



PAPERWORK REDUCTION ACT SUPPORTING STATEMENT

for the Revision of
Rule 23c-3 and Form N-23c-3
OMB Control Number 3235-0422

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 23(c) of the Investment Company Act of 1940 ("Investment Company Act")¹ prohibits a registered closed-end investment company ("closed-end fund" or "fund") from purchasing any security it issues except on a securities exchange, pursuant to tender offers, or under such other circumstances as the Commission may permit by rules or orders designed to ensure that purchases are made in a manner that does not unfairly discriminate against any holders of the securities to be purchased.² Rule 23c-3 under the Investment Company Act permits a closed-end fund that meets certain requirements to repurchase common stock of which it is the issuer from shareholders at periodic intervals, pursuant to repurchase offers made to all holders of the stock.³ The rule enables these funds to offer their shareholders a limited ability to resell their shares in a manner that previously was available only to open-end investment company shareholders.

A closed-end fund that relies on rule 23c-3 must send shareholders a notification that contains specified information each time the fund makes a repurchase offer (on a quarterly, semi-annual, or annual basis, or, for certain funds, on a discretionary basis not more often than every two years). The fund also must file copies of the shareholder notification with the Commission (electronically through the Commission's Electronic Data Gathering, Analysis, and Retrieval System ("EDGAR")) on Form N-23c-3, a filing that provides certain information about the fund and the type of offer the fund is making.⁴ The fund must describe in its annual report to shareholders the fund's policy concerning repurchase offers and the results of any repurchase offers made during the reporting period. The fund's board of directors must adopt written procedures designed to ensure that the fund's investment portfolio is sufficiently liquid to meet its repurchase obligations and other obligations under the rule. The board periodically must review the composition of the fund's portfolio and change the liquidity procedures as

¹ 15 U.S.C. 80a-1 *et seq.*

² 15 U.S.C. 80a-23(c).

³ 17 CFR 270.23c-3.

⁴ Form N-23c-3, entitled "Notification of Repurchase Offer Pursuant to Rule 23c-3," requires the fund to state its registration number, its full name and address, the date of the accompanying shareholder notification, and the type of offer being made (periodic, discretionary, or both).

necessary. The fund also must file copies of advertisements and other sales literature with the Commission as if it were an open-end investment company subject to Section 24 of the Investment Company Act and the rules that implement Section 24.⁵ Rule 24b-3 under the Investment Company Act, however, exempts the fund from that requirement if the materials are filed instead with the Financial Industry Regulatory Authority (“FINRA”).⁶

On September 30, 2026, the Commission issued a release that, among other things, would amend rule 23c-3 and Form N-23c-3.⁷ Specifically, the proposed amendments would amend rule 23c-3 to provide greater flexibility to interval funds by permitting deferral of the first repurchase offer, allowing monthly periodic intervals, allowing more frequent discretionary repurchases, allowing the deduction of deferred sales loads from repurchase proceeds, and simplifying and clarifying the process of determining the repurchase pricing date and treatment of oversubscribed repurchase offers. In addition, the proposed amendments would amend the requirements of rule 23c-3 that specify that an interval fund must hold a certain amount of liquidity and replace it with a principles-based liquidity approach. The proposal would also remove obsolete language regarding the filing requirements of Form N-23c-3.

2. Purpose and Use of Information Collection

Rule 23c-3 contains multiple collection of information requirements. The purpose of the rule’s requirement that the fund send a notification to shareholders of each offer is to ensure that a fund provides material information to shareholders about the terms of each offer. The requirement that copies be sent to the Commission is intended to enable the Commission to monitor the fund’s compliance with the notification requirement. The requirement that the shareholder notification be attached to Form N-23c-3 is intended to ensure that the fund provides basic information necessary for the Commission to process the notification and to monitor the fund’s use of repurchase offers. The requirement that the fund describe its current policy on repurchase offers and the results of recent offers in the annual shareholder report is intended to provide shareholders current information about the fund’s repurchase policies and its recent experience. The requirement that the fund file advertisements and sales literature as if it were an open-end fund is intended to facilitate the review of these materials by the Commission or FINRA to prevent incomplete, inaccurate, or misleading disclosure about the special characteristics of a closed-end fund that makes periodic repurchase offers.

3. Use and Consideration of Information Technology

The Commission’s EDGAR system provides for automated filing, processing, and dissemination of full disclosure filings. The automation has increased the speed, accuracy, and availability of information, generating benefits to investors and financial markets. Closed-end funds currently are required to file copies of shareholder notifications attached to Form N-23c-3 as well as annual shareholder reports through EDGAR.

4. Identifying and Minimizing Duplication

The Commission periodically evaluates rule-and form-based reporting and recordkeeping requirements for duplication and reevaluates them whenever it proposes a rule or form, or a change in either. Rule 23c-3 and Form N-23c-3 do not require duplicative reporting or recordkeeping. As noted

⁵ 15 U.S.C. 80a-24.

⁶ 17 CFR 270.24b-3.

⁷ Interval Fund Modernization; Expansion of Multiple Share Class to Registered Closed-End Management Investment Companies and Business Development Companies, Rel. No. 33-11444 (Sep. 30, 2026).

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above, the requirement that the fund file advertisements and sales literature with the Commission would not apply under rule 24b-3 if the fund files them instead with FINRA.

