



SECURITIES AND EXCHANGE COMMISSION

[OMB Control No. 3235-0561]

Submission for OMB Review; Comment Request; Extension: Rule 12d3-1

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”) has submitted to the Office of Management and Budget (“OMB”) a request for extension of the previously approved collection of information discussed below.

Rule 12d3-1 (17 CFR 270.12d3-1) under the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*) (“Investment Company Act”) permits a fund to invest up to five percent of its assets in securities of an issuer deriving more than fifteen percent of its gross revenues from securities-related businesses (subject to certain limitations), notwithstanding the general prohibition in Section 12(d)(3) of the Investment Company Act of a registered investment company (“fund”) and companies controlled by the fund purchasing securities issued by a registered investment adviser, broker, dealer, or underwriter (“securities-related businesses”).

A fund may, however, rely on an exemption in rule 12d3-1 to acquire securities issued by its subadvisers in circumstances in which the subadviser would have little ability to take advantage of the fund, because it is not in a position to direct the fund’s securities purchases. This exemption in rule 12d3-1 is available if: (i) the subadviser is not, and is not an affiliated person of, an investment adviser that provides advice with respect to the portion of the fund that is acquiring the securities; and (ii) the advisory contracts of the subadviser, and any subadviser that is advising the purchasing portion of the fund, prohibit them from consulting with each other concerning securities transactions of the fund, and limit their responsibility in providing advice

to providing advice with respect to discrete portions of the fund's portfolio.¹

Based on an analysis of fund filings, Commission staff estimates that approximately 49 funds enter into such new subadvisory agreements each year, and that it will require approximately 3 attorney hours to draft and execute additional clauses in new subadvisory contracts in order for funds and subadvisers to be able to rely on the exemptions in rule 12d3-1. Because these additional clauses are identical to the clauses that a fund would need to insert in their subadvisory contracts to rely on rules 10f-3 (17 CFR 270.10f-3), 17a-10 (17 CFR 270.17a-10), and 17e-1 (17 CFR 270.17e-1), and because we believe that funds that use one such rule generally use all of these rules, we apportion this 3 hour time burden equally to all four rules. Therefore, we estimate that the burden allocated to rule 12d3-1 for this contract change would be 0.75 hours. Assuming that all 49 funds that enter into new subadvisory contracts each year make the modification to their contract required by the rule, we estimate that the rule's contract modification requirement will result in 37 burden hours annually, with an associated time cost of approximately \$18,907.

Complying with this collection of information requirement is necessary to rely on rule 12d3-1. 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. Responses will not be kept confidential.

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Written comments are invited on: (a) whether this collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden imposed by the collection of information; (c) ways to enhance the quality, utility, and clarity of the information

¹ See 17 CFR 270.270.12d3-1(c)(3).

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.

The public may view and comment on this information collection request at:

https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202504-3235-006 or send an email comment to MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov within 30 days of the day after publication of this notice by **[INSERT DATE 31 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

Dated: July 11, 2025.

Sherry Haywood,

Assistant Secretary.

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