



PAPERWORK REDUCTION ACT SUPPORTING STATEMENT

for the Extension of
Rule 0-2 under the Investment Company Act of 1940, General Requirements of Papers
and Applications

OMB Control Number 3235-0636

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

Several sections of the Investment Company Act of 1940 (“Act” or “Investment Company Act”)¹ give the Securities and Exchange Commission (“Commission”) the authority to issue orders granting exemptions from the Act’s provisions. The section that grants broadest authority is section 6(c), which provides the Commission with authority to conditionally or unconditionally exempt persons, securities or transactions from any provision of the Investment Company Act, or the rules or regulations thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.² Congress enacted section 6(c) to give the Commission the flexibility to address unforeseen or changed circumstances in the investment company industry. Rule 0-2 under the Investment Company Act,³ entitled “General Requirements of Papers and Applications,” prescribes general instructions for filing an application seeking exemptive relief with the Commission.

Rule 0-2(c)(1) requires that every application for an order for which a form is not specifically prescribed and which is executed by a corporation, partnership or other company and filed with the Commission contain a statement of the applicable provisions of the articles of incorporation, bylaws or similar documents, relating to the right of the person signing and filing such application to take such action on behalf of the applicant, and a statement that all such requirements have been complied with and that the person signing and filing the application is fully authorized to do so. If such authorization is dependent on resolutions of stockholders, directors, or other bodies, such resolutions must be attached as an exhibit to or quoted in the application. Any amendment to the application must contain a similar statement as to the applicability of the original statement of authorization. When any application or amendment is signed by an agent or attorney, rule 0-2(c)(1) requires that the power of attorney evidencing his authority to sign shall state the basis for the agent’s authority and shall be filed with the Commission. Every application subject to rule 0-2 must be verified by the person executing the application by executing an instrument in substantially the form specified in the rule. Each application subject to rule 0-2 must state the reasons why the applicant is deemed to be entitled to the action

¹ 15 U.S.C. 80a-1 et seq.

² 15 U.S.C. 80a-6(c).

³ 17 CFR 270.0-2.

requested, the name and address of each applicant, and the name and address of any person to whom any questions regarding the application should be directed. Electronic filing of all applications for orders under the Investment Company Act is mandatory. Each application subject to rule 0-2 is a one-time request and the rule itself does not impose any ongoing obligations or burdens on the part of an applicant.

2. Purpose and Use of Information Collection

Respondents to the collection are applying for orders of the Commission exempting them from one or more provisions of the Investment Company Act. The Commission uses the information required by rule 0-2 to decide whether the applicant should be deemed to be entitled to the action requested by the application.

3. Use and Consideration of Information Technology

All applications for orders under any section of the Investment Company Act must be filed electronically on the Commission's electronic filing system (Electronic Data Gathering, Analysis and Retrieval System or "EDGAR"). EDGAR is designed to automate the filing, processing and dissemination of all disclosure filings. The system permits publicly held companies to transmit filings to the Commission electronically. This automation has increased the speed, accuracy, and availability of information, generating benefits to investors and financial markets.

4. Identifying and Minimizing Duplication

The Commission periodically evaluates collection of information requirements for duplication and reevaluates them whenever it proposes a rule or form, or a change in either. The reporting requirements of rule 0-2 are not duplicated elsewhere.

5. Effect on Small Entities

The requirements of rule 0-2 apply equally to all applicants seeking orders of the Commission exempting them from one or more provisions under the Act, regardless of size. The burden on smaller entities may be greater; however, allowing small entities to seek exemption from Investment Company Act provisions contributes to lessening the burden on these entities overall. As required by the Regulatory Flexibility Act,⁴ the Commission reviews all rules periodically to identify ways to minimize reporting and recordkeeping requirements that may affect small businesses.

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

The requirements of rule 0-2 apply only to applications for orders from the Commission for which a form is not specifically prescribed. Applicants file applications as they deem necessary. Because the Commission has no control over the number of applications submitted, it cannot generally require less frequent collection unless it does not require the collection with respect to every application. Eliminating rule 0-2 requirements for certain or all applications would make it difficult for the Commission to review requests for exemptive relief. The Commission will, however, when it deems it necessary and appropriate, codify prior exemptive relief granted to applicants into rules, thus eliminating the need for respondents to file exemptive applications in those instances and relieving them of the requirements of rule 0-2.

