SECURITIES AND EXCHANGE COMMISSION

Submission 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 12d1–1, SEC File No. 270–526, OMB Control No. 3235–0584

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 a request for extension of the previously approved collection of information discussed below.

An investment company (''fund'') is generally limited in the amount of securities the fund (''acquiring fund'') can acquire from another fund (''acquired fund''). Section 12(d) of the Investment Company Act of 1940 (the ''Investment Company Act'' or ''Act'')[1] provides that a registered fund (and companies it controls) cannot:

- Acquire more than three percent of another fund's securities;
- invest more than five percent of its own assets in another fund; or
- invest more than ten percent of its own assets in other funds in the aggregate.[2]

In addition, a registered open-end fund, its principal underwriter, and any registered broker or dealer cannot sell that fund's shares to another fund if, as a result:

- The acquiring fund (and any companies it controls) owns more than three percent of the acquired fund's stock; or
- all acquiring funds (and companies they control) in the aggregate own more than ten percent of the acquired fund's stock.[3]

Rule 12d1–1 under the Act provides an exemption from these limitations for ''cash sweep'' arrangements in which a fund invests all or a portion of its available cash in a money market fund rather than directly in short-term instruments.[4] An acquiring fund relying on the exemption may not pay a sales load, distribution fee, or service fee on acquired fund shares, or if it does, the acquiring fund's investment adviser must waive a sufficient amount of its advisory fee to offset the cost of the loads or distribution fees.[5] The acquired fund may be a fund in the same fund complex or in a different fund complex. In addition to providing an exemption from section 12(d)(1) of the Act, the rule provides exemptions from section 17(a) of the Act and rule 17d–1 thereunder, which restrict a fund's ability to enter into transactions and joint arrangements with affiliated persons.[6] These provisions would otherwise prohibit an acquiring fund from investing in a money market fund in the same fund complex,[7] and prohibit a fund that acquires five percent or more of the securities of a money market fund in another fund complex from making any additional investments in the money market fund.[8]

The rule also permits a registered fund to rely on the exemption to invest in an unregistered money market fund that limits its investments to those in which a registered money market fund may invest under rule 2a–7 under the Act, and undertakes to comply with all the other provisions of rule 2a–7.[9] In addition, the acquiring fund must reasonably believe that the unregistered money market fund (i) operates in compliance with rule 2a–7, (ii) complies with sections 17(a), (d), (e), 18, and 22(e) of the Act[10] as if it were a registered open-end fund, (iii) has adopted procedures designed to ensure that it complies with these statutory provisions, (iv) maintains the records required by rules 31a–1(b)(1), 31a–1(b)(2)(ii), 31a–1(b)(2)(iv), and 31a–1(b)(9);[11] and (v) preserves permanently, the first two years in an easily accessible place, all books and records required to be made under these rules.

Rule 2a–7 contains certain collection of information requirements. An unregistered money market fund that complies with rule 2a–7 would be subject to these collection of information requirements. In addition, the recordkeeping requirements under rule 31a–1 with which the acquiring fund reasonably believes the unregistered money market fund complies are collections of information for the unregistered money market fund. The adoption of procedures by unregistered money market funds to ensure that they comply with sections 17(a), (d), (e), 18, and 22(e) of the Act also constitute collections of information. By allowing funds to invest in registered and unregistered money market funds, rule 12d1–1 is intended to provide funds greater options for cash management. In order for a registered fund to rely on the exemption to invest in an unregistered money market fund, the unregistered money market fund must comply with certain collection of information requirements for registered money market funds. These requirements are intended to ensure that the unregistered money market fund has established procedures for collecting the information necessary to make adequate credit reviews of securities in its portfolio, as well as other recordkeeping requirements that will assist the acquiring fund in overseeing the unregistered money market fund (and Commission staff in its examination of the unregistered money market fund's adviser).

The number of unregistered money market funds that are affected by rule 12d1–1 is an estimate based on the number of private liquidity funds reported on Form PF as of the fourth calendar quarter 2019.[12] The hour burden estimates for the condition that an unregistered money market fund comply with rule 2a–7 are based on the burden hours included in the Commission's 2019 PRA extension regarding rule 2a–7.[13] However, we

[1] *See* 15 U.S.C. 80a.

[2] *See* 15 U.S.C. 80a–12(d)(1)(A). If an acquiring fund is not registered, these limitations apply only with respect to the acquiring fund's acquisition of registered funds.

[3] *See* 15 U.S.C. 80a–12(d)(1)(B).

[4] *See* 17 CFR 270.12d1–1.

[5] *See* rule 12d1–1(b)(1).

[6] *See* 15 U.S.C. 80a–17(a), 15 U.S.C. 80a–17(d); 17 CFR 270.17d–1.

