

respondents to this information collection will be closed-end management investment companies subject to rule 30e-1 under the Investment Company Act of 1940 registering with the Commission on Form N-2. Compliance with the disclosure requirements of Form N-CSR is mandatory. Responses to the disclosure requirements are not confidential.

The current estimated total hour burden for preparation of Form N-CSR is 35,139 hours.⁵⁹ In the Proposing Release, we estimated that 3,700 registered investment companies would file Form N-CSR on a semi-annual basis for a total of 7,400 filings.⁶⁰ We estimated in the Proposing Release that the amendments to Form N-CSR would increase the hour burden per filing of each semi-annual report on Form N-CSR by 10 hours, or 74,000 hours total. However, we have modified our proposal to require funds to disclose their proxy voting record in reports on new Form N-PX on an annual basis, rather than in reports on Form N-CSR on a semi-annual basis. As proposed, however, we are requiring registered closed-end management investment companies to include in their annual reports on Form N-CSR a description of the policies and procedures that they use to determine how to vote proxies relating to portfolio securities. We estimate that 663 closed-end management investment companies will file reports on Form N-CSR, and are revising our estimate of the increase in the hour burden resulting from the amendments to 2 hours per filing. We estimate that the total annual burden attributable to the disclosure of proxy voting policies and procedures for closed-end funds will be 1,326 hours. Thus, the new total annual hour burden for preparation and filing of Form N-CSR will be 36,465 hours.⁶¹

⁵⁹ See Investment Company Act Release No. 25914 (Jan. 27, 2003) (release adopting Form N-CSR).

⁶⁰ Investment Company Act Release No. 25739 (Sept. 20, 2002) [67 FR 60828 (Sept. 26, 2002)].

⁶¹ The Commission has submitted additional collections of information to OMB for Form N-CSR in connection with Investment Company Act Release No. 25775 (Oct. 22, 2002) [67 FR 66208 (Oct. 30, 2002)] (code of ethics and financial expert disclosure); Investment Company Act Release No. 25838 (Dec. 2, 2002) [67 FR 76780 (Dec. 13, 2002)] (auditor independence provisions of the Sarbanes-Oxley Act); Investment Company Act Release No. 25845 (Dec. 10, 2002) [67 FR 77593 (Dec. 18, 2002)] (revisions to rule 10b-18 under the Exchange Act); Investment Company Act Release No. 25870 (Dec. 18, 2002) [68 FR 160 (Jan. 2, 2003)] (shareholder reports and quarterly portfolio disclosure); and Investment Company Act Release No. 25885 (Jan. 8, 2003) [68 FR 2637 (Jan. 17, 2003)] (standards relating to listed company audit committees). These submissions are currently pending before OMB. If

Shareholder Reports

Rule 30e-1, including the amendments to Forms N-1A, N-2, and N-3, contains collection of information requirements.⁶² Compliance with the disclosure requirements of rule 30e-1 is mandatory. Responses to the disclosure requirements are not confidential.

There are approximately 3,700 funds subject to rule 30e-1. We estimated in the Proposing Release that the hour burden for preparing and filing semi-annual and annual shareholder reports in compliance with rule 30e-1, prior to the proposed amendments, was 202.5 hours per year, and that the amendments would increase the hour burden of complying with rule 30e-1 by 10 hours per fund per year for a total increase in burden hours of 37,000 hours. However, we have revised our proposed amendments to eliminate the proposed requirement that annual and semi-annual shareholder reports include disclosure of proxy votes that are inconsistent with the fund's proxy voting policies. Thus, we are revising our estimate of the increase in the hour burden of complying with rule 30e-1 attributable to the proposed amendments to 3,700 hours, rather than 37,000 hours, to reflect the elimination of this proposed disclosure requirement. The total hour burden of complying with rule 30e-1 will be 203.5 hours per year, for a total annual burden to the industry of 752,950 hours.⁶³

Rule 30b1-4

The purpose of rule 30b1-4 is to improve the transparency of information about funds' proxy voting records. Rule 30b1-4 will require a fund to file Form N-PX, containing its complete proxy voting record for the twelve-month period ended June 30, by no later than

these submissions are approved, the approved total burden hours for Form N-CSR will be 195,472 hours. With the adjustment to reflect the modifications we are making here to our proposed amendments to Form N-CSR, the approved total burden hours for Form N-CSR would be 122,798 hours (195,472—(74,000—1,326)).

⁶² Rule 30e-1(a) under the Investment Company Act of 1940 [17 CFR 270.30e-1(a)] requires funds to include in their shareholder reports the information that is required by the fund's registration statement form.

⁶³ We have submitted an additional collection of information to OMB in connection with Investment Company Act Release No. 25870 (Dec. 18, 2002) [68 FR 160 (Jan. 2, 2003)] (proposing amendments regarding shareholder reports and quarterly portfolio disclosure). This submission is currently pending before OMB. If the submission is approved, the approved total burden hours for complying with rule 30e-1 will be 926,350 hours. With the adjustment to reflect the modifications we are making here to our proposed amendments to Forms N-1A, N-2, and N-3, the approved total burden hours for complying with rule 30e-1 would be 893,050 hours (926,350—(37,000—3,700)).

August 31 of each year. The respondents to rule 30b1-4 will be registered management investment companies, other than small business investment companies registered with the Commission on Form N-5.

We estimate that there are approximately 3,700 funds that will be affected by the rule. Each of these 3,700 funds will be required by rule 30b1-4 to file complete proxy voting records with the Commission on Form N-PX. For purposes of this PRA analysis, the burden associated with the requirement of Rule 30b1-4 has been included in the collection of information required by Form N-PX, rather than the rule. Compliance with rule 30b1-4 is mandatory for every registered management investment company, other than a small business investment company registered with the Commission on Form N-5. Responses to the disclosure requirements are not confidential.

Form N-PX

Form N-PX contains collection of information requirements. The respondents to this information collection will be registered management investment companies, other than small business investment companies registered with the Commission on Form N-5. Compliance with the disclosure requirements of Form N-PX is mandatory. Responses to the disclosure requirements are not confidential.

Every registered management investment company, other than a small business investment company registered with the Commission on Form N-5, will be required to file Form N-PX, containing its complete proxy voting record for the twelve-month period ended June 30, by no later than August 31 of each year. We estimate that there are approximately 3,700 funds registered with the Commission, with 5,200 fund portfolios that hold equity securities that will be required to file Form N-PX.⁶⁴ We further estimate that for each of these funds the disclosure of its proxy voting record in filings on Form N-PX as of the end of each twelve-month period ended June 30 will require, on average, 14.4 hours per filing per equity portfolio, for a total annual

⁶⁴ The estimate of 3,700 funds is based on the number of management investment companies currently registered with the Commission. We estimate, based on data from the Investment Company Institute and other sources, that there are approximately 4,700 fund portfolios that invest primarily in equity securities and 500 "hybrid" or bond portfolios that may hold some equity securities, for a total of 5,200 portfolios holding equity securities.