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May 18, 2007

Mr. Andrew J. Donohue
Director, Division of Investment Management
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-9303

Re: Extension of Interactive Data Voluntary Reporting Program on the EDGAR System to Include Mutual Fund Risk/Return Summary Information
File No. S7-05-07

Dear Mr. Donohue:

The Investment Company Institute[1] is pleased to provide the Commission with an eXtensible Business Reporting Language ("XBRL") taxonomy that covers the risk/return summary information contained in a mutual fund prospectus.[2] We believe that the taxonomy is ready for use with the Commission's proposed extension of its interactive data voluntary reporting program, which would permit mutual funds to furnish risk/return summary information in XBRL. We submitted the taxonomy to XBRL International for acknowledgment on May 16, 2007.

In January 2007, the ICI's XBRL working group completed a draft taxonomy and posted it on the Internet for a 45-day public review period. We received several comments during that time. In addition, several comments submitted to the Commission during the comment period for its proposal to extend its voluntary filing program addressed the design or other aspects of the taxonomy. The following describes our response to these comments and the changes that were made.

[1] The Investment Company Institute is the national association of U.S. investment companies. More information about the Institute is available at the end of this letter.

[2] The schema files and reference materials for the taxonomy are available at http://xbrl.ici.org.

General Comments on the Taxonomy

One letter to the SEC stated that the taxonomy elements are tied too tightly to the requirements of Form N-1A, and therefore the taxonomy cannot easily be extended to meet future needs.[3] We agree that it is important to consider the possibilities for expanding the taxonomy. For example, the Commission may, in the future, consider a new disclosure regime, based on interactive data, that is less dependent on form submissions.

For the time being, however, risk/return summary information is required to comply with the specific format and content requirements prescribed by Form N-1A. To create a taxonomy that would be usable immediately, members of the ICI working group determined that the taxonomy should closely follow the Form N-1A disclosure requirements and related instructions. The working group agreed that this approach would be preferable to investment company filers, because the taxonomy would be easier to integrate with existing procedures for preparing Form N-1A filings. In addition, absent explicit regulatory approval of a less structured method for providing risk/return summary data, fund companies may be uncomfortable furnishing data in a format unconnected to Form N-1A. Until the Commission moves away from form-based disclosure, we believe that it is appropriate for the taxonomy to reflect the content and format requirements of Form N-1A.

A second letter to the SEC maintained that the taxonomy contained too many data tags, and suggested that the Commission determine whether a subset of the tags would reduce the complexity and costs of participation in the voluntary program.[4] The approximately 300 usable tags in the taxonomy cover virtually every data element that *could* be disclosed in a risk/return summary, as set forth in the instructions to Form N-1A. The working group agreed that it was important to provide a tag for each possible data element called for by Form N-1A. In addition to allowing extraction and analysis of specific data items, this approach could facilitate validation by the SEC and filers that the XBRL submission contains the required disclosures.

In any event, a single fund would never use all of the tags. Many of the tags will only be relevant under certain circumstances, such as for disclosures relating to specific types of funds (*e.g.,* funds of funds, funds advised by or sold through depository institutions). More than 30 tags apply only to disclosures for money market funds. Still other tags relate to optional disclosures, such as an explanation of why a fund's average annual return after taxes is higher than its average annual return, and the inclusion of a fund's yield and tax-equivalent yield in the table. Finally, more than 75 tags relate to footnote disclosures allowed or required by Form N-1A. Many of these footnotes are optional (*e.g.,*

[3] *See* Letter from Michael L. Rohan, President and CEO, Rivet Software, Inc., to Nancy M. Morris, Secretary, U.S. Securities and Exchange Commission, dated March 14, 2007.

[4] *See* Letter from Russell Planitzer, CEO, New River, to Nancy M. Morris, Secretary, U.S. Securities and Exchange Commission, dated March 14, 2007.

those relating to exchange fees, account fee thresholds, expense reimbursements or fee waivers, clarification regarding annual fund operating expenses), and others are required only in limited circumstances (*e.g.*, those relating multiple class funds and feeder funds). While it is impossible to predict an average, we expect that many filings will only use between 150 and 200 distinct tags.

Comments on the Use of the XBRL Dimensions Standard

The taxonomy relies on the XBRL Dimensions standard to allow filers to create groupings of funds similar to those they now create in their prospectus filings. For example, where a complex files a single prospectus for multiple funds, series or share classes, Dimensions provides a structure for a data element to be marked as applying to any subset of the funds covered by the prospectus, such as all equity funds, or all Class A shares. Absent Dimensions or another structure like it, an instance document would have to repeat the identical data element for each individual fund, series or class to which it applied.