[7] An affiliated person of a fund includes any person directly or indirectly controlling, controlled by, or under common control with such other person. *See* 15 U.S.C. 80a–2(a)(3) (definition of ''affiliated person''). Most funds today are organized by an investment adviser that advises or provides administrative services to other funds in the same complex. Funds in a fund complex are generally under common control of an investment adviser or other person exercising a controlling influence over the management or policies of the funds. *See* 15 U.S.C. 80a–2(a)(9) (definition of ''control''). Not all advisers control funds they advise. The determination of whether a fund is under the control of its adviser, officers, or directors depends on all the relevant facts and circumstances. *See* Investment Company Mergers, Investment Company Act Release No. 25259 (Nov. 8, 2001) [66 FR 57602 (Nov. 15, 2001)], at n.11. To the extent that an acquiring fund in a fund complex is under common control with a money market fund in the same complex, the funds would rely on the rule's exemptions from section 17(a) and rule 17d–1.

[8] *See* 15 U.S.C. 80a–2(a)(3)(A), (B).

[9] *See* 17 CFR 270.2a–7.

[10] *See* 15 U.S.C. 80a–17(a), 15 U.S.C. 80a–17(d), 15 U.S.C. 80a–17(e), 15 U.S.C. 80a–18, 15 U.S.C. 80a–22(e).

[11] *See* 17 CFR 270.31a–1(b)(1), 17 CFR 270.31a–1(b)(2)(ii), 17 CFR 270.31a–1(b)(2) (iv), 17 CFR 270.31a–1(b)(9).

[12] *See* the U.S. Securities and Exchange Commission's Division of Investment Management—Analytics Office Private Funds Statistics, Fourth Calendar Quarter (Oct. 2, 2020) available at *https://www.sec.gov/divisions/investment/private-funds-statistics/private-funds-statistics-2019-q4.pdf.*

[13] *See* Securities and Exchange Commission, Request for OMB Approval of Extension for Approved Collection for Rule 2a–7 under the

have updated the estimated costs associated using the following methodology:

- *For professional personnel:* SIFMA's *Management & Professional Earnings in the Securities Industry 2013,* modified for 2020 by Commission staff to account for an 1,800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead;
- *For a fund board of directors:* SIFMA data does not include a board of directors. For board time, Commission staff currently uses a cost of $4,770 per hour, which was last adjusted for inflation in 2019. This estimate assumes an average of nine board members per year; and
- *For clerical personnel:* SIFMA's *Office Salaries in the Securities Industry 2013,* modified for 2020 by Commission staff to account for an 1,800-hour work-year and inflation, and multiplied by 2.93 to account for bonuses, firm size, employee benefits, and overhead.

The estimated average burden hours in this collection of information are made solely for purposes of the Paperwork Reduction Act and are not derived from a quantitative, comprehensive or even representative survey or study of the burdens associated with Commission rules and forms.

The estimated burden of information collection for rule 2a–7 is set forth in Table 1 below. We use these estimated burdens for registered money market funds to extrapolate the information collection burdens for unregistered money market funds under rule 12d1–1 in Table 2 below.

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Table 1: Rule 2a-7 burden of information collection for registered money market funds[14]

	Estimated Responses	Estimated Burden Hours	Estimated Cost Burden
Record of credit risk analyses, and determination regarding adjustable rate securities, asset backed securities, securities subject to a demand feature or guarantee, and counterparties to repurchase agreements			
	85 responses annually for each of 433 funds[15]	680 burden hours of professional (business analyst or portfolio manager) time per fund x 433	$232 per hour (intermediate business analyst) + $332 per hour (senior portfolio manager) $564 ÷ 2 = $282 median weighted average per hour of professional time $282 x 294,440 (hours) =
Total	**36,805 estimated responses annually**	**294,440 estimated burden hours**	**$83,032,080 estimated cost burden**

Investment Company Act of 1940 (OMB Control No. 3235–0268) (approved May 28, 2019) (the "2019 rule 2a–7 PRA extension"). The 2019 rule 2a–7 PRA extension was the most recent rule 2a–7 submission that includes certain estimates with respect to aggregate annual hour and cost burdens for collections of information for registered money market funds.

	Estimated Responses	Estimated Burden Hours	Estimated Cost Burden
Fund's website disclosures including portfolio holding information, daily and weekly liquid assets, net flow, daily current NAV, financial support received by the fund, the imposition and removal of liquidity fees, and the suspension and resumption of fund redemptions			
	Disclosure of Portfolio Information 12 months x 433 funds = 5,196 responses per year	*Disclosure of Portfolio Information* 12 hours (webmaster) annually x 433 funds = 5,196 hours per year + 24 hours (webmaster) initial burden for each new fund x 10 new funds = 240 one-time hours = **5,436** annual aggregate one-time and recurring burdens for the disclosure of portfolio holdings information	*Disclosure of Portfolio Information* 5,196 hours for 433 funds x $250 (per hour for a webmaster) =$1,299,000 (for recurring internal burden labor costs) + 240 hours for 10 new funds x $250 (per hour for a webmaster) = $60,000 = **$1,359,000** aggregate annual one-time and recurring labor burdens for disclosure of portfolio information
	Disclosure of Daily and Weekly Liquid Assets and Net Shareholder Flow 252 business days x 433 funds = 109,116 responses per year	*Disclosure of Daily and Weekly Liquid Assets and Net Shareholder Flow* 31.5 hours (senior systems analyst/senior programmer) + 4.5 hours (compliance manager/compliance attorney) = 36 hours x 433 funds = 15,588 hours per year + 70 hours (blended time for a compliance manager and a compliance attorney) x 10 new funds = 700 one-time hours	*Disclosure of Daily and Weekly Liquid Assets and Net Shareholder Flow* 31.5 hours x $311 (blended rate for a senior systems analyst ($287) and senior programmer ($334) = $9,797 (per fund) + 4.5 hours x $340 (blended rate for a compliance manager ($312) and a compliance attorney ($368)) = $1,530 = $11,327 (per fund to update the depiction of daily and weekly liquid assets and the fund's net inflow or outflow on the fund's website each business day during that year) x 433 funds =$4,904,591 + 700 hours (aggregate total one-time burden for 10

