

proposed line item would increase the hour burden per portfolio per filing of an initial registration or a post-effective amendment to a registration statement by 7 hours.¹⁵⁰ Commission staff estimates that 5 registrants with 7 portfolios registered on Form N-3 invest in another fund, and would be required to make the proposed disclosure.¹⁵¹ We seek comment on these numbers. Thus, if the proposed amendments to Form N-3 instructions were adopted, the Commission estimates that the total annual hour burden for all funds for preparation and filing of initial registration statements and post-effective amendments to Form N-3 would be 33,934.¹⁵²

4. Form N-4

Form N-4 (OMB Control No. 3235-0318), including the proposed amendments, contains collection of information requirements. The likely respondents to this information collection are separate accounts organized as UITs that offer variable annuity contracts registering with the Commission on Form N-4. Compliance with the disclosure requirements of Form N-4 is mandatory. Responses to the disclosure requirements are not confidential.

The current burden for preparing an initial registration on Form N-4 is 273.2 hours per separate account. The current annual burden for preparing a post-effective amendment on Form N-4 is 195 hours per separate account. Commission staff estimates that an average of 157 separate accounts organized as UITs that offer variable annuity contracts file an initial registration statement and 1,242 file a post-effective amendment on Form N-4 each year.¹⁵³ Thus, the Commission estimates that the current annual hour burden for preparing an N-4 is 285,082.¹⁵⁴

Commission staff estimates that it would take ½ hour to include in the disclosure of total annual portfolio company operating expenses, the line item from the portfolio company's prospectus disclosing acquired fund fees and expenses. We estimate that ½ of separate accounts registering on Form

N-4 invest in portfolio companies that invest in other funds, and would be required to make the proposed disclosure.¹⁵⁵ We seek comment on those numbers. Accordingly, if the proposed amendments to Form N-4 were adopted, the total annual hour burden for all funds for preparation and filing of initial registration statements and post-effective amendments to Form N-4 would be 285,432.¹⁵⁶

5. Form N-6

Form N-6 (OMB Control No. 3235-0503), including the proposed amendments, contains collection of information requirements. The likely respondents to this information collection are separate accounts organized as UITs that offer variable life insurance contracts registering with the Commission on Form N-6. Compliance with the disclosure requirements of Form N-6 is mandatory. Responses to the disclosure requirements are not confidential.

The current burden for preparing an initial registration on Form N-6 is 765 hours. The current annual burdens for preparing a post-effective amendment for an annual update and an additional post-effective amendment on Form N-6 are 65 hours and 10 hours, respectively.¹⁵⁷ Commission staff estimates that an average of 50 initial registration statements, 150 post-effective amendments for an annual update, and 350 additional post-effective amendments will be filed by variable life insurance policies issued by separate accounts on Form N-6 each year.¹⁵⁸ Thus, the Commission estimates that the current annual hour burden for preparing Form N-6 is 51,500.¹⁵⁹

Commission staff estimates that it would take ½ hour to include in the disclosure of total annual portfolio company operating expenses, the line item from the portfolio company's prospectus disclosing acquired fund fees and expenses. We estimate that ½

of separate accounts registering on Form N-6 invest in portfolio companies that invest in other funds, and would be required to make the proposed disclosure.¹⁶⁰ We seek comment on those numbers. Accordingly, if the proposed amendments to Form N-6 were adopted, the total annual hour burden for all funds for preparation and filing of initial registration statements and post-effective amendments to Form N-6 would be 51,550.¹⁶¹

C. Request for Comments

Pursuant to 44 U.S.C. 3506(c)(2)(B), the Commission solicits comments to: (i) Evaluate whether the proposed collections of information are necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (ii) evaluate the accuracy of the Commission's estimate of the burden of the proposed collections of information; (iii) determine whether there are ways to enhance the quality, utility, and clarity of the information to be collected; and (iv) evaluate whether there are ways to minimize the burden of the collections of information on those who are to respond, including through the use of automated collection techniques or other forms of information technology.

Persons wishing to submit comments on the collection of information requirements of the proposed rules and form amendments should direct them to the Office of Management and Budget, Attention Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Room 10102, New Executive Office Building, Washington, DC 20503, and should send a copy to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609, with reference to File No. S7-18-03. OMB is required to make a decision concerning the collections of information between 30 and 60 days after publication of this Release; therefore a comment to OMB is best assured of having its full effect if OMB receives it within 30 days after publication of this Release. Requests for materials submitted to OMB by the Commission with regard to these collections of information should be in writing, refer to File No. S7-18-03, and be submitted to the Securities and Exchange Commission, Records

¹⁵⁵ Commission staff estimates that each portfolio would be required to include the disclosure either in one initial registration or post-effective amendment each year.

¹⁵⁶ This estimate is based on the following calculation: $(285,082.4 + (157/2 \times 0.5) + (1,242/2 \times 0.5) = 285,432.2)$.

¹⁵⁷ The hour burden for filing additional post-effective amendments is significantly less than that for the post-effective amendment for the annual update. See *supra* note 132.

¹⁵⁸ This estimate is based on information in the Commission's database.

¹⁵⁹ This estimate is based on the following calculation: $(50 \times 765) + (150 \times 65) + (350 \times 10) = 51,500$. The total annual hour burden approved for Form N-6 is 61,135. The approved burden was based on estimates of filings at the time Form N-6 was proposed, and was not based on actual form filings.

¹⁶⁰ Commission staff estimates that each portfolio would be required to include the disclosure either in an initial registration or post-effective amendment each year.

¹⁶¹ This estimate is based on the following calculation: $(51,500 + (50/2 \times 0.5) + (150/2 \times 0.5) = 51,550)$.

¹⁵⁰ See *supra* note 127.

¹⁵¹ This estimate is based on information in the Commission's database of Form N-SAR filings.

¹⁵² This estimate is based on the following calculation: $33,843 + (7 \times 7) + (12/2 \times 7) = 33,934$.

¹⁵³ This estimate is based on information in the Commission's database.

¹⁵⁴ This estimate is based on the following calculation: $(157 \times 273.2) + (1242 \times 195) = 285,082.4$. The total annual hour burden approved for Form N-4 is 300,292. The decrease is due to a decrease in the number of registrants filing post-effective amendments on Form N-4.