



PAPERWORK REDUCTION ACT SUPPORTING STATEMENT

for the Extension of
Rule 31a-1

OMB Control Number 3235-0178

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

Rule 31a-1 (17 CFR 270.31a-1) under the Investment Company Act of 1940 (15 U.S.C. 80a) (the "Act") requires registered investment companies ("funds") and certain of their majority-owned subsidiaries to maintain and keep current the accounts, books, auditors' certificates, and other documents that underlie and support the financial statements these entities are required to file with the Commission under section 30 of the Act (15 U.S.C. 80a-30). Rule 31a-1(a) defines the entities that must comply with the rule. As mentioned, the rule encompasses funds as well as every underwriter, broker, dealer, or investment adviser that is a majority-owned subsidiary of a fund. Rule 31a-1(b) describes the specific records that must be maintained and kept current by the entities identified in rule 31a-1(a). These records consist of the following: (i) journals detailing purchases and sales of securities; (ii) general and auxiliary ledgers reflecting all asset, liability, reserve, capital income, and expense accounts; (iii) a record of all "long" and "short" positions carried by the fund for its own account; (iv) corporate charters, certificates of incorporation or trust agreements, bylaws, shareholder and director meeting minutes; (v) a record of each brokerage order made by the fund for the purchase or sale of securities; (vi) a record of all other portfolio purchases or sales; (vii) a record of all options and contractual commitments to purchase or sell securities or other property; (viii) a record of the money balances in all ledger accounts in the form of trial balances; (ix) a quarterly record of the specific basis for the allocation of orders to brokerages for the purchase or sale of portfolio securities and for the division of commissions among brokerages and record of the persons responsible for such allocation and division; (x) a record identifying the person or persons who authorized the purchase or sale of portfolio securities; and (xi) files of advisory material received from the investment adviser or other person from whom the fund accepts investment advice.

Rule 31a-1(c) requires underwriters, brokers, and dealers that are majority-owned subsidiaries of a fund to maintain the accounts, books, and other documents that are required to be maintained by brokers and dealers by rule adopted under section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) (the "1934 Act"). Rule 31a-1(d) requires depositors and principal underwriters for any fund other than a closed-end fund to maintain the accounts, books, and other documents that are required to be maintained by brokers and dealers by rule adopted under section 17 of the 1934 Act, to the extent those records are necessary or appropriate to record such persons' transactions with such funds.

Rule 31a-1(e) requires investment advisers that are majority-owned subsidiaries of funds to maintain the accounts, books, and other documents that are required to be maintained by investment advisers under section 204 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-4) (the "Advisers Act"). Finally, rule 31a-1(f) requires investment advisers that are not majority-owned subsidiaries of

funds to maintain the accounts, books, and other documents that are required under section 204 of the Advisers Act, to the extent those records are necessary or appropriate to record such persons' transactions with such funds.

On October 1, 2026, the Commission proposed amendments: (1) specifying the applicability of rule 31a-2 and rule 31a-1 ("Investment Company Act recordkeeping rules") to BDCs. and (2) providing that records that are required to be maintained and preserved under rule 31a-1 related to a crypto asset may be maintained and preserved on an associated crypto network.¹

Section 31 under the Investment Company Act, prescribing recordkeeping requirements, is incorporated by statute to apply to BDCs to the same extent as if the BDC were a registered closed-end investment company.² Compliance with rule 31a-1 is mandatory for all registered investment companies, and BDCs are similarly subject to these requirements under the statutory incorporation.³ The proposed amendments update the rule text to reflect their applicability to BDCs.

Under the proposed amendments, a fund would be permitted to maintain and preserve the records required to be maintained and preserved under rule 31a-1 related to a crypto asset on an associated crypto network. If a fund chose to do so, it would be required to provide such records in a human-readable and reasonably usable electronic format promptly upon request by the Commission (including its examiners and other representatives) and continue to provide access for the same period that other books and records are required to be maintained and preserved under the Investment Company Act recordkeeping rules. The fund may be required to maintain supplemental backup onchain or offchain records to ensure that records maintained on the crypto network remain accessible during the entire applicable retention period.

2. Purpose and Use of Information Collection

The Commission regularly conducts inspections and examinations of funds and other regulated entities to foster compliance with the securities laws, to detect violations of the law, and to keep the Commission informed of developments in the regulated community. The books and records required to be maintained by rule 31a-1 constitute a major focus of the Commission's inspection and examination programs. Without the information contained in the records required by rule 31a-1, the Commission could not readily determine whether funds are in compliance with the Act's provisions. The rule's requirement to maintain such records avoids the need for potentially more burdensome requirements such as mandatory filings of similar information with the Commission.

3. Use and Consideration of Information Technology

The records required by rule 31a-1 are required to be preserved pursuant to rule 31a-2 under the Investment Company Act (17 CFR 270.31a-2). Rule 31a-2(f) permits funds to maintain many types of records (and produce them for the Commission's inspections and examinations as necessary) on photographic film, magnetic tape, disk, or other computer storage media. The proposed amendments permit certain types of records to be preserved on a crypto network.