	Estimated Responses	Estimated Burden Hours	Estimated Cost Burden
		=	new funds) x [20 hours x $340 (blended rate for a compliance manager ($312) and a compliance attorney ($368))= $6,800 + 50 hours x $311 (blended rate for a senior systems analyst ($287) and senior programmer ($334) =$15,550 = $22,350 (internal labor cost burden for each new fund)]= $223,500
		16,288 aggregate annual one-time and recurring burden hours for disclosure of daily and weekly liquid assets and shareholder flow	**$5,128,091** aggregate annual one-time and recurring burdens for disclosure of daily and weekly liquid assets and shareholder flow
	Disclosure of Daily Current NAV 252 business days x 433 funds = 109,116 responses per year	*Disclosure of Daily Current NAV* 32 hours (senior systems analyst/senior programmer) x 433 funds = 13,856 hours per year + 70 hours x 10 new funds = 700 one-time hours = **14,556** aggregate annual one-time and recurring burden hours for the disclosure of daily current NAV	*Disclosure of Daily Current NAV* 32 hours x $311 (blended rate for a senior systems analyst ($287) and senior programmer ($334) = $9,952 (annual ongoing internal labor cost burden per fund) x 433 funds = $4,309,216 (ongoing annual burden) + 700 hours (aggregate total one-time burden for 10 new funds) x [20 hours x $340 (blended rate for compliance manager ($312) and a compliance attorney ($368))=$6,800 + 50 hours x $311 (blended rate for a senior systems analyst ($287) and senior programmer ($334) = $15,550 $22,350 per fund x 10 new funds = $223,500 (total one-time cost burden)] = **$4,532,716** aggregate annual one-time and recurring labor burdens for disclosure of daily and current NAV

	Estimated Responses	Estimated Burden Hours	Estimated Cost Burden
	Disclosure of Financial Support Received by the Fund, the Imposition and Removal of Liquidity Fees, and the Suspension and Resumption of Fund Redemptions 11 responses per year	*Disclosure of Financial Support Received by the Fund, the Imposition and Removal of Liquidity Fees, and the Suspension and Resumption of Fund Redemptions* 1 additional burden hour each time a fund updates its website to include new disclosure about the provision of financial support to fund x 10 reports per year = 10 hours per year + 1 burden hour for website updates x 1 estimated instance of a fund updating its website regarding the imposition and removal of liquidity fees, and suspension and resumption of fund redemptions = 1 hour per year = **11** aggregate annual one-time and recurring burden for the disclosure of financial support received by the fund, the imposition and removal of liquidity fees, and the suspension and resumption of fund redemptions	*Disclosure of Financial Support Received by the Fund, the Imposition and Removal of Liquidity Fees, and the Suspension and Resumption of Fund Redemptions* 10 reports per fund x 1 hour per website update x $250 per hour for a webmaster (internal cost burden per fund to include new disclosure) = $2,500 (aggregate internal labor cost burden for disclosure of financial support provided to funds) + 1 hour (annual aggregate burden) x $250 per hour for a webmaster = $250 (aggregate internal labor cost burden) = **$2,750** aggregate annual one-time and recurring burden for the disclosure of financial support received by the fund, the imposition and removal of liquidity fees, and the suspension and resumption of fund redemptions
	Total Estimated Responses Relating to Website Disclosure 5,196 +109,116 + 109,116 +11 =	*Total Estimated Burden Hours Relating to Website Disclosure* 5,436 + 16,288 + 14,556 + 11 =	*Total Estimated Cost Burden Relating to Website Disclosure* $1,359,000 + $5,128,091 + $4,532,716 + $2,750 =
TOTAL	**223,439 estimated responses annually**	**36,291 estimated burden hours**	**$11,022,557 estimated cost burden**
Board review of procedures and guidelines of any			

