission uses occupational mean hourly wage data from the Occupational Employment and Wage Statistics (OEWS) program of the Bureau of Labor Statistics (BLS) for “Securities, Commodity Contracts, and Other Financial Investments and Related Activities” (NAICS 523)]. See *Occupational Employment and Wage Statistics*, U.S. BUREAU OF LABOR STATISTICS, <https://www.bls.gov/oes/>; see also *Standard Occupational Classification*, U.S. BUREAU OF LABOR STATISTICS, <https://www.bls.gov/soc/> (describing occupational classification system used by BLS); EXEC. OFF. OF THE PRESIDENT, OFF. OF MGMT. & BUDGET, NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (2022), available at [https://www.census.gov/naics/reference\\_files\\_tools/2022\\_NAICS\\_Manual.pdf](https://www.census.gov/naics/reference_files_tools/2022_NAICS_Manual.pdf) (describing the industry classification system used by BLS and other agencies). The mean hourly wage for each occupation is adjusted for changes in the seasonally adjusted employment cost index for private wages and salaries between the data reference period and when the data are released by BLS. See *Employment Cost Index*, U.S. BUREAU OF LABOR STATISTICS, <https://www.bls.gov/eci/>. The adjusted mean hourly wage is then multiplied by a factor that accounts for nonwage costs borne by employers, such as bonuses, benefits, and overhead. This factor is calculated as an average over the 10 most recently available years of data of the ratio of the Bureau of Economic Analysis’s annual gross output data for NAICS 523 to total annual wages across all occupations for NAICS 523 in the OEWS data. See *Gross Output by Industry*, U.S. BUREAU OF ECONOMIC ANALYSIS, <https://www.bea.gov/data/industries/gross-output-by-industry>; *Occupational Employment and Wage Statistics*, U.S. BUREAU OF LABOR STATISTICS, <https://www.bls.gov/oes/>. The final product is the occupational hourly rate. See generally *UPDATED METHODOLOGY FOR CALCULATING OCCUPATIONAL HOURLY RATES* (Dec. 19, 2025), available at <https://www.sec.gov/files/method-occupational-hourly-rates.pdf>.

### 13. Estimated Additional Cost Burden

It is estimated that there is no cost burden for rule 22d-1, excluding any cost of the burden identified in Item 12 of this Supporting Statement.

### 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 rule 22d-1 has decreased from 944 hours to 843 hours (a decrease of 101 hours). The estimated annual external costs remain \$0. This decrease in burden hours for rule 22d-1 is attributable to a decrease in the estimated number of respondents from 3,776 to 3,370.

**16. Plans for Publishing Results**

Not applicable.

**17. Approval to Omit Display of OMB Expiration Date**

Not applicable.

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

Not applicable.