

MEMO# 31237

June 5, 2018

ICI Files Supplemental Comment Letter on SEC's iXBRL Proposal

[31237]

June 5, 2018 TO: ICI Members SUBJECTS: Compliance
Disclosure RE: ICI Files Supplemental Comment Letter on SEC's iXBRL Proposal

ICI submitted the attached supplemental comment letter on the SEC's 2017 proposal to require the use of Inline eXtensible Business Reporting Language (iXBRL) format for the submission of mutual fund risk/return summaries.[\[1\]](#) The proposal would require mutual funds to use iXBRL format to tag risk/return summary information within a filing, replacing the current requirement to file a separate XBRL exhibit with this information. Although the SEC's proposal largely focuses on tagging of operating company financial statement information, our comments focus on the tagging of mutual fund risk/return summary information.

The letter responds to questions we received recently from the staff of the Division of Investment Management and underscores the information we provided in our initial letter from May 2017.[\[2\]](#) The supplemental letter highlights three key points:

- First, mutual fund tagged data is different from operating company tagged data. The benefits of applying iXBRL tagging to operating company financial statement information do not apply similarly to mutual fund risk/return summary information.
- Second, moving to iXBRL would create both direct and indirect costs for funds, including adding costs associated with mailing shareholder reports.
- Third, the only likely benefit of this proposal is added convenience for third-party information providers—a benefit that does not warrant increased cost to fund shareholders.

Rather than tagging fund risk/return summary information in XBRL or iXBRL, we continue to urge the Commission to consider including expense information instead as an item in Form N-CEN.[\[3\]](#)

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[Attachment](#)

endnotes

[1] *Proposed Rule: Inline XBRL Filing of Tagged Data*, SEC Rel. Nos. 33-10323, 34-80133, IC-32518 (Mar. 1, 2017), *available at* <https://www.sec.gov/rules/proposed/2017/33-10323.pdf>.

[2] Letter from Dorothy M. Donohue, Deputy General Counsel, Investment Company Institute, to Brent J. Fields, Secretary, U.S. Securities and Exchange Commission, dated May 16, 2017, *available at* <https://www.sec.gov/comments/s7-03-17/s70317-1754353-151977.pdf>.

[3] Specifically, the Commission could include in Form N-CEN the expense ratio that is a part of the condensed financial information included in a fund's annual shareholder report. See Form N-1A, Item 27(b)(2).