	Estimated Responses	Estimated Burden Hours	Estimated Cost Burden
investment adviser or officers to whom the fund's board has delegated responsibility under rule 2a-7 and amendment of such procedures and guidelines			
	1 response annually for each of 108 funds[16]	1 hour (board time) + 4 hours (compliance and professional legal time) = 5 hours per fund 5 hours x 108 estimated responses =	1 hour x $4770 (board time) = $4,770 4 x $340 (blended rate for compliance manager ($312) and a compliance attorney ($368)) = $1,360 $4,770+ $1,360 = $6,130 (cost per fund) $6,130 x 108 estimated responses =
Total	**108 estimated responses annually**	**540 estimated burden hours**	**$662,040 estimated cost burden**
Review, revise, and approve written procedures to stress test a fund's portfolio			
	1 response annually[17] for each of 91 fund complexes[18]	1 hour of board time 5 hours of senior portfolio manager time 3 hours of risk management specialist time + 3 hours of professional legal time = 12 burden hours per fund complex 12 hours x 91 estimated responses =	1 hour x $4,770 (board time) = $4,770 5 x $332 (Sr. portfolio manager) = $1,660 3 x $201 (risk management specialist) = $603 3 x $401 (attorney) = $1,203 $4,770 + $1,660+ $603+ $1,203 = $8,236 per fund complex

	Estimated Responses	Estimated Burden Hours	Estimated Cost Burden
			$8,236 x 91 estimated responses =
Total	**91 estimated responses annually**	**1,092 estimated burden hours**	**$749,476 estimated cost burden**
Reports to fund boards on the results of stress testing			
	5 responses annually for each of 91 fund complexes	5 hours senior portfolio manager time 2 hours compliance manager time 2 hours professional legal time + 1 hour paralegal time = 10 hours per response 10 hours x 455 responses =	5 x $332 (sr. portfolio manager) = $1,660 2 x $312 (compliance manager) = $624 2 x $419 (attorney) = $838 1 x $219 (paralegal) = $219 $1,660 + $624 + $838 + $219 = $3,341 per response $3,341 x 455 estimated responses =
Total	**455 estimated responses annually**	**4,550 estimated burden hours**	**$1,520,155 estimated cost burden**
Retail Funds Policies and Procedures			
	2[19]	12 hours (attorney time)+ +1 hour (board time) = 13 hours per fund 13 hours x 2 estimated responses =	12 x $419 (attorney) = $5,028 1 hour x $4,770 (board time) = $4,770 $5,028 + $4,770 =$9,798 (per fund) $9,798 x 2 estimated responses =

	Estimated Responses	Estimated Burden Hours	Estimated Cost Burden
Total	**2 estimated responses annually**	**26 estimated burden hours**	**$19,596 estimated cost burden**
Establishment of written procedures to test periodically the ability of the fund to maintain a stable NAV per share based on certain hypothetical events ("stress testing")			
	1 response annually for 10 new money market funds	3 hours board time 8 hours professional legal time 7 hours risk management specialist time + 4 hours senior risk management time = 22 hours 22 hours x 10 estimated responses =	3 hours x $4,770 (board time) = $14,310 8 hours x $419 (attorney) = $3,352 7 hours x $201 (risk management specialist) = $1,407 4 hours x $361 (sr. risk management specialist) = $1,444 $14,310 + $3,352 + $1,407 + $1,444 = $20,513 (per response) $20,513 x 10 estimated responses =
Total	**10 estimated responses annually**	**220 estimated burden hours**	**$205,130 estimated cost burden**
Establishment of written procedures designed to stabilize NAV and guidelines and procedures for board delegation of authority			
	1 response annually for 10 new funds	.5 hours of board time 7.2 hours professional legal time + 7.7 hours paralegal time = 15.5 hour per response 15.5 x10 estimated responses =	.5 x hours x $4,770 (board time) =$2,385 7.2 hours x $419 (attorney) = $3,016.80 7.7 hours x $219 (paralegal) = $1,686.30 $2,385 + $3,016.80 + $1,686.30 = $7,088.10 per response $7,088.10 x 10 estimated responses =

	Estimated Responses	Estimated Burden Hours	Estimated Cost Burden
Total	**10 estimated responses annually**	**155 estimated burden hours**	**$70,881 estimated cost burden**
Board determination – Fees and Gates			
	2 funds per year	4 hours attorney 2 hours of board time + 1 hour of fund's compliance attorney = 7 hours per fund 7 hours x 2 funds =	4 hours x $419 (attorney) = $1,676 2 hours x $4,770 (board time) = $9,540 1 x $368 (compliance attorney) = $368 $1,676+$9,540+$368 = $11,584 estimated cost burden per fund x 2 funds
Total	**2 estimated responses annually**	**14 estimated burden hours**	**$23,168 estimated cost burden**
Written record of board determinations and actions related to failure of a security to meet certain eligibility standards or an event of default or insolvency			
	2 responses annually for 20 funds	.5 hours (professional legal time) .5 x 40 estimated responses=	.5 hour x $419 (attorney) = $209.50 per response $209.50 x 40 estimated responses =
Total	**40 estimated responses annually**	**20 estimated burden hours**	**$8,380 estimated cost burden**
TOTAL ESTIMATED ANNUAL BURDEN OF INFORMATION COLLECTION FOR RULE 2a-7	**260,962 estimated responses annually**	**337,348 estimated burden hours annually**	**$97,313,463 estimated cost burden annually**

Based on the estimated burden of information collection for rule 2a–7 and Form PF filings, the estimated burden of information collection for rule 12d1–1 is set forth in Table 2 below.

