



SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-803, OMB Control No. 3235-0754]

Proposed Collection; Comment Request; Extension: Rule 30b1-10, Form N-RN

Upon Written Request, Copies Available From:

Securities and Exchange Commission

Office of FOIA Services

100 F Street NE

Washington, DC 20549-2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the “Commission”) is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Rule 30b1-10 [17 CFR 270.30b1-10] and Form N-RN [17 CFR 274.223] require registered open-end management investment companies (not including entities regulated as money market funds under 17 CFR 270.2a-7), registered closed-end funds, and business development companies (collectively, “funds”), to file a current report on Form N-RN on a non-public basis when certain events related to their liquidity and events regarding funds’ compliance with the VaR-based limit on fund leverage risk in 17 CFR 270.18f-4 (“rule 18f-4”) occur. The first category of information reported on Form N-RN concerns events under which more than 15% of an open-end fund’s net assets are, or become, illiquid investments that are assets as defined in 17 CFR 270.22e-4 (“rule 22e-4”) and when holdings in illiquid investments are assets that previously exceeded 15% of a fund’s net assets have changed to be less than or equal to 15% of the fund’s net assets. The second category of information reported on Form N-RN regards events for certain open-end funds under which a fund’s holdings in assets that are highly liquid

investments fall below the fund's highly liquid investment minimum defined in rule 22e-4 for more than 7 consecutive calendar days. The third category of information reported on Form N-RN regards information about a fund's breaches of the VaR test under rule 18f-4. A report on Form N-RN is required to be filed, as applicable, within one business day of the occurrence of one or more of these events. In addition, a fund is in certain cases required to file a second Form N-RN when it is no longer in breach of the applicable limit.

Based on historical filing data and projected estimates of the annual number of VAR-based filings, the staff estimates that the Commission will receive roughly 66 reports per year on Form N-RN on average.¹ When filing a report on Form N-RN, staff estimates that a fund will spend on average approximately 3 hours of an in-house compliance attorney's time and 1 hour of a senior programmer time to prepare, review, and submit Form N-RN, at a total time cost of \$1,661² Accordingly, in the aggregate, staff estimates that compliance with rule 30b1-10 and Form N-RN will result in a total annual burden of approximately 264 burden hours and total annual time costs of approximately \$109,626.³

Compliance with rule 30b1-10 is mandatory for all funds. Responses to the disclosure requirements will be kept confidential. The estimate of average burden hours is made solely for the purposes of the PRA. The estimate is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules. Complying with this collection

¹ Because the compliance date for the VaR-based reporting requirements was August 1, 2022, we have made adjustments to estimate an annual number of VAR-based filings.

² This estimate is based on the following calculations: (3 hours x \$425/hour for an in house compliance attorney = \$1,275), plus (1 hour x \$386/hour for a senior programmer = \$386), for a combined total of 4 hours at total time costs of \$1,661. The estimates concerning the wage rates for attorney and senior accountant time are based on salary information for the securities industry compiled by the Securities Industry and Financial Markets Association. The estimated wage figure is based on published rates for in-house compliance attorneys and senior programmers, modified to account for a 1,800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead. *See* Securities Industry and Financial Markets Association, Report on Management & Professional Earnings in the Securities Industry 2013.

³ This estimate is based on the following calculations: 66 reports filed per year x 4 hours per report = approximately 264 total annual burden hours. 66 reports filed per year x \$1,661 in costs per report = \$109,626 total annual costs.

of information requirement is necessary to enable the Commission to receive information on fund liquidity events more uniformly and efficiently, and to enhance the Commission's oversight of funds when significant liquidity events occur and its ability to respond to market events. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid control number.

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted by **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: David Bottom, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo, 100 F Street, NE Washington, DC 20549 or send an email to: PRA_Mailbox@sec.gov.

Dated: September 21, 2023.

Sherry R. Haywood,
Assistant Secretary.

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