U.S. Securities and Exchange Commission

PAPERWORK REDUCTION ACT SUPPORTING STATEMENT

for the Extension of
Rule 19a-1
OMB Control Number 3235-0216

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 19(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-19(a)) (the "Act") makes it unlawful for any registered investment company to pay any dividend or similar distribution from any source other than the company's net income, unless the payment is accompanied by a written statement to the company's shareholders that adequately discloses the sources of the payment. Section 19(a) authorizes the Commission to prescribe the form of such statement by rule.

Rule 19a-1 (17 CFR 270.19a-1) under the Act, entitled "Written Statement to Accompany Dividend Payments by Management Companies," sets forth specific requirements for the information that must be included in statements made pursuant to section 19(a) by or on behalf of management companies.[1] The rule requires that the statement indicate what portions of distribution payments are made from net income, net profits from the sale of a security or other property ("capital gains"), and paid-in capital. When any part of the payment is made from capital gains, rule 19a-1 also requires that the statement disclose certain other information relating to the appreciation or depreciation of portfolio securities. If an estimated portion is subsequently determined to be significantly inaccurate, a correction must be made on a statement made pursuant to section 19(a) or in the first report to shareholders following the discovery of the inaccuracy.

2. Purpose and Use of Information Collection

The purpose of rule 19a-1 is to afford fund shareholders adequate disclosure of the sources from which distribution payments are made. The rule is intended to prevent shareholders from confusing income dividends with distributions made from capital sources. Absent rule 19a-1, shareholders might receive a false impression of fund gains.

3. Use and Consideration of Information Technology

The Commission's Electronic Data Gathering, Analysis and Retrieval System ("EDGAR") provides for the automated filing, processing, and dissemination of full disclosure filings. The automation provides for speed, accuracy and public availability of information, generating benefits to investors and financial markets. Rule 19a-1 does not require the filing of any documents with the

[1] Section 4(3) of the Act (15 U.S.C. 80a-4(3)) defines "management company" as "any investment company other than a face-amount certificate company or a unit investment trust."

Commission. The Commission's Division of Investment Management has issued guidance clarifying that, under certain circumstances, funds may electronically deliver to shareholders the written statement made pursuant to rule 19a-1.[2]

4. Identifying and Minimizing Duplication

The Commission periodically evaluates rule-based reporting and recordkeeping requirements for duplication, and reevaluates those requirements whenever it proposes a rule or form or a change in either. The requirements of rule 19a-1 are not duplicated elsewhere in the federal securities laws, although certain state securities laws and the Internal Revenue Code may contain information collection requirements similar to those found in rule 19a-1.

5. Effect on Small Entities

The information collection requirements of rule 19a-1 are the same for all investment companies subject to the rule, including small entities. The written statement requirement of rule 19a-1 is necessary to provide fund shareholders with disclosure of the sources from which funds make distribution payments. The Commission believes that compliance with rule 19a-1 is not unduly burdensome for large or small entities, and that the shareholders of small entities, along with the shareholders of large entities, are entitled to the protections that give rise to the paperwork burdens.

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

It would not be practicable for rule 19a-1 to require less frequent disclosure to fund shareholders. If all distributions from net capital gains and paid-in capital were not accompanied simultaneously by statements disclosing the sources of the distribution, investors might confuse these payments with distributions from net income. Furthermore, section 19(a) of the Act makes it unlawful for any registered investment company to pay any distribution from any source other than net income unless such payment is accompanied by a written statement disclosing the sources of the payment.

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

None.

8. Public Comment and Consultations Outside the Agency

The Commission requested public comment on the collection of information requirements of rule 19a-1 before it submitted this request for extension and approval to the Office of Management and Budget. The Commission received no comments in response to this request. In addition, 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.

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[2] *See* IM Guidance Update No. 2013-11, Shareholder Notices of the Sources of Fund Distributions – Electronic Delivery (Nov. 2013), *available at* http://www.sec.gov/divisions/investment/guidance/im-guidance-2013-11.pdf.

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality and Privacy

Not applicable.

11. Collection Questions of a Sensitive Nature

No information of a sensitive nature, including social security numbers, will be required under this collection of information. The information collection does not collect personally identifiable information (PII). The agency has determined that a system of records notice (SORN) and privacy impact assessment (PIA) are not required in connection with the collection of information.

12. Estimated Time Burden and its Cost Equivalent

The staff estimates that there are 14,122 series of registered investment companies that are management companies that may be subject to rule 19a-1 each year,[3] and that each portfolio on average mails two statements per year to meet the requirements of the rule.[4] The staff further estimates that the time needed to make the determinations required by the rule and to prepare the statement required under the rule is approximately 1 hour per statement. The total annual burden for all portfolios therefore is estimated to be approximately 28,244 burden hours.[5]

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[3] This estimate is as of December 2025 and is based on the Commission staff's review of EDGAR filings through May 06, 2026. The number of management investment company portfolios that make distributions for which compliance with rule 19a-1 is required depends on a wide range of factors and can vary greatly across years. Therefore, the calculation of estimated burden hours below is based on the total number of management investment company portfolios, each of which may be subject to rule 19a-1.

[4] A few portfolios make monthly distributions from sources other than net income, so the rule requires them to send out a statement 12 times a year. Other portfolios never make such distributions.

[5] This estimate is based on the following calculation: 14,122 management investment company portfolios x 2 statements per year x 1 hour per statement = 28,244 burden hours.

The staff estimates that approximately one-third of the total annual burden (9,415 hours) would be incurred by a paralegal with an average hourly wage rate of approximately $285 per hour,[6] and approximately two-thirds of the annual burden (18,829 hours) would be incurred by an accounting clerk with an average hourly wage rate of $164 per hour. The staff therefore estimates that the aggregate annual burden, in dollars, of the hours needed to comply with the paperwork requirements of the rule is approximately $5,771,231((9,415 hours x $285 = $2,683,275) + (18,829 hours x $164 = $3,087,956)).

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act. The estimate is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules.

TABLE 1: ESTIMATE IN CHANGES TO RULE 19A-1 PRA ESTIMATE

Rule 19a-1	Annual No. of Responses			Annual Time Burden (Hrs.)			Cost Burden ($)		
	Previously approved	*Requested*	*Change*	*Previously approved*	*Requested*	*Change*	*Previously approved*	*Requested*	*Change*
Annual Reporting Totals	25,800	28,244	+2,444	25,800	28,244	+2,444	$0	$0	$0

13. Estimated Additional Cost Burden

It is estimated that there is no cost burden of rule 19a-1 other than the cost of the respondent hour 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.

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[6] 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.

15. Reasons for Changes in Burden

The estimated annual burden of 28,244 hours represents an increase of 2,444 hours over the prior estimate of 25,800 hours. The increase in estimated burden hours results from an increase in the estimated number of series of registered companies that may be subject to rule 19a-1. The cost burden does not change.

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.