

MEMO# 30981

December 14, 2017

ICI Draft Comment Letter on SEC's Proposed Disclosure and Reporting Changes (Related to Incorporation by Reference, Hyperlinking, and HTML Format)

[30981]

December 14, 2017 TO: Accounting/Treasurers Committee

Chief Compliance Officer Committee

Closed-End Investment Company Committee

ETF (Exchange-Traded Funds) Committee

Operations Committee

SEC Rules Committee

Small Funds Committee

Unit Investment Trust Committee RE: ICI Draft Comment Letter on SEC's Proposed Disclosure and Reporting Changes (Related to Incorporation by Reference, Hyperlinking, and HTML Format)

On October 11, the SEC proposed amendments to modernize and simplify certain disclosure requirements in Regulation S-K and related rules and forms, pursuant to Section 72003 of the Fixing America's Surface Transportation Act (FAST Act).[\[1\]](#) Some of these proposed changes would affect funds and advisers.

Section 72003 of the FAST Act requires the SEC to study, and produce a report on (i) modernizing and simplifying Regulation S-K's reporting requirements in a manner that reduces the costs and burdens on issuers while still providing all material information, and (ii) improving the readability and navigability of disclosure documents and discouraging repetition and the disclosure of immaterial information.

The draft comment letter supports the Proposal as it relates to funds and advisers. In it, we:

- Request that the SEC provide equivalent relief to funds and advisers where it proposes relief for operating companies, as appropriate;[\[2\]](#)
- Support the proposed incorporation by reference amendments that relate to funds and advisers;[\[3\]](#) and

- Support the proposed changes related to hyperlinking and the HTML filing format that relate to funds and advisers.[\[4\]](#)

Comments are due to the SEC by January 2, 2018. If you have comments on the draft ICI letter, please provide them to me by December 28, 2017 (matt.thornton@ici.org or 202-371-5406).

Matthew Thornton
Assistant General Counsel

[Attachment](#)

endnotes

[\[1\]](#) *FAST Act Modernization and Simplification of Regulation S-K*, SEC Release No. IC-32858, 82 Fed. Reg. 50988 (Nov. 2, 2017) (“Proposal”), available at www.gpo.gov/fdsys/pkg/FR-2017-11-02/pdf/2017-22374.pdf. See Institute [Memorandum No. 30943](#), dated November 8, 2017, for a detailed summary of the Proposal as it relates to funds and advisers.

[\[2\]](#) Proposed amendments to Regulation S-K would permit operating companies to: omit entire schedules and similar attachments to exhibits unless they contain material information and that information is not otherwise disclosed; redact personally identifiable information from exhibits without submitting a confidential treatment request; and redact confidential information from material contracts filed pursuant to that item where such information is both (i) not material and (ii) competitively harmful if publicly disclosed. The draft letter requests similar relief for funds.

[\[3\]](#) We believe the proposed amendments would be easier to interpret and apply (e.g., by consolidating provisions applicable to funds in revised Rule 0-4, and eliminating those provisions that serve no practical purpose), and would facilitate increased use of incorporation by reference, all without sacrificing investor protection.

[\[4\]](#) The proposed amendments generally would require (i) registrants to include a hyperlink to each exhibit identified in a filing’s exhibit index; and (ii) registrants to file registration statements and reports that include exhibits in HTML format, to make the proposed hyperlinking requirements feasible. The draft letter supports these amendments, because of the benefits of hyperlinking in directing investors to other information.