

MEMO# 30704

May 16, 2017

ICI Files Comment Letter with SEC on Proposed iXBRL Requirements

[30704]

May 16, 2017 TO: ICI Members

Investment Company Directors

ICI Global Members SUBJECTS: Disclosure

Technology & Business Continuity RE: ICI Files Comment Letter with SEC on Proposed iXBRL Requirements

On May 16, 2017, ICI filed a comment letter with the Securities and Exchange Commission on its proposal to require the use of Inline eXtensible Business Reporting Language (iXBRL) format for the submission of mutual fund risk/return summaries.[\[1\]](#) The proposed rules would replace the current requirement for mutual funds to submit risk/return summary information to the Commission in XBRL format and would rescind the requirement to post the information on funds' websites. ICI's comment letter is attached, and is summarized briefly below.

ICI's letter asserts that XBRL tagging has not proven useful when applied to mutual fund risk/return summary information. It argues that the Commission's rulemaking only would further institutionalize the use of this outdated technology, creating additional expense with no benefit to investors, third party information providers, or mutual funds. The letter also explains that, with respect to mutual funds, this rulemaking would not accomplish the Commission's objectives of improving data quality or enhancing the efficiency of funds' filing and review process.

Accordingly, our letter (i) urges the Commission not to require mutual funds to submit risk/return summary information in a tagged format using iXBRL, (ii) recommends that the Commission rescind the current XBRL filing requirements for mutual fund risk/return summaries, and (iii) supports the Commission rescinding the requirement for mutual funds to post their prospectus risk/return summary information in XBRL format on their websites. If the Commission finds fund expense data to be useful in a structured format, the letter notes that the SEC could consider including this item in recently adopted Form N-CEN. 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.

Linda French

Counsel

[Attachment](#)

endnotes

[1] See ICI Memorandum No. 30654 (Mar. 29, 2017), *available at* https://www.ici.org/my_ici/memorandum/memo30654.

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