Table 2: Rule 12d1-1 burden of information collection burden estimates for unregistered money market funds

	Estimated Responses	Estimated Burden Hours	Estimated Cost Burden[20]
Record of credit risk analyses, and determination regarding adjustable rate securities, asset backed securities, securities subject to a demand feature or guarantee, and counterparties to repurchase agreements			
	85 responses annually per 41 liquidity funds[21]	680 burden hours of professional (business analyst or portfolio manager) time per liquidity fund x 41 liquidity funds	$232 per hour (intermediate business analyst) + $332 per hour (senior portfolio manager) $564 ÷ 2 = $282 median weighted average per hour x

	Estimated Responses	Estimated Burden Hours	Estimated Cost Burden[20]
			27,880 hours =
Total	**3,485 estimated responses per liquidity fund annually**	**27,880 estimated burden hours**	**$7,862,160 estimated cost burden**
Fund's website disclosures including portfolio holding information, daily and weekly liquid assets, net shareholder flow, daily current NAV, financial support received by the fund, the imposition and removal of liquidity fees, and the suspension and resumption of fund redemptions			
	Disclosure of Portfolio Holdings Information 12 months x 41 liquidity funds = 492 responses per year	*Disclosure of Portfolio Holdings Information* 12 hours (one hour per monthly filing) to update the website to include the disclosure of portfolio holdings information x 41 liquidity funds = 492 hours per year + 24 hours of webmaster time for an estimated 1 new liquidity fund[22] each year to initially develop a webpage and provide monthly disclosure for the initial year = 24 one-time burden hours **516** aggregate annual one-time and recurring burden hours for the disclosure of portfolio holdings	*Disclosure of Portfolio Holdings Information* 492 hours for 41 liquidity funds x $250 (per hour for a webmaster) =$123,000 (for recurring internal burden labor costs) + 24 hours for 1 new liquidity fund x $250 (per hour for a webmaster) = $6,000 = **$129,000** total aggregate annual one-time and recurring labor burdens for disclosure of portfolio holdings
	Disclosure of Daily and Weekly Liquid Assets and Net Shareholder Flow 252 business days x 41	*Disclosure of Daily and Weekly Liquid Assets and Net Shareholder Flow* 36 hours ongoing annual	*Disclosure of Daily and Weekly Liquid Assets and Net Shareholder Flow* 31.5 hours x $311

	Estimated Responses	Estimated Burden Hours	Estimated Cost Burden[20]
	liquidity funds = 10,332 per year	burden x 41 liquidity funds = 1,476 hours per year + 70 hours for each new liquidity fund x 1 new fund = 70 one-time hours 1,476 annual burden hours + 70 one-time burden hours = **1,546** aggregate annual recurring and one-time burden hours for disclosure of daily and weekly liquid assets and shareholder flow	(blended rate for a senior systems analyst ($287) and senior programmer ($334) = $9,797 (per liquidity fund) + 4.5 hours x $340 (blended rate for compliance manager ($312) and a compliance attorney ($368)) = $1,530 = $11,327 (per fund to update the depiction of daily and weekly liquid assets and the liquidity fund's net inflow or outflow on the liquidity fund's website each business day during that year) x 41 liquidity funds = $464,407 recurring aggregate annual cost burdens for the disclosure of daily and weekly liquid assets and weekly liquid assets and the fund's net inflow or outflow on the liquidity fund's website each business day during the year + 70 hours aggregate total one-time burden for 1 new fund) x [20 hours x $340 (blended rate for compliance manager ($312) and a compliance attorney ($368))= $6,800 + 50 hours x $311 (blended rate for a senior systems analyst ($287) and senior programmer ($334) =$15,550 = $22,350 (internal labor cost burden for each new fund)]= $1,564,500 = **$2,028,907** aggregate annual recurring and one-time cost burdens for disclosure of daily and weekly liquid assets and shareholder flow

