

MEMO# 32956

December 2, 2020

Your Comments Requested by December 9 on ICI Draft Comment Letter to SEC on Disclosure Reform Proposal

[32956]

December 2, 2020 TO: Accounting/Treasurers Committee
Advertising Compliance Advisory Committee
Closed-End Investment Company Committee
Disclosure Working Group
ETF Advisory Committee
Operations Committee
SEC Rules Committee
Small Funds Committee
Transfer Agent Advisory Committee
Unit Investment Trust Committee RE: Your Comments Requested by December 9 on ICI Draft Comment Letter to SEC on Disclosure Reform Proposal

As we previously informed you, the SEC proposed comprehensive modifications to the mutual fund and ETF disclosure framework.[\[1\]](#) The proposal affects mutual fund and ETF shareholder reports, registration statements, and associated delivery obligations.

Comments on the proposal are due to the SEC January 4, 2021. As you know, we held a series of conference calls in August-September to discuss different aspects of the proposal; continued our outreach and analysis after that; and in November circulated, and then discussed extensively on a member call, a term sheet. That term sheet described the most fundamental changes that the SEC is contemplating. On many of these, different ICI members identified issues to consider, communicated different views, and raised various questions. We had a robust discussion on the November call, and we have tried to reflect your views in the attached draft. As mentioned on that call, we plan on filing the final comment letter with the SEC on December 18. Filing early will provide our views more visibility and avoid communication difficulties that we expect will arise if we file after the holidays.

We included requests for your views on aspects of the proposal that affect variable annuity products.

We invite you to add written edits and comments on the document itself as soon as possible but no later than close of business on December 9. You can contact

us before then if you want to discuss any aspects of the letter. You can reach Dorothy Donohue at ddonohue@ici.org, Greg Smith at smith@ici.org, Matt Thornton at matt.thornton@ici.org, or Joanne Kane at joanne.kane@ici.org.

Given the length of the letter (72 pages), we have organized it so that our most important comments are in the body of the letter and areas of comment where we express agreement or minor technical comments appear in an appendix. We also briefly discussed a few significant issues in the body of the letter and included lengthier analysis in an appendix where we thought that was appropriate.

Dorothy M. Donohue
Deputy General Counsel - Securities Regulation

Gregory M. Smith
Senior Director, Fund Accounting and Compliance

Matthew Thornton
Associate General Counsel

Joanne Kane
Senior Director, Operations & Transfer Agency

[Attachment](#)

endnotes

[1] The SEC proposal is *available at* <https://www.sec.gov/rules/proposed/2020/33-10814.pdf>. A mockup of a streamlined shareholder report is *available at* https://www.sec.gov/files/final_2020_im_annual-shareholder%20report.pdf. A chart illustrating the differences between the current disclosure framework and the proposed framework is *available at* <https://www.sec.gov/image/tailoredshareholderreports>.

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