

MEMO# 31270

June 29, 2018

SEC Finalizes iXBRL Requirements

[31270]

June 29, 2018 TO: ICI Members
SEC Rules Committee
Small Funds Committee SUBJECTS: Compliance
Disclosure RE: SEC Finalizes iXBRL Requirements

The Commission voted on June 28 to require the use of Inline eXtensible Business Reporting Language (iXBRL) format for the submission of mutual fund risk/return summaries.^[1] The SEC now will require mutual funds to use iXBRL format to tag risk/return summary information within a filing, replacing the existing requirement to file a separate XBRL exhibit with this information. The newly adopted amendments also eliminate the 15 business day filing period for the tagged risk/return summary information and eliminate the requirement for funds to post the tagged information on their websites.

The SEC's release acknowledges the concerns that ICI and several members raised about the usefulness of XBRL tagging for mutual fund risk/return summaries.^[2] The SEC concluded, however, that moving to iXBRL would improve the timely availability of the information and eventually create greater efficiencies in the filing process.

To address industry concerns about the burden of the transition to iXBRL, the final amendments provide a lengthier phase-in period. Large fund groups with net assets of \$1 billion or more now will have two years to comply, and small fund groups with net assets of less than \$1 billion will have three years.

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endnotes

^[1] *Final Rule: Inline XBRL Filing of Tagged Data*, SEC Rel. Nos. 33-10514; 34-83551; IC-33139 (June 28, 2018), available at <https://www.sec.gov/rules/final/2018/33-10514.pdf>.

The Commission also adopted amendments to require iXBRL tagging of operating company financial statement information.

[2] See Letter from Susan M. Olson, General Counsel, Investment Company Institute, to Brent J. Fields, Secretary, U.S. Securities and Exchange Commission, dated June 1, 2018, available at <https://www.sec.gov/comments/s7-03-17/s70317-3765763-162659.pdf>; and 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>.

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