	Estimated Responses	Estimated Burden Hours	Estimated Cost Burden[20]
	Disclosure of Daily Current NAV 252 business days x 41 liquidity funds = 10,332 per year	*Disclosure of Daily Current NAV* 32 hours x 41 liquidity funds = 1,312 hours per year + 70 one-time burden hours for each new liquidity fund x 1 new liquidity fund = 70 one-time burden hours 1,312 annual burden hours + 70 one-time burden hours = **1,382** aggregate annual recurring and one-time burden hours for disclosure of daily current NAV	*Disclosure of Daily Current NAV* 32 hours x $311 (blended rate for a senior systems analyst ($287) and senior programmer ($334) = $9,952 (annual ongoing internal labor cost burden per fund) x 41 funds = $408,932 ongoing annual cost burdens + 70 hours (aggregate total one-time burden for 1 new liquidity) x [20 hours x $340 (blended rate for compliance manager ($312) and a compliance attorney ($368))= $6,800 + 50 hours x $311 (blended rate for a senior systems analyst ($287) and senior programmer ($334) = $15,550 = $22,350 (internal labor cost burden for each new fund)] = $1,564,500 $408,932 (recurring internal cost burden) + $1,564,500 (one-time internal labor cost burden) = **$1,973,432** aggregate annual recurring and one-time cost burdens
	Disclosure of Financial Support Received by the Fund, and Imposition and Removal of Liquidity Fees, and the Suspension and Resumption of Fund Redemptions Not applicable	*Disclosure of Financial Support Received by the Fund, and Imposition and Removal of Liquidity Fees, and the Suspension and Resumption of Fund Redemptions* Not applicable	*Disclosure of Financial Support Received by the Fund, and Imposition and Removal of Liquidity Fees, and the Suspension and Resumption of Fund Redemptions* Not applicable
	Total Estimated Burden Hours Relating to Website Disclosure 492+10,332+10,332 =	*Total Estimated Burden Hours Relating to Website Disclosure* 516 + 1,546 + 1,382 =	*Total Estimated Burden Hours Relating to Website Disclosure* $129,000 + $2,028,907+ $1,973,432 =
TOTAL	**21,156 estimated responses**	**3,444 estimated burden hours**	**$4,131,339 estimated cost burden**

	Estimated Responses	Estimated Burden Hours	Estimated Cost Burden[20]
Board review of procedures and guidelines of any investment adviser or officers to whom the fund's board has delegated responsibility under rule 2a-7 and amendment of such procedures and guidelines[23]			
	1 response annually for each of 10 funds[24]	1 hour (board time) + 4 hours (compliance and professional legal time) = 5 hours 5 hours x 10 responses =	1 hour x $4770 (board time) = $4,770 4 x $340 (blended rate for compliance manager ($312) and a compliance attorney ($368)) = $1,360 $4,770+ $1,360 = $6,130 (cost per fund) $6,130 x 10 estimated responses =
TOTAL	**10 estimated responses**	**50 estimated burden hours**	**$61,300 estimated cost burden**
Review, revise, and approve written procedures to stress test a fund's portfolio			
	1 response annually for each of 36 fund complexes[25]	1 hour of board time 5 hours of senior portfolio manager time 3 hours of risk management specialist time + 3 hours of professional legal time =	1 hour x $4,770 (board time) = $4,770 5 x $332 (Sr. portfolio manager) = $1,660 3 x $201 (risk management specialist) = $603

	Estimated Responses	Estimated Burden Hours	Estimated Cost Burden[20]
		12 hours 12 hours x 36 estimated responses =	3 x $401 (attorney) = $1,203 $4,770 + $1,660+ $603+ $1,203 = $8,236 per liquidity fund complex $8,236 x 36 estimated responses =
TOTAL	**36 estimated responses**	**432 estimated burden hours**	**$296,496 estimated cost burden**
Reports to fund boards on the results of stress testing[26]			
	5 responses annually for each of 36 fund complexes	5 hours senior portfolio manager time 2 hours compliance manager time 2 hours professional legal time +1 hour paralegal time = 10 hours per response 10 hours x 180 estimated responses =	5 x $332 (sr. portfolio manager) = $1,660 2 x $312 (compliance manager) = $624 2 x $419 (attorney) = $838 1 x $219 (paralegal) = $219 $1,660 + $624 + $838 + $219 = $3,341 per response $3,341 x 180 estimated responses =
TOTAL	**180 estimated responses**	**1800 estimated burden hours**	**$601,380 estimated cost burden**
Retail Funds Policies and Procedures[27]			
TOTAL	**Not applicable**		
Establishment of written procedures to test periodically the ability of the fund to maintain a stable NAV per share based on certain hypothetical events ("stress testing")			
	1 response annually for 1 new liquidity fund	3 hours board time 8 hours professional legal time	3 hours x $4,770 (board time) = $14,310

	Estimated Responses	Estimated Burden Hours	Estimated Cost Burden[20]
		7 hours risk management specialist time +4 hours senior risk management time = 22 hours	8 hours x $419 (attorney) = $3,352 7 hours x $201 (risk management specialist) = $1,407 4 hours x $361 (sr. risk management specialist) = $1,444 $14,310 + $3,352 + $1,407 + $1,444 = $20,513 (per response) $20,513(cost) x 1 estimated response
TOTAL	**1 estimated response**	**22 estimated burden hours**	**$20,513 estimated cost burden**
Establishment of written procedures designed to stabilize NAV and guidelines and procedures for board delegation of authority[28]			
	1 response annually for 1 new liquidity fund	.5 hours board time 7.2 hours professional legal time +7.8 hours paralegal time = 15.5 hours	.5 hours x $4,770 (board time) = $2,385 7.2 hours x $419 (attorney) = $3,016.80 7.8 hours x $219 (paralegal) = $1,708.20 $2,385 + $3,016.80+ $1,708.20 = $7,110 (per response) $7,110 x 1 estimated response =
TOTAL	**1 estimated response**	**15.5 estimated burden hours**	**$7,110 estimated cost burden**
Board determination – Fees and Gates[29]			
	2 liquidity funds per year	4 hours attorney 2 hours of board time +1 hours of fund's compliance attorney 7 hours per liquidity fund	4 hours x $419 (attorney) = $1,676 2 hours x $4,770 (board time) = $9,540 1 x $368 (compliance

