

SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270–236, OMB Control No. 3235–0222]

Proposed Collection; Comment Request; Extension: Rule 17f–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”) is soliciting comments on the collections of information summarized below. The Commission plans to submit these existing collections of information to the Office of Management and Budget for extension and approval.

Rule 17f–1 (17 CFR 270.17f–1) under the Investment Company Act of 1940 (the “Act”) (15 U.S.C. 80a) is entitled: “Custody of Securities with Members of National Securities Exchanges.” Rule 17f–1 provides that any registered management investment company (“fund”) that wishes to place its assets in the custody of a national securities exchange member may do so only under a written contract that must be ratified initially and approved annually by a majority of the fund’s board of directors. The written contract also must contain certain specified provisions. In addition, the rule requires an independent public accountant to examine the fund’s assets in the custody of the exchange member at least three times during the fund’s fiscal year. The rule requires the written contract and the certificate of each examination to be transmitted to the Commission. The purpose of the rule is to ensure the safekeeping of fund assets.

Commission staff estimates that each fund makes 1 response and spends an average of 3.5 hours annually in complying with the rule’s requirements. Commission staff estimates that on an annual basis it takes: (i) 0.5 hours for the board of directors¹ to review and ratify the custodial contracts; and (ii) 3 hours for the fund’s controller to assist the fund’s independent public auditors in verifying the fund’s assets. Approximately 8 funds rely on the rule

¹ Estimates of the number of hours are based on conversations with representatives of mutual funds that comply with the rule. The actual number of hours may vary significantly depending on individual fund assets. The hour burden for rule 17f–1 does not include preparing the custody contract because that would be part of customary and usual business practice.

annually, with a total of 8 responses.² Thus, the total annual hour burden for rule 17f–1 is approximately 28 hours.³

Funds that rely on rule 17f–1 generally use outside counsel to prepare the custodial contract for the board’s review and to transmit the contract to the Commission. Commission staff estimates the cost of outside counsel to perform these tasks for a fund each year is \$1,130.⁴ Funds also must have an independent public accountant verify the fund’s assets three times each year and prepare the certificate of examination. Commission staff estimates the annual cost for an independent public accountant to perform this service is \$10,412.⁵ Therefore, the total annual cost burden for a fund that relies on rule 17f–1 would be approximately \$11,542.⁶ As noted above, the staff estimates that 8 funds rely on rule 17f–1 each year, for an estimated total annualized cost burden of \$92,336.⁷

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act, and is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules. Compliance with the collections of information required by rule 17f–1 is mandatory for funds that place their assets in the custody of a national securities exchange member. Responses will not be kept confidential. 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

² Based on a review of Form N-17f–1 filings over the last three years the Commission staff estimates that an average of 8 funds rely on rule 17f–1 each year.

³ This estimate is based on the following calculation: (8 respondents × 3.5 hours = 28 hours). The annual burden for rule 17f–1 does not include time spent preparing Form N-17f–1. The burden for Form N-17f–1 is included in a separate collection of information.

⁴ This estimate is based on the following calculation: (2 hours of outside counsel time × \$565 = \$1,130). The staff has estimated the average cost of outside counsel at \$565 per hour, based on information received from funds and their counsel.

⁵ This estimate is based on information received from fund representatives estimating the aggregate annual cost of an independent public accountant’s periodic verification of assets and preparation of the certificate of examination.

⁶ This estimate is based on the following calculation: \$1,130 + \$10,412 = \$11,542.

⁷ This estimate is based on the following calculation: 8 funds × \$11,542 = \$92,336.

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 January 16, 2024.

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: November 13, 2023.

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270–578, OMB Control No. 3235–0639]

Proposed Collection; Comment Request; Extension: Rule 12d1–4

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 12d1–4 (17 CFR 270.12d1–4) under the Investment Company Act of 1940 (15 U.S.C. 80a–1 *et seq.*) (“Investment Company Act”) permits certain registered funds and business development companies (“BDC”) (“acquiring fund”) that satisfy certain conditions to acquire shares of other certain registered funds and BDCs (“acquired fund”) in excess of the limits of section 12(d)(1) of the Act without obtaining an exemptive order from the Commission.¹ This collection of information is voluntary because rule

¹ See 17 CFR 270.12d1–4.