¹ See Adviser and Regulated Fund Custody Rules; Crypto Custody Rules, Investment Company Act Release No. 36353 (Oct. 1, 2026) [91 FR 63870 (Oct. 6, 2026)]("Proposing Release"); paragraphs (a)-(g) of proposed rule 31a-1 and paragraphs (a)-(e), (g) of proposed rule 31a-2.

² 15 U.S.C. 80a-63(a) ("section 80a-30 of this title shall apply to a business development company to the same extent as if it were a registered closed-end investment company").

³ See rule 31a-1; see also 15 U.S.C. 80a-63(a).

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 recordkeeping required by rule 31a-1 is not duplicated elsewhere in the Commission's rules. To the extent the rule requires the maintenance of books and records by underwriters, brokers, dealers, and investment advisers to funds, the requirements are consistent with those that apply to these entities under other federal securities laws and do not require the entities to maintain duplicate records.

5. Effect on Small Entities

The Commission does not believe that compliance with rule 31a-1 is unduly burdensome for large or small entities. The information collection requirements of rule 31a-1 are the same for all funds, including those that are small entities. Most of the information required to be maintained is the type that generally would be maintained as a matter of good business practice and to prepare the fund's financial statements. The Commission reviews all rules periodically, as required by the Regulatory Flexibility Act (5 U.S.C. 610), to identify methods to minimize recordkeeping or filing requirements affecting small businesses.

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

As noted above, without the information contained in the records required to be maintained and kept current by rule 31a-1, it would be difficult or impossible to determine if a fund was in compliance with the provisions of the Act. Funds' maintenance of these records avoids the need for potentially more burdensome requirements such as mandatory filings with the Commission.

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

Not applicable.

8. Public Comment and Consultations Outside the Agency

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 paperwork burdens confronting the industry. Before adopting the proposed amendments to rule 31a-1, the Commission will receive and evaluate public comments on the proposal and its collection of information requirements.

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

There are approximately 14,125 series of investment companies registered with the Commission and 176 BDCs, for a total of 14,301 entities that must comply with rule 31a-1.⁴ For purposes of estimating the burden imposed on the industry by rule 31a-1, the Commission staff has previously estimated that actual total annual burden hours and costs associated with rule 31a-1 are approximately 2,502,675 hours and \$877 million.⁵ The proposal amends rule 31a-1 to explicitly include BDCs in the rule. However, no change in burden is expected to result from the proposed amendments as the most recent filed rule 31a-1 information collection, submitted for PRA renewal in 2026, reflects the addition of BDCs to the entity count. Compliance with rule 31a-1 is mandatory for all registered investment companies, and BDCs are similarly subject to these requirements under statutory incorporation. Compliance with the proposed amendments permitting recordkeeping for crypto assets on a crypto network is not mandatory. Table 1 below summarizes the incremental paperwork burden, and the current and revised burdens, under the proposed amendments to rule 31a-1.

Table 1: Incremental Paperwork Burden under the Amendments to Rule 31a-1

	Current Annual Responses	Estimated Number of Additional Responses ¹	Current Burden Hours	Change in Burden Hours
Rule 31a-1 ²	14,301	0	2,502,675 hours	0 hours

Notes:

1. We estimate that a similar percentage of BDCs rely on these rules as do management investment companies.

2. The rule is being amended to add references to BDCs and provide that records related to crypto assets that are required to be maintained and preserved may be maintained and preserved on an associated crypto network. See proposed rule 31a-1(b)(14). Staff estimates there will be no burden or costs associated with this collection of information.

13. Estimated Additional Cost Burden

The Commission staff estimates that there is no cost burden of rule 31a-1 other than the costs of the respondent to assist with the creation of records required by rule 31a-1, funds likely would need to acquire and maintain these computer systems in any event for the normal functioning of their daily operations and as part of the customary and usual investment company business practice. The Commission staff has previously estimated a total external cost burden of \$0 and estimates that the amendments to rule 31a-1 will impose no additional external costs associated with this collection of information.

14. Annual Cost to the Federal Government

Not applicable

⁴ This represents an estimate of the number of active investment companies registered with the Commission as of Dec. 31, 2025 based on data derived from Form N-CEN filings compiled by Commission staff.

⁵ This estimate is based on the last time the rule's information collection was submitted for PRA renewal in 2026. See ICR Reference No. 202605-3235-022, available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202307-3235-023.

15. Reasons for Changes in Burden Estimates

As summarized in Table 1 above, the estimated annual burden hours for compliance with rule 31a-1 will not change although the proposal amends rule 31a-1 to include BDCs. This is because the change in burden due to the addition of 176 BDCs to the entity count has already been reflected in the most recent information collection submitted for PRA renewal.⁶ These changes in burden also reflect the Commission's revision and update of burden estimates for all information collections under this OMB control number (whether or not associated with rulemaking changes), and the Commission requested public comment on all information collection burden estimates for this OMB control number.

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

⁶ *Id.*