	Estimated Responses	Estimated Burden Hours	Estimated Cost Burden[20]
			attorney) = $368 $1,676+$9,540+$368 = $11,584 per liquidity fund $11,584 x 2 estimated responses =
TOTAL	**2 estimated responses**	**14 estimated hours burden**	**$23,168 estimated costs burden**
Written record of board determinations and actions related to failure of a security to meet certain eligibility standards or an event of default or insolvency[30]			
	2 estimated responses annually for 2 liquidity funds[31]	.5 hours (professional legal time) x 4 estimated responses	.5 hour x $419 (attorney) = $209.50 $209.50 x 4 estimated responses =
Total	**4 estimated responses**	**2 estimated burden hours**	**$838 estimated cost burden**
TOTAL ESTIMATED BURDEN OF INFORMATION COLLECTION FOR RULE 12d1-1	**24,875 estimated responses annually**	**33,660 estimated burden hours annually**	**$13,004,304 estimated cost burden annually**

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Commission staff estimates that in addition to the costs described in Table

[14] The estimated responses and hour burdens shown in this chart were included in the Securities and Exchange Commission, Request for OMB Approval of Extension for Approved Collection for Rule 2a–7 under the Investment Company Act of 1940 (OMB Control No. 3235–0268) (approved May 28, 2019) (the ''2019 rule 2a–7 PRA extension''). The 2019 rule 2a–7 PRA extension was the most recent rule 2a–7 submission that includes certain estimates with respect to aggregate annual hour and cost burdens for collections of information for registered money market funds.

However, the cost burdens shown in this chart have been updated. The cost burdens for professional personnel are based on SIFMA's *Management & Professional Earnings in the Securities Industry 2013,* modified for 2020 by the Commission staff to account for an 1,800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead and the cost burdens for clerical personnel are based on SIFMA's Office Salaries in *the Securities Industry 2013,* modified for 2020 by Commission staff to account for an 1,800-hour work-year and inflation, and multiplied by 2.93 to account for bonuses, firm size, employee benefits and overhead. However, SIFMA data does not include a board of directors. For board time, Commission staff currently uses a cost of $4,770 per hour, which was last adjusted for inflation in 2019. This estimate assumes an average of nine board members per year.

[15] The number of funds based on Form N–MFP filings for the month ended September 30, 2018 and used in the 2019 rule 2a–7 PRA extension.

[16] For purposes of the 2019 rule 2a–7 PRA extension, we assumed that on average 25% (433 funds × .25 = 108 funds) of money market funds would review and update their procedures on annual basis).

[17] We have not amortized the one-time hour and cost burdens figures associated with new funds, because we estimated there would be 10 new funds each year. Therefore, the burden would occur each year instead of occurring over a three-year period. We have done this throughout this PRA.

[18] Commission staff estimates that there are 91 fund complexes subject to rule 2a–7. This estimate is based on Form N–MEP filings with the Commission for the month ended September 30, 2018.

[19] We estimated that approximately two new money market funds would seek to qualify as retail money market funds under rule 2a–7 and therefore be required to adopt written policies and procedures reasonably designed to limit beneficial owners to natural persons.

For purposes of the 2019 rule 2a–7 PRA extension, Form N–MFP data reflects that of the 30 new money market funds created between April of 2015 through September 2018, only six new money market funds elected to be retail funds—or approximately two per year ((6 funds/42 months) × 12 months). Based on these figures, we estimated that two new money market fund per year would elect to be a retail fund.

[20] The cost burdens shown in this chart for professional personnel are based on SIFMA's *Management & Professional Earnings in the Securities Industry 2013,* modified for 2020 by the Commission staff to account for an 1,800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead and the cost burdens for clerical personnel are based on SIFMA's *Office Salaries in the Securities Industry 2013,* modified for 2020 by Commission staff to account for an 1800-hour work-year and inflation, and multiplied by 2.93 to account for bonuses, firm size, employee benefits and overhead. However, SIFMA data does not include a board of directors. For board time, Commission staff currently uses a cost of $4,770 per hour, which was last adjusted for inflation in 2019. This estimate assumes an average of nine board members per year.

We use these estimated burdens for registered money market funds to extrapolate the information collection burdens for unregistered money market funds under rule 12d1–1 in this Table 2.