The XBRL working group agreed that a structure allowing the grouping of subsets of funds, series or classes was important for the taxonomy, because it would facilitate the use of XBRL for risk/return summaries covering multiple entities that have certain identical disclosures. The Dimensions standard was designed to address this type of structure.[5] Another alternative would have been to develop a unique grouping framework for the taxonomy. We determined that using an existing standard was more practical than creating a new one.

A few comments to the SEC[6] and the ICI[7] expressed concerns about the use of the Dimensions standard. In particular, one commenter suggested that the taxonomy would be simpler, and therefore more likely to be used, if it avoided complex structures such as Dimensions. This suggestion was part of a broader recommendation to remove from the taxonomy all direct references to Form N-1A. As discussed above, the working group agreed that, for the time being, the taxonomy should relate directly to Form N-1A. Based on this decision, we determined that enabling the grouping of funds, series and classes was important, because it will facilitate the provision of data applicable to multiple entities, as Form N-1A permits. As another commenter wrote, the Dimensions standard might create short-term difficulties, but would ultimately make the taxonomy more useful.[8]

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[5] *See* Letter from Walter Hamscher, President and CEO, Standard Advantage, to Nancy M. Morris, Secretary, U.S. Securities and Exchange Commission, dated March 2, 2007.

[6] *See* Letter from Michael L. Rohan, *supra* note 3.

[7] *See* E-mail from Rob Blake, Vice President, Domain and Taxonomies, XBRL US, Inc., to ICI XBRL Taxonomy Review, dated Feb. 20, 2007; E-mail from anonymous Investor Advocate/Software firm, attached as Exhibit to E-mail from Rob Blake.

[8] *See* E-mail from Ed Hodder, Director, XBRL Services, Bowne & Co., to ICI XBRL Taxonomy Review, dated Feb. 19, 2007.

While the Dimensions standard is not yet supported by everyone in the XBRL community, support has grown steadily in recent months. Moreover, several filing preparation vendors have verbally indicated that their software can or will soon be able to support the Dimensions standard. Thus, we do not think that its use will present significant technical obstacles to preparers or consumers of mutual fund risk/return XBRL data.

Addition of a Cautionary Disclosure Element to the Taxonomy

In our comment letter to the Commission on the proposed amendments to the voluntary filing program, the Institute supported the idea of requiring cautionary language to be included in the exhibit index to Form N-1A.[9] Such disclosure would advise investors that the data included in the tagged exhibits is not the fund's official filing and should not be relied upon in making investment decisions. We also recommended that filers be required to include similar cautionary disclosure *within* their XBRL exhibits. We have added a disclaimer data element to the taxonomy as part of the high-level "scope" information in each filing. Although this disclaimer will not appear when an individual views only selected data elements from a filing, it should be displayed when the entire risk/return summary is viewed using standard XBRL reader software.

Technical Comments on the Taxonomy

In addition to the comments summarized above, the ICI has received a number of technical comments throughout the development and review of the risk/return summary taxonomy. We maintained a comment tracking web site to enable discussion of such issues. The web site was made available upon request to all individuals and firms that wished to make technical comments, and was primarily used by firms that are evaluating or developing tools to implement the taxonomy. These reviewers brought several problems and suggestions to the attention of the taxonomy development team, all of which have been considered, and changed as appropriate.

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[9] *See* Letter from Donald J. Boteler, Vice President, Operations and Continuing Education, and Elizabeth R. Krentzman, General Counsel, Investment Company Institute, to Nancy M. Morris, Secretary, U.S. Securities and Exchange Commission, dated March 14, 2007.

The Institute appreciates the opportunity to work with the Commission on this important initiative. If you have any questions about the risk/return summary taxonomy or would like any additional information, please contact me at 202/326-5845, Lee Butler at 202/326-5931, or Mara Shreck at 202/326-5923.

Sincerely,

Donald J. Boteler

Donald J. Boteler
Vice President - Operations

cc: Susan Nash, Associate Director
Division of Investment Management

About the Investment Company Institute

ICI members include 8,826 open-end investment companies (mutual funds), 666 closed-end investment companies, 398 exchange-traded funds, and 4 sponsors of unit investment trusts. Mutual fund members of the ICI have total assets of approximately $10.634 trillion (representing 98 percent of all assets of US mutual funds); these funds serve approximately 93.9 million shareholders in more than 53.8 million households.