

MEMO# 30999

January 3, 2018

ICI Submits Comment Letter on SEC's Proposed Disclosure and Reporting Changes (Related to Incorporation by Reference, Hyperlinking, and HTML Format)

[30999]

January 3, 2018 TO: ICI Members SUBJECTS: Closed-End Funds

Compliance

Disclosure

Investment Advisers

Operations

Unit Investment Trusts (UITs)

Variable Insurance Products RE: ICI Submits Comment Letter on SEC's Proposed Disclosure and Reporting Changes (Related to Incorporation by Reference, Hyperlinking, and HTML Format)

On October 11, the SEC proposed amendments to modernize and simplify certain disclosure requirements in Regulation S-K and related rules and forms, pursuant to Section 72003 of the Fixing America's Surface Transportation Act (FAST Act).[\[1\]](#) Some of these proposed changes would affect investment companies and investment advisers.

ICI's comment letter submitted earlier today supports the Proposal as it relates to funds and advisers. In it, we:

- Request that the SEC provide equivalent relief to funds and advisers where it proposes relief for operating companies, as appropriate;[\[2\]](#)
- Support the proposed incorporation by reference amendments that relate to funds and advisers;[\[3\]](#) and
- Support the proposed changes related to hyperlinking and the HTML filing format that relate to funds.[\[4\]](#)

Matthew Thornton

[Attachment](#)

endnotes

[1] *FAST Act Modernization and Simplification of Regulation S-K*, SEC Release No. IC-32858, 82 Fed. Reg. 50988 (Nov. 2, 2017) (“Proposal”), available at www.gpo.gov/fdsys/pkg/FR-2017-11-02/pdf/2017-22374.pdf. Section 72003 of the FAST Act requires the SEC to study, and produce a report on, Regulation S-K’s requirements. The FAST Act requires the report to include recommendations on (i) modernizing and simplifying Regulation S-K’s reporting requirements in a manner that reduces the costs and burdens on issuers while still providing all material information, and (ii) improving the readability and navigability of disclosure documents and discouraging repetition and the disclosure of immaterial information. See Institute [Memorandum No. 30943](#), dated November 8, 2017, for a detailed summary of the Proposal as it relates to funds and advisers.

[2] Proposed amendments to Regulation S-K would permit operating companies to: omit entire schedules and similar attachments to exhibits unless they contain material information and that information is not otherwise disclosed; redact personally identifiable information from exhibits without submitting a confidential treatment request; and redact confidential information from material contracts filed pursuant to that item where such information is both (i) not material and (ii) competitively harmful if publicly disclosed. ICI’s letter requests similar relief for funds.

[3] We believe the proposed amendments would be easier to interpret and apply (e.g., by consolidating provisions applicable to funds in revised Rule 0-4, and eliminating those provisions that serve no practical purpose), and would facilitate increased use of incorporation by reference, all without sacrificing investor protection.

[4] The proposed amendments generally would require (i) registrants to include a hyperlink to each exhibit identified in a filing’s exhibit index; and (ii) registrants to file registration statements and reports that include exhibits in HTML format, to make the proposed hyperlinking requirements feasible. ICI’s letter supports these amendments, because of the benefits of hyperlinking in directing investors to other information.