[21] The number of liquidity funds is based on the following: 65 × the percentage of liquidity funds that are at least partially in compliance with the risk–limiting provisions of rule 2a–7 and used in the most recent supporting statement for rule 2a–7 100 − 37.2) = 62.8%. The result (rounded up to a whole number) is 41 liquidity funds. The number of liquidity funds is based on the U.S. Securities and Exchange Commission's Division of Investment Management—Analytics Office Private Funds Statistics, Fourth Calendar Quarter (Oct. 2, 2020) available at *https://www.sec.gov/divisions/investment/private-funds-statistics/private-funds-statistics-2019-q4.pdf.*

2 above, unregistered money market funds will incur costs to preserve records, as required under rule 2a–7. These costs will vary significantly for individual funds, depending on the amount of assets under fund management and whether the fund preserves its records in a storage facility in hard copy or has developed and maintains a computer system to create and preserve compliance records. In the 2019 rule 2a–7 PRA extension, Commission staff estimated that the amount an individual money market fund may spend ranges from $100 per year to $300,000. We have no reason to believe the range is different for unregistered money market funds. Based on Form PF data as of the fourth calendar quarter 2019, liquidity funds have $294 billion in gross asset value.[32] The Commission does not have specific information about the proportion of assets held in small, medium-sized, or large unregistered money market funds. Because liquidity funds are often used as cash management vehicles, the staff estimates that each private liquidity fund is a ''large'' fund (*i.e.,* more than $1 billion in assets under management). Based on a cost of $0.0000009 per dollar of assets under management (for large funds),[33] the staff estimates compliance with rule 2a–7 for these unregistered money market funds totals $264,600 annually.[34]

Consistent with estimates made in the rule 2a–7 submission, Commission staff estimates that unregistered money market funds also incur capital costs to create computer programs for maintaining and preserving compliance records for rule 2a–7 of $0.0000132 per dollar of assets under management. Based on the assets under management figures described above, staff estimates annual capital costs for all unregistered money market funds of $3.88 million.[35]

Commission staff further estimates that, even absent the requirements of rule 2a–7, money market funds would spend at least half of the amounts described above for record preservation ($132,300) and for capital costs ($1.94 million). Commission staff concludes that the aggregate annual costs of compliance with the rule are $132,300 for record preservation and $1.94 million for capital costs.

The collections of information required for unregistered money market funds by rule 12d1–1 are necessary in order for acquiring funds to able to obtain the benefits described above. Notices to the Commission 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 OMB number.

The public may view background documentation for this information collection at the following website: *www.reginfo.gov*. Find this particular information collection by selecting ''Currently under 30-day Review—Open for Public Comments'' or by using the search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to (i) >*www.reginfo.gov/public/do/PRAMain*< and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o Cynthia Roscoe, 100 F Street NE, Washington, DC 20549, or by sending an email to: *PRA_Mailbox@sec.gov.*

Dated: June 4, 2021.

J. Matthew DeLesDernier,

Assistant Secretary.

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[22] The number of new unregistered money market funds is estimated from 2018–2019 historical Form PF filings by liquidity fund advisers. *See* Securities and Exchange Commission's Division of Investment Management—Analytics Office Private Funds Statistics, Fourth Calendar Quarter (Oct. 2, 2020) available at *https://www.sec.gov/divisions/investment/private-funds-statistics/private-funds-statistics-2019-q4.pdf.*

[23] We recognize that in many cases the adviser to an unregistered money market fund typically performs the function of the fund's board. *Money Market Fund Reform; Amendments to Form PF* Investment Company Act Rel. No. 31166 (Jul. 23, 2014), 79 FR 47735, 47809 (Aug. 14, 2014).

[24] For purposes of this PRA extension, we assumed that on average 25% (41 funds × .25 = approximately 10 funds) of liquidity funds would review and update their procedures on annual basis.

[25] This number has been derived from the number of advisers to liquidity funds. *See* U.S. Securities and Exchange Commission, Division of Investment Management, Analytics Office, Private Fund Statistics, Fourth Quarter 2019 (Oct. 2, 2020), Table 2.

[26] *See supra* note 23.

[27] There are no liquidity funds of this type; liquidity funds only are offered to qualified investors.

[28] *See supra* note 23.

[29] *Id.*

[30] *Id.*

[31] In the context of registered money market funds, we have previously estimated an average of approximately 2 occurrences for 20 funds each year; however, this number may vary significantly in any particular year. For purposes of this PRA extension, we assumed there would be same proportion of unregistered money market funds experiencing events of default or solvency each year. (20/433 registered money market funds = approximately 5%. 5% × 41 liquidity funds = approximately 2 liquidity funds.)

[32] *See* U.S Securities and Exchange Commission, Division of Investment Management, Analytics Office, Private Fund Statistics, Fourth Quarter 2019 (Oct. 2, 2020), Table 3.

[33] The recordkeeping cost estimates are $0.0051295 per dollar of assets under management for small funds, and $0.0005041 per dollar of assets under management for medium-sized funds. The cost estimates are the same as those used in the most recently approved rule 2a–7 submission.

[34] This estimate is based on the following calculation: ($294 billion × $0.0000009) = $264,600 for large funds.

[35] This estimate is based on the following calculation: ($294 billion × 0.0000132) = $3.88 million.

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–92103; File No. SR–BX–2021–025]

Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend BX Options 7, Section 1, ''General Provisions'' and Section 2, ''BX Options Market-Fees and Rebates''

June 3, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on May 24, 2021, Nasdaq BX, Inc. (''BX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend BX Options 7, Section 1, ''General Provisions'' and Section 2, ''BX Options Market-Fees and Rebates.''

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/bx/rules,* at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.