

Securities Exchange Act Release No. 2690 (November 15, 1940); Securities Exchange Act Release No. 9428 (December 29, 1971). Pursuant to Rule 15c2-1, respondents must collect information necessary to prevent the rehypothecation of customer account in contravention of the rule, issue and retain copies of notices of hypothecation of customer accounts in accordance with the rule, and collect written consents from customers in accordance with the rule. The information is necessary to ensure compliance with the rule, and to advise customers of the rule's protections.

There are approximately 258 respondents per year (*i.e.*, broker-dealers that carry or clear customer accounts that also have bank loans) that require an aggregate total of 5,805 hours to comply with the rule. Each of these approximately 258 registered broker-dealers makes an estimated 45 annual responses, for an aggregate total of 11,610 responses per year. Each response takes approximately 0.5 hours to complete. Thus, the total compliance burden per year is 5,805 burden hours. The approximate cost per hour is \$20, resulting in a total cost of compliance for the respondents of \$116,100 (5,805 hours @ \$20 per hour).

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.

Direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, N.W., Washington, DC 20549.

Dated: October 29, 1996.

Margaret H. McFarland,
Deputy Secretary.

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Request for Public Comment

Upon Written Request, Copies Available From:

Securities and Exchange Commission,
Office of Filings and Information
Services, Washington, D.C. 20549

Extension:

Rule 2a-7—SEC File No. 270-258—
OMB Control No. 3235-0268
Rule 17a-7—SEC File No. 270-238—
OMB Control No. 3235-0214
Rule 17e-1—SEC File No. 270-224—
OMB Control No. 3235-0217
Rule 19a-1—SEC File No. 270-240—
OMB Control No. 3235-0216
Rule 31a-1—SEC File No. 270-173—
OMB Control No. 3235-0178

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") is publishing for public comment the following summary of previously approved information collection requirements.

Rule 2a-7 (17 CFR 270.2a-7) under the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*) ("Act") governs money market funds. The rule exempts money market funds from the valuation requirements of the Act, and, subject to certain risk-limiting conditions, permits money market funds to use the "amortized cost method" of asset valuation or the "penny-rounding method" of share pricing.

Rule 2a-7 imposes certain recordkeeping and reporting obligations upon money market funds. The board of directors of a money market fund must establish written procedures designed to stabilize the fund's net asset value. These procedures typically address various aspects of the fund's operations. The fund must maintain and preserve for six years a written copy of these procedures. Additionally, the fund must maintain and preserve for six years a written record of the board's considerations and actions taken in connection with the discharge of its responsibilities, to be included in the board's minutes. The fund must also maintain and preserve for three years written records of certain credit risk analyses, evaluations with respect to securities subject to puts, and determinations with respect to adjustable rate securities and asset backed securities. If the board takes action with respect to defaulted securities, events of insolvency, or deviations in share price, the fund must file with the Commission an exhibit to Form N-SAR describing the nature and circumstances of such action. In the event of certain default or insolvency events, the fund must notify the

Commission of the event and the actions the fund intends to take in response to the situation. As a matter of sound business practices, the board must develop and maintain certain additional procedures and records to ensure compliance with the risk-limiting conditions of Rule 2a-7.

It is estimated that approximately 1,345 money market funds are subject to the rule each year. It is further estimated that compliance with the rule's recordkeeping and reporting requirements imposes an average annual burden per money market fund of approximately 146 hours, so that the total annual burden for all money market funds would be 196,371 hours.

Rule 17a-7 (17 CFR 270.17a-7) under the Act requires registered investment companies to keep various records in connection with certain purchase or sale transactions between investment companies and certain of their affiliates. The annual burden of meeting this requirement is estimated to be about one hour for each of an estimated 500 recordkeepers that enter into subject transactions each year, for a total annual burden of 500 hours.