5. Effect on Small Entities

The Commission reviews all rules periodically, as required by the Regulatory Flexibility Act, to identify methods to minimize recordkeeping or reporting requirements affecting small businesses. Rule 23c-3 and Form N-23c-3 provide greater flexibility to closed-end funds to make repurchase offers by eliminating some of the burdens that these funds face under other securities laws, such as the provisions governing tender offers. The rule and form do not distinguish between small entities and other funds. The Commission believes, however, that imposing different requirements on smaller funds would not be consistent with investor protection and the purposes of the requirements.

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

The requirements of rule 23c-3 and Form N-23c-3 apply to a closed-end fund that determines as a matter of fundamental policy that it will make periodic share repurchase offers (and to certain closed-end funds that may make discretionary share repurchase offers without establishing a fundamental policy). If the fund did not send notifications to shareholders of each repurchase offer, shareholders might not be aware of the pendency of the offer or its conditions. If the fund did not file shareholder notifications attached to Form N-23c-3 with the Commission, the Commission might find it difficult to monitor compliance with the rule's requirements as necessary to protect shareholders who receive repurchase offers. If the fund did not report annually to shareholders about repurchase policies and recent offers, shareholders might lack important information about the fund's policy and the effect of recent offers on the fund. If the Commission did not require prompt submission of advertisements and sales literature, the Commission or FINRA would lose the ability to monitor the sales practices of these funds with their special characteristics.

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

Before determining whether to adopt the proposed amendments to rule 23c-3 and Form N-23c-3, the Commission will receive and evaluate public comments on the proposal and its collection of information requirements. Moreover, the Commission and the 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 the paperwork burdens that may confront the industry.

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality and Privacy

No assurance of confidentiality was provided.

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 1995⁸ and are not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms. Compliance with rule 23c-3 and Form N-23c-3 is mandatory for every fund that relies on rule 23c-3. Responses to the disclosure requirements will not be kept confidential.

We are revising our total burden estimated to reflect the proposed amendments to rule 23c-3 and Form N-23c-3. We previously estimated that 80 closed-end funds rely upon the repurchase procedures under rule 23c-3. Based on staff experience, we further estimated that each of the 80 funds makes on average four repurchase offers each year. Therefore, we estimated 320 annual responses under rule 23c-3. Under the proposed amendments, we estimate no changes to the number of responses.

As we are proposing to remove rule 23c-3 requirements relating to creating and performing reviews of procedures established under the rule, we are proposing to decrease the estimates for that rule associated with the procedures requirement. The current OMB inventory for rule 23c-3 includes 640 annual hours to perform reviews of procedures to protect portfolio liquidity and 392 annual hours for funds newly relying upon rule 23c-3 to draft such procedures, for a total of 1,032 of the 7,512 hours total for all elements of the rule. This equates to approximately 3 hours for each response in the current OMB inventory (320). There is no external cost associated with the policies and procedures requirements of the rule and thus we are not proposing to change that estimate from the current OMB inventory of \$3,040,248.

The Commission believes that the requirement to submit advertisements and sales literature to the Commission does not impose any hour burdens because the fund's underwriter virtually always submits these materials to FINRA, instead of the Commission, under other requirements.

Based on the estimates above, the Commission estimates that the total annual hour burden of the rule's paperwork requirements is 6,554 hours.⁹

Estimated Burdens

	Previously Approved	Proposed	Difference
Annual Responses	320 respondents	320 respondents	No change
Aggregate Time Burden (hours)	7512 hours	6554 hours	- 958 hours
Aggregate Cost Burden (\$)	\$2,519,368	\$3,001,548.8	+482,180.8

⁸ 44 U.S.C. 3501 *et seq.*

⁹ The estimated burden hours per response reflects the current OMB inventory rounded up (23.48) minus the decrease reflected (3 hours) and the estimated cost burden per response reflects the current OMB inventory rounded up.

13. Estimated Additional Cost Burden

In addition to the costs associated with the burden hours discussed in Item 12 above, funds that rely on rule 23c-3 and Form N-23c-3 incur costs associated with the printing and mailing of repurchase offers to shareholders. Based on staff experience, Commission staff estimate that the average yearly cost to each fund that relies on rule 23c-3 to print and mail repurchase offers to shareholders is about \$38,003.10.¹⁰ The Commission estimates total annual cost is therefore about \$3,040,248.¹¹

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 annual burden hours for funds relying on rule 23c-3 has decreased from 7,512 hours to 6,554 hours (a decrease of 958 hours). This is due to our proposed removal of burdens associated with creating and performing reviews of procedures established under rule 23c-3.

16. Plans for Publishing Results

The results of any information collected will not be published.

17. Approval to Omit Display of OMB Expiration Date

We are seeking OMB approval to omit the expiration date because the public may find it confusing to see an expiration date on a form, especially when approaching the expiration date.

18. Exceptions to the Certification for Paperwork Reduction Act Submissions

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

¹⁰ This estimate is based on staff's May 2024 estimate of average yearly cost to each fund that relies on rule 23c-3 to print and mail repurchase offers to shareholders (\$38,003.10), adjusted for inflation to December 2023 values using the Personal Consumption Expenditures Chain-Type Price Index ("PCE Index"). See Personal Consumption Expenditures, Chain-type Price Index, available at <http://fred.stlouisfed.org/series/PCEPI>.

¹¹ 80 funds relying on rule $\times$ \$38,003.10 per fund = \$3,040,248.