

MEMO# 22721

July 22, 2008

Draft ICI Comment Letter on SEC Financial Statement XBRL Proposal

[22721]

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TO: ACCOUNTING/TREASURERS COMMITTEE No. 10-08
ETF ADVISORY COMMITTEE No. 19-08
SEC RULES COMMITTEE No. 53-08
SMALL FUNDS COMMITTEE No. 23-08
TECHNOLOGY COMMITTEE No. 17-08
XBRL WORKING GROUP RE: DRAFT ICI COMMENT LETTER ON SEC FINANCIAL STATEMENT
XBRL PROPOSAL

As we previously informed you, the SEC recently proposed to require all companies, other than investment companies, to submit financial statement information using eXtensible Business Reporting Language ("XBRL"). [1] The Commission's proposal, however, requested comment on whether investment companies should be required to submit financial statement information using XBRL and whether the investment company financial reporting taxonomy is sufficiently developed to support its required use.

The Institute has prepared a draft comment letter on the proposal. The draft letter is attached and summarized below. Please provide any comments on the draft letter to Greg Smith (smith@ici.org or 202/326-5851) by July 28th.

The draft letter supports the Commission's decision to exclude investment companies from its proposed rules. The draft letter indicates that the benefits associated with tagging investment company financial statements (i.e., the statement of operations, the statement of changes in net assets, the balance sheet and the related notes) are

limited relative to other types of issuers. The draft letter expresses the view that investors consider total return and other standardized measures, rather than financial statement balances, when evaluating fund performance.

The draft letter indicates that the investment management financial reporting taxonomy should be updated and that funds should have the opportunity to experiment with it in a voluntary environment before the Commission considers mandating its use.

Gregory M. Smith
Director - Operations/Compliance & Fund Accounting

[Attachment](#)

endnotes

[\[1\]](#) See Memorandum to Accounting/Treasurers Committee No. 8-08, ETF Advisory Committee No. 14-08, SEC Rules Committee No. 41-08, Small Funds Committee No. 17-08, Technology Committee No. 14-08 and XBRL Working Group [22614], dated June 17, 2008.

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