Rule 17e-1 (17 CFR 270.17e-1) under the Act governs the remuneration a broker affiliated with an investment company may receive in connection with securities transactions by the investment company. The rule requires an investment company's board of directors to establish, and review, as necessary, procedures reasonably designed to provide that the remuneration to an affiliated broker is a fair amount compared to that received by other brokers in connection with transactions in similar securities during a comparable period of time. Each quarter, the board must determine that all transactions effected pursuant to the rule during the preceding quarter complied with the established procedures. Rule 17e-1(c) also requires the investment company to (i) maintain permanently a written copy of the procedures adopted by the board for complying with the requirements of the rule; and (ii) maintain for a period of six years a written record of each transaction subject to the rule setting forth the amount and source of the commission, fee or other remuneration received; the identity of the broker; the terms of the transaction; and the materials used to determine that the transactions were effected in compliance with the procedures adopted by the board.

The Commission estimates that approximately 1,462 funds rely upon Rule 17e-1 each year. The total average annual burden for Rule 17e-1 per

respondent is estimated to be 10 hours, for a total annual burden of 14,620 hours.

Rule 19a-1 (17 CFR 270.19a-1) under the Act sets forth specific requirements for the information which must be included in statements made pursuant to Section 19(a) by registered management investment companies (funds). The rule requires that the statement indicate what portions of the payment are made from net income, net profits and paid-in capital. When any part of the payment is made from net profits, Rule 19a-1 requires that the statement disclose certain other 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.

It is estimated that approximately 3,000 funds are subject to the rule each year. It is estimated that compliance with the rule's requirements imposes a total annual burden per fund of approximately 30 minutes. The total annual burden for all funds is estimated at 1,500 hours.

Rule 31a-1 (17 CFR 270.31a-1) under the Act requires registered investment companies, and every underwriter, broker, dealer or investment adviser which is a majority-owned subsidiary of a registered investment company, to maintain and keep current accounts, books and other documents which constitute the record forming the basis for financial statements required to be filed pursuant to Section 30 (15 U.S.C. 80a-29) of the Act and of the auditor's certificates relating thereto. The rule lists specific records to be maintained by registered investment companies. The rule also requires certain underwriters, brokers, dealers, depositors and investment advisers to maintain such records as they are required to maintain under federal securities laws.

It is estimated that Rule 31a-1 imposes an average burden of approximately 5,260 hours annually per investment company. It is further estimated that approximately 5,000 investment companies are subject to the rule each year, so that the total annual burden for all investment companies would be 26,300,000 hours. Most of the records required to be maintained by the rule are the type that generally would be maintained as a matter of good business practice and to prepare the investment company's financial statements.

Written comments are requested on: (a) Whether the collection of information is 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 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.

Direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, N.W., Washington, DC 20549.

Dated: October 15, 1996.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-28389 Filed 11-4-96; 8:45 am]

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Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension

Form N-17D-1—SEC File No. 270-231—OMB Control No. 3235-0229.

Rule 18f-1 and Form N-18F-1—SEC File No. 270-187—OMB Control No. 3235-0211.

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 approval of extension on previously approved information collection requirements:

Form N-17D-1 is used by small business investment companies and banks affiliated therewith to report any loan or advance of credit to, or acquisition of securities or property of, a small business concern or any agreement to do any of the foregoing. The annual burden of filling out the form is approximately 5 hours per response.

Rule 18f-1 enables a registered open-end management investment company ("fund") that may redeem its securities

in kind, by making a one-time election, to commit to make cash redemptions pursuant to certain requirements without violating section 18(f) of the Investment Company Act of 1940. Form N-18F-1 provides the Securities and Exchange Commission notification of this election. A response takes approximately one hour. It is estimated that approximately 150 funds file the form annually.

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.

General comments regarding the estimated burden hours should be directed to the Desk Officer for the Securities and Exchange Commission at the address below. Any comments concerning the accuracy of the estimated average burden hours for compliance with Commission rules and forms should be directed to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549 and Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 3208, New Executive Office Building, Washington, DC 20503.

Dated: October 17, 1996.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-28310 Filed 11-4-96; 8:45 am]

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Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Revision

Rule 17a-3—SEC File No. 270-26—OMB Control No. 3235-0033.

Rule 17a-4—SEC File No. 270-198—OMB Control No. 3235-0279.

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 approval of revisions on previously approved collections of information:

Rule 17a-3 requires exchange members, broker and dealers to make and keep current certain records relating to a broker's or dealer's financial