⁴ 5 U.S.C. 601.

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

Not applicable.

8. Public Comment and Consultations Outside the Agency

The Commission requested public comment on the collection of information requirements in rule 0-2 before it submitted this request for extension and approval to the Office of Management and Budget. The SEC did not receive public comment during the 60-day notice and comment period. The Commission and staff of the Division of Investment Management participate in an ongoing dialogue with representatives of the fund industry through public conferences, meetings, and informal exchanges. These forums provide the Commission and the staff useful means to identify and address paperwork burdens that may affect the industry.

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality and Privacy

The Information Collection does not collect information about individuals, therefore, a PIA, SORN, and PAS are not required.

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 1995⁵ and are not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms. Compliance with rule 0-2 is required to obtain or retain benefits.

Applicants for orders under the Investment Company Act can include registered investment companies, affiliated persons of registered investment companies, and issuers seeking to avoid investment company status, among other entities. Applicants file applications as they deem necessary. Although each application typically is submitted on behalf of multiple entities, the entities in the vast majority of cases are related companies and are treated as a single respondent for purposes of this analysis. Each application subject to rule 0-2 is a one-time request and the rule itself does not impose any ongoing obligations or burdens on the part of an applicant. The time to prepare an application depends on the complexity and/or novelty of the issues covered by the application.

We estimate that approximately 139 registrants use rule 0-2 to make exemptive applications.⁶ Based on conversations with fund representatives and the Commission's experience with the use of rule 0-2, we estimate that the reporting burden of compliance with rule 0-2 is approximately 20 hours per respondent. This time is spent, for example, preparing the application to submit to the Commission.

⁵ 44 U.S.C. 3501 *et seq.*

⁶ This estimate is based on the annual average of the number of total exemptive applications for the three year period ended December 2025 (1,251 applications / 3 = 417), of which approximately 2/3 are amendments (417 x (2/3) = 139 new exemptive applications).

Accordingly, we calculate the total estimated annual internal burden of complying with rule 0-2 to be approximately 2,780 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 (\$)
Rule 0-2	Reporting	139	1 Response per Respondent Annually	20 hours	\$744 ¹	2,780	\$2,068,320
TOTAL ICs:		139	1		ICR TOTAL:	2,780	\$2,068,320

¹ The \$744 wage rate reflects current estimates of the hourly rate for a lawyer 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 (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

Cost burden is the cost of goods and services purchased to prepare and submit an exemptive application under rule 0-2, such as for the services of 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 rule 0-2.

ICR Estimated Additional Cost Burden				
Additional Information Collections (ICs)	Related Supporting Statement Question 12 IC	Requirement Type	Number of Respondents	Total Annual Additional Cost Burden (\$)
Rule 0-2: external burden	Rule 0-2	Reporting	139 ¹	\$10,341,600
TOTAL ICs: 446			ICR TOTAL:	\$10,341,600

¹ This is based on 100 hours of time spent and an estimated \$744 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

The estimated total annual hour burden for rule 0-2 has increased from 2,268 hours to 2,780 hours (an increase of 512 hours). The estimated annual external costs have increased from \$10,304,000 to \$10,341,600 (an increase of \$37,600). These estimated increases in burden hours and external costs reflect changes in the calculation methodology, number of affected entities, and in the external cost associated with the information collection requirements.

Reasons for Changes in Burden Estimates		
Information Collections (ICs)	Area of Change	Reason for Change in Burden Estimates
Rule 0-2	Annual Number of Responses for this IC	• Change Due to Adjustment in Agency Estimate
	Annual IC Time Burden (Hours)	• Change Due to Adjustment in Agency Estimate
	Annual IC Cost Burden (Dollars)	• Change Due to Adjustment in Agency Estimate

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

The following exceptions apply to rule 0-2:

- Small entities (see explanation in Item 5): The Commission believes that allowing small entities to seek exemption from Investment Company Act provisions contributes to lessening the burden on these entities overall.
- Recordkeeping requirements: Rule 0-2 does not have separate recordkeeping requirements.
- Statistical survey methodology: Rule 0-2 does not employ statistical survey methods.