



OppenheimerFunds®

OppenheimerFunds, Inc.
Two World Financial Center
225 Liberty Street
New York, NY 10281-1008
www.oppenheimerfunds.com

Nancy S. Vann
Vice President and Associate Counsel
Telephone: 212-323-5089
Facsimile: 212-323-4071
E-mail: nvann@oppenheimerfunds.com

August 4, 2008

Florence E. Harmon
Acting Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: Proposed Rule Regarding Interactive Data for Mutual Fund Risk/Return Summary
File Number S7-12-08

Dear Ms. Harmon:

OppenheimerFunds, Inc.¹ welcomes the opportunity to comment on the proposal by the Securities and Exchange Commission to require submission of mutual fund risk/return summaries in eXtensible Business Reporting Language ("XBRL") format (the "XBRL Proposal")². We thank the staff of the Division of Investment Management of the Commission for inviting investors, commentators and the fund industry to provide suggestions and assistance with respect to the XBRL Proposal to assure that the needs and concerns of all are fully considered.

We support the Commission's efforts to enhance the utility of prospectus disclosure by providing investors with key fund information in a computer readable format and by using a "layered" disclosure approach, by allowing the use of a summary document (a "Summary Prospectus")³, together with access to more detailed information through the internet or in traditional paper form (the "Summary Prospectus Proposal")⁴. The Commission's two rule

¹ OppenheimerFunds, Inc. ("OppenheimerFunds") is the investment adviser to the more than 100 investment companies that comprise the OppenheimerFunds family of mutual funds, having more than 6 million shareholder accounts. Including its affiliates, OppenheimerFunds manages assets in excess of \$225 billion, including approximately \$200 billion of mutual fund assets. The OppenheimerFunds mutual funds are sold to members of the public primarily by financial intermediaries that have selling agreements with our subsidiary, OppenheimerFunds Distributor, Inc.

² See *Interactive Data for Mutual Fund Risk/Return Summary*, SEC Release Nos. 33-8929, 34-57942, IC-28929 (June 10, 2008), 73 Fed. Reg. 35442 (June 23, 2008) ("XBRL Release").

³ See *Enhanced Disclosure and New Prospectus Delivery Option for Registered Open-End Management Investment Companies*, Release Nos. 33-8861; IC-28064; File No. S7-28-07 (Nov. 21, 2007), 72 Fed. Reg. 67790 (November 30, 2007) ("Summary Prospectus Release").

⁴ See Comment Letter from Robert G. Zack, Executive Vice President and General Counsel, OppenheimerFunds, dated March 3, 2008, *Comments on Proposed Rule: Enhanced Disclosure and New Prospectus Delivery Option for Registered Open-End Management Investment Companies* available at: <http://www.sec.gov/comments/s7-28-07/s72807-120.pdf>.

proposals in that regard (together the "Disclosure Proposals") would enhance the ability of investors to easily access key fund information and would capitalize on advances in technology and use of the internet to afford investors the ability to use that information to compare different mutual funds across the spectrum of funds and fund families.

OppenheimerFunds participated in the Investment Company Institute ("ICI") working group (the "ICI Working Group") that assisted in drafting the XBRL taxonomy currently used in the Commission's voluntary filing program⁵ and under that program we submitted XBRL tagged data with respect to a post-effective amendment for one of the Oppenheimer funds. The comments we provide below are suggestions for modifying certain aspects of the XBRL Proposal to facilitate the implementation in a manner that maintains the goals of both of the Disclosure Proposals while giving due consideration to the challenges that implementation of those two proposals may pose for fund companies and financial intermediaries. We also join in the comments on the XBRL Proposal submitted by the ICI and have not addressed certain of the concerns raised in the ICI's comment letter, because we believe the ICI comment letter appropriately addressed those concerns.

Our comments primarily concern two aspects of the XBRL Proposal: (1) the challenges of implementing the XBRL Proposal during the same time period as the potential implementation of the Summary Prospectus Proposal and (2) concerns about legal liabilities, especially during the implementation phase.

1. Implementation Challenges and Timing

As noted above and in our comment letter on the Summary Prospectus Proposal, we support the Commission's efforts to provide more "user friendly" information to investors through the development of a Summary Prospectus that would include significant information about a mutual fund in an easily readable form. The Summary Prospectus Release indicates that the revised "risk/return" summary would probably be required to be included in filings made with the Commission within six months after the effective date of that proposal. In our experience, the Commission generally has not mandated compliance with both substantive and technological changes to fund registration statements within such a short time period.⁶ We have some specific concerns about the prospect of having to implement both the Summary Prospectus Proposal and the XBRL Proposal in the same or overlapping periods. We further feel that of the two Disclosure Proposals, the Summary Prospectus Proposal offers the greater immediate value to investors and should take precedence.

Filing Concerns. If the Summary Prospectus were adopted with the requirement that the initial amendment to each fund's prospectus be filed under rule 485(a) under the Securities Act of

⁵ See *Extension of Interactive Data Voluntary Reporting Program on the EDGAR System to Include Mutual Fund Risk/Return Summary Information*, SEC Release Nos. 33-8781 and IC-27697 (Feb. 6, 2007), 72 Fed. Reg. 6676 (Feb. 12, 2007) (the "Voluntary Program").

⁶ The most recent major change to the content of fund prospectuses occurred in 1998 when the Commission adopted of the "Simplified Prospectus." The Simplified Prospectus revisions were proposed in February 1997 (see *Registration Form used by Open-End Management Investment Companies*, SEC Release Nos. 33-7398; 34-38346; IC-22528; S7-10-97 (February 27, 1997)); adopted in March 1998 (see *Registration Form Used by Open-End Management Investment Companies*, SEC Release Nos. 33-7512; 34-39748; IC-23064; File No. S7-10-97 (March , 1998) (the "Simