

**MEMO# 30969**

December 8, 2017

## **SEC Modifies Approach to Form N-Port Filing Requirements**

[30969]

December 8, 2017 TO: ICI Members

Investment Company Directors SUBJECTS: Audit Committees

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We are very pleased to report that today, the Securities and Exchange Commission delayed by nine months the requirement to file Form N-PORT through the EDGAR system<sup>[1]</sup>. The SEC adopted a temporary final rule that permits funds in larger fund groups to maintain in their records the information that is required by Form N-PORT until April 2019.<sup>[2]</sup> During this time, funds will not be required to file Form N-PORT with the Commission.<sup>[3]</sup> The SEC took this approach in recognition of the importance of sound data security practices and protocols for sensitive, non-public information.

In particular, beginning no later than July 30, 2018, larger fund groups will maintain the Form N-PORT information in their records and make it available to the Commission upon request in lieu of filing the form on EDGAR. Filing of Form N-PORT through the EDGAR system will begin by April 30, 2019 for larger fund groups and by April 30, 2020 for smaller fund groups.<sup>[4]</sup> The Commission notes that, during the nine-month period funds maintain

N-PORT information in their records, they may, but are not required to, store the information in an XML format.

As way of background, in May 2017, Chairman Clayton initiated an assessment of the Commission's cybersecurity risk profile and its approach to cybersecurity. The Chairman subsequently directed the staff to take a number of steps designed to assess and strengthen the Commission's cybersecurity risk profile. In connection with these ongoing efforts, the agency commenced a focused review and uplift of EDGAR and other systems. Form N-PORT uses the EDGAR system.

The temporary rule also will delay, for larger fund groups, the Form N-PORT reporting obligations imposed by the liquidity risk management program rule. Larger fund groups will be required to maintain in their records the information required by those items by December 1, 2018, but will not be required to file Form N-PORT until April 2019.

The Commission has retained the six-month non-public reporting period for larger fund groups on Form N-PORT.<sup>[5]</sup>

To ensure that investors do not lose access to important information, the Commission is requiring funds to continue filing public reports on existing Form N-Q until they begin filing reports on Form N-PORT using EDGAR,<sup>[6]</sup> and is delaying the compliance dates for the amendments to the certification requirements of Form N-CSR accordingly.

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#### **endnotes**

<sup>[1]</sup> See IC-32936 (December 8, 2017), *available at* <https://www.sec.gov/rules/interim/2017/33-10442.pdf>.

<sup>[2]</sup> See new Rule 30b1-9(T) under the Investment Company Act of 1940. The first report filed now will be for the period ending March 31, 2019 for larger fund groups.

<sup>[3]</sup> The compliance date for Form N-CEN is unchanged.

<sup>[4]</sup> Because the Commission extended the compliance date for smaller fund groups by nine months, from June 30 to April 30, 2020, smaller funds are not subject to temporary rule 30b1-9(T). The first report filed by smaller fund groups now will be for the period ending March 31, 2020.

<sup>[5]</sup> Reports for the periods ending March 31, 2019 through September 30, 2019 will be kept non-public. As before, portfolio information attached as exhibits to Form N-PORT for the first

and third quarters of a fund's fiscal year still will be made public during this period.

[\[6\]](#) Money market funds, however, will not have to file reports on Form N-Q after August 1, 2019.

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