

MEMO# 20750

January 3, 2007

Update on the Institute's XBRL Initiative

[20750]

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TO: ACCOUNTING/TREASURERS MEMBERS No. 1-07
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INITIATIVE

As you know, the Institute has been working to achieve meaningful disclosure reform as a key public policy goal. An important aspect of this goal is to strengthen investors' access to essential mutual fund information through the use of Internet-based technologies. To that end, in June 2006 the Institute engaged PricewaterhouseCoopers and formed a working group to develop an XBRL taxonomy for the risk/return summary of a fund's prospectus.

We have worked closely with our XBRL Working Group - comprised of member firms, our regulators, service providers, and investor advocates - to produce the taxonomy with a goal of completing a final draft by year-end 2006. We are pleased to inform you that the Working Group met its goal, and today the Institute is announcing the beginning of a 45-day period for public review of the taxonomy. Members and other interested parties can find the taxonomy, review tools, supporting materials, and general information about XBRL at <http://members.ici.org/xbrl>. Following the public review and any resulting modifications to the taxonomy, the Institute will announce the availability of the taxonomy for use in SEC filings.

We expect the SEC to amend its Voluntary Filer Program (VFP) rule to allow mutual funds to file their risk/return summaries using the new XBRL taxonomy in the first half of 2007. Software firms and service providers are already working to incorporate the taxonomy into their document management products and solutions. The Institute will work with these firms to develop and offer education and other assistance for Institute members to facilitate use of the taxonomy by the fund industry.

Members are strongly encouraged to participate in the VFP once the rule is amended to permit the filing of risk/return summaries using the new XBRL taxonomy. For more information, please contact Lee Butler at (202)326-5931, Greg Smith at (202)326-5851, Mara Shreck at (202)326-5923, or me at (202)326-5845.

We will keep you informed of further developments.

Donald J. Boteler
Vice President - Operations

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