

provisions of section 8(a) of the Act if the account files with the Commission Form N-6EI-1, a notification of claim of exemption.

The rule also exempts a separate account from a number of other sections of the Act, provided that the separate account makes certain disclosure in its registration statements (in the case of those separate accounts that elect to register), reports to contractholders, proxy solicitations, and submissions to state regulatory authorities, as prescribed by the rule.

Paragraph (b)(9) of Rule 6e-2 provides an exemption from the requirements of section 17(f) of the Act and imposes a reporting burden and certain other conditions. Section 17(f) requires that every registered management company meet various custody requirements for its securities and similar investments. The exemption provided in paragraph (b)(9) applies only to management accounts that offer life insurance contracts.

Since 2008, there have been no filings under paragraph (b)(9) of Rule 6e-2 by management accounts. Therefore, since 2008, there has been no cost or burden to the industry regarding the information collection requirements of paragraph (b)(9) of Rule 6e-2. In addition, there have been no filings of Form N-6EI-1 by separate accounts since 2008. Therefore, there has been no cost or burden to the industry since that time. The Commission requests authorization to maintain an inventory of one burden hour for administrative purposes.

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 shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be 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 Thomas Bayer, Chief Information Officer, Securities and Exchange Commission, C/O Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549; or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: July 23, 2014.

**Kevin M. O'Neill,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; 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 19a-1.

SEC File No. 270-240, OMB Control No. 3235-0216.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), 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.

Section 19(a) (15 U.S.C. 80a-19(a)) of the Investment Company Act of 1940 (the "Act")<sup>1</sup> makes it unlawful for any registered investment company to pay any dividend or similar distribution from any source other than the company's net income, unless the payment is accompanied by a written statement to the company's shareholders which adequately discloses the sources of the payment. Section 19(a) authorizes the Commission to prescribe the form of such statement by rule.

Rule 19a-1 (17 CFR 270.19a-1) under the Act, entitled "Written Statement to Accompany Dividend Payments by Management Companies," sets forth specific requirements for the information that must be included in statements made pursuant to section 19(a) by or on behalf of management companies.<sup>2</sup> The rule requires that the statement indicate what portions of distribution payments are made from net income, net profits from the sale of a security or other property ("capital gains") and paid-in capital. When any part of the payment is made from capital gains, Rule 19a-1 also requires that the statement disclose certain other

<sup>1</sup> 15 U.S.C. 80a.

<sup>2</sup> Section 4(3) of the Act (15 U.S.C. 80a-4(3)) defines "management company" as "any investment company other than a face amount certificate company or a unit investment trust."

information relating to the appreciation or depreciation of portfolio securities. If an estimated portion is subsequently determined to be significantly inaccurate, a correction must be made on a statement made pursuant to section 19(a) or in the first report to shareholders following the discovery of the inaccuracy.

The purpose of Rule 19a-1 is to afford fund shareholders adequate disclosure of the sources from which distribution payments are made. The rule is intended to prevent shareholders from confusing income dividends with distributions made from capital sources. Absent Rule 19a-1, shareholders might receive a false impression of fund gains.

Based on a review of filings made with the Commission, the staff estimates that approximately 11,066 series of registered investment companies that are management companies may be subject to Rule 19a-1 each year,<sup>3</sup> and that each portfolio on average mails two statements per year to meet the requirements of the rule.<sup>4</sup> The staff further estimates that the time needed to make the determinations required by the rule and to prepare the statement required under the rule is approximately 1 hour per statement. The total annual burden for all portfolios therefore is estimated to be approximately 22,132 burden hours.<sup>5</sup>

The staff estimates that approximately one-third of the total annual burden (7,377 hours) would be incurred by a paralegal with an average hourly wage rate of approximately \$199 per hour,<sup>6</sup> and approximately two-thirds of the annual burden (14,755 hours) would be incurred by a compliance clerk with an average hourly wage rate of \$64 per

<sup>3</sup> This estimate is based on statistics compiled by Commission staff as of May 31, 2014. The number of management investment company portfolios that make distributions for which compliance with Rule 19a-1 is required depends on a wide range of factors and can vary greatly across years. Therefore, the calculation of estimated burden hours is based on the total number of management investment company portfolios, each of which may be subject to Rule 19a-1.

