This Notice will be published in the Federal Register.

Stacy L. Ruble,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available


Extension:

Rule 32a–4, SEC File No. 270–473, OMB Control No. 3235–0530.

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 (“Commission”) has submitted to the Office of Management and Budget requests for extension of the previously approved collections of information discussed below.

Section 32a(a)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a 31(a)(2)) (“Act”) requires that the selection of a registered management investment company’s or registered face-amount certificate company’s (collectively, “funds”) independent public accountant be submitted to shareholders for ratification or rejection. Rule 32a–4 under the Investment Company Act (17 CFR 270.32a–4) exempts a fund from this requirement if, among other things, the fund has an audit committee consisting entirely of independent directors. The rule permits continuing oversight of a fund’s accounting and auditing processes by an independent audit committee in place of a shareholder vote.

Among other things, in order to rely on rule 32a–4, a fund’s board of directors must adopt an audit committee charter and must preserve that charter, and any modifications to the charter, permanently in an easily accessible place. The purpose of these conditions is to ensure that Commission staff will be able to monitor the duties and responsibilities of an audit committee of a fund relying on the rule.

Commission staff estimates that on average the board of directors takes 15 minutes to adopt the audit committee charter. Commission staff has estimated that with an average of 8 directors on the board, total director time to adopt the charter is 2 hours. Combined with an estimated 1/2 hour of paralegal time to prepare the charter for board review, the staff estimates a total one-time collection of information burden of 2 1/2 hours for each fund. Once a board adopts an audit committee charter, the charter is preserved as part of the fund’s records. Commission staff estimates that there is no annual hourly burden associated with preserving the charter in accordance with this rule.

Because virtually all existing funds have now adopted audit committee charters, the annual one-time collection of information burden associated with adopting audit committee charters is limited to the burden incurred by newly established funds. Commission staff estimates that fund sponsors establish approximately 112 new funds each year, and that all of these funds will adopt an audit committee charter in order to rely on rule 32a–4. Thus, Commission staff estimates that the annual one-time hour burden associated with adopting audit committee charters under rule 32a–4 is approximately 280 hours.

When funds adopt an audit committee charter in order to rely on rule 32a–4, they also may incur one-time costs related to hiring outside counsel to prepare the charter. Commission staff estimates that those costs average approximately $1500 per fund. As noted above, Commission staff estimates that approximately 112 new funds each year will adopt an audit committee charter in order to rely on rule 32a–4. Thus, Commission staff estimates that the ongoing annual cost burden associated with rule 32a–4 in the future will be approximately $168,000.

The estimates of average burden hours and costs are made solely for the purposes of the Paperwork Reduction Act, and are not derived from a comprehensive or even a representative survey or study of the costs of Commission rules and forms. The collections of information required by rule 32a–4 are necessary to obtain the benefits of the rule. The Commission is seeking OMB approval, because 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.

The public may view the background documentation for this information collection at the following Web site, www.reginfo.gov. Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: Shagufta_Ahmed@omb.eop.gov; and (ii) Pamela Dyson, Director/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. Comments must be submitted to OMB within 30 days of this notice.


Eduardo A. Aleman,
Assistant Secretary.

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Extension:

Rule 17a–22, SEC File No. 270–202, OMB Control No. 3235–0196.