



8011-01p
SECURITIES AND EXCHANGE COMMISSION

Proposed Collection for OMB Review; Comment Request

Upon Written Request, Copies Available From
Securities and Exchange Commission
Office of FOIA Services
100 F Street, NE
Washington, DC 20549-2736

Extension: Rule 30b1-10, Form N-LIQUID

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

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.

17 CFR 270.30b1-10 (Rule 30b1-10) and 17 CFR 274.223 (Form N-LIQUID) require open-end investment companies, including exchange-traded funds that redeem in kind (“In-Kind ETFs”) but not including money market funds, to file a current report on Form N-LIQUID on a non-public basis when certain events related to their liquidity occur. The information reported on Form N-LIQUID concerns events under which more than 15% of a fund’s or In-Kind ETF’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.¹ The information reported on Form N-LIQUID also regards events under which a fund’s holdings in

¹ See Item C.1 and Item C.2 of Part A of Form N-LIQUID.

assets that are highly liquid investments fall below the fund's highly liquid investment minimum for more than 7 consecutive calendar days. A report on Form N-LIQUID is required to be filed, as applicable, within one business day of the occurrence of one or more of these events.²

Based on staff analysis, we estimate that the Commission receives an average of 30 reports per year on Form N-LIQUID.³ When filing a report on Form N-LIQUID, staff estimates that a fund will spend on average approximately 4 hours of an in-house attorney's time and 1 hour of an in-house accountant's time to prepare, review, and submit Form N-LIQUID, at a total time cost of \$1,894.⁴ Accordingly, in the aggregate, staff estimates that compliance with rule 30b1-10 and Form N-LIQUID will result in a total annual burden of approximately 150 burden hours and total annual time costs of approximately \$56,820.⁵

Compliance with rule 30b1-10 is mandatory for all open-end investment companies, other than money market 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

² See General Instruction A.2 of Form N-LIQUID.

³ The estimated number of annual filings is based on the number of filings in 2019, adjusted because certain of these filings would no longer be necessary going forward and a subset of funds were not subject to the filing requirement for all of 2019.

⁴ This estimate is based on the following calculations: (4 hours x \$419/hour for an attorney = \$1,676), plus (1 hour x \$218/hour for a senior accountant = \$218), for a combined total of 5 hours at total time costs of \$1,894. 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 attorneys and senior accountants, 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.

⁵ This estimate is based on the following calculations: 30 reports filed per year x 5 hours per report = approximately 150 total annual burden hours. 30 reports filed per year x \$1,894 in costs per report = \$56,820 total annual costs.

costs of Commission rules. Complying with this collection 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 agency, including whether the information will have practical utility; (b) the accuracy of the agency'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 in writing within 60 days of this publication.

Please direct your written comments to David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, C/O Cynthia Roscoe, 100 F Street, NE, Washington, DC 20549; or send an email to: PRA_Mailbox@sec.gov.

J. Matthew DeLesDernier,
Assistant Secretary.

June 12, 2020.

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