<sup>4</sup> A few portfolios make monthly distributions from sources other than net income, so the rule requires them to send out a statement 12 times a year. Other portfolios never make such distributions.

<sup>5</sup> This estimate is based on the following calculation: 11,066 management investment company portfolios × 2 statements per year × 1 hour per statement = 22,132 burden hours.

<sup>6</sup> Hourly rates are derived from the Securities Industry and Financial Markets Association ("SIFMA"), Management and Professional Earnings in the Securities Industry 2013, modified to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead.

hour.<sup>7</sup> The staff therefore estimates that the aggregate annual cost of complying with the paperwork requirements of the rule is approximately \$2,412,343 ((7,377 hours × \$199 = \$1,468,023) + (14,755 hours × \$64 = \$944,320)).

To comply with state law, many investment companies already must distinguish the different sources from which a shareholder distribution is paid and disclose that information to shareholders. Thus, many investment companies would be required to distinguish the sources of shareholder dividends whether or not the Commission required them to do so under Rule 19a–1.

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 collection of information required by Rule 19a–1 is mandatory for management companies that make statements to shareholders pursuant to section 19(a) of the Act. 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 collections of information are necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission's estimate of the burdens of the collections of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burdens of the collections 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 Thomas Bayer, Chief Information Officer, Securities and Exchange Commission, C/O Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549; or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: July 23, 2014.

**Kevin M. O'Neill,**  
Deputy Secretary.

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<sup>7</sup> Hourly rates are derived from SIFMA's Office Salaries in the Securities Industry 2013, modified to account for an 1800-hour work-year and multiplied by 2.93 to account for bonuses, firm size, employee benefits and overhead.

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–72661; File No. 10–214]

### Automated Matching Systems Exchange, LLC; Notice of Filing of Application for Limited Volume Exemption From Registration as a National Securities Exchange Under Section 5 of the Securities Exchange Act of 1934

July 23, 2014.

On July 7, 2014, Automated Matching Systems Exchange, LLC (“AMSE”) submitted to the Securities and Exchange Commission (“Commission”) an application seeking a limited volume exemption under Section 5 of the Securities Exchange Act (“Exchange Act”) from registration as a national securities exchange under Section 6 of the Exchange Act. Although Section 5 of the Exchange Act does not require publication of such a request for exemption, the Commission has determined, in its discretion, to publish this notice in order to solicit the views of interested persons on AMSE's exemption application.<sup>1</sup>

AMSE proposes to conduct business in reliance upon an exemption from registration as a national securities exchange due to the limited volume of transactions proposed to be effected on AMSE. In general, AMSE seeks to operate as a centralized marketplace for alternative trading systems. AMSE proposes to operate solely on an “off-order-book” trading basis. Each member of AMSE would maintain its own automated matching system or electronic order book and would report its transactions to AMSE at such intervals as required by AMSE. Trades would occur when an order to buy and an order to sell match on the member's electronic order book. Each member of AMSE would adopt rules governing the execution and priority of orders. AMSE does not intend to have a physical exchange trading floor, centralized order book, or specialists or market makers with affirmative and negative market making obligations.

AMSE's exemption application is available at the Commission's Public Reference Room and [www.sec.gov](http://www.sec.gov). Interested persons are invited to submit written data, views, and arguments concerning AMSE's exemption

<sup>1</sup> Section 5 of the Exchange Act authorizes the Commission to grant an exemption from registration if, “in the opinion of the Commission, by reason of the limited volume of transactions effected on [the] exchange, it is not practicable and not necessary or appropriate in the public interest for the protection of investors to require such registration.” 15 U.S.C. 78e.

application, including whether AMSE's exemption application is consistent with the Exchange Act and whether AMSE qualifies as an “exchange” under the Exchange Act. Comments may be submitted by any of the following methods:

#### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/other.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number 10–214 on the subject line.

#### Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, Station Place, 100 F Street NE., Washington, DC 20549–1090.

All submissions should refer to File Number 10–214. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/other.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to AMSE's exemption application filed with the Commission, and all written communications relating to the application between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number 10–214 and should be submitted on or before September 12, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>2</sup>

**Kevin M. O'Neill,**  
Deputy Secretary.

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<sup>2</sup> 17 CFR 200.30–3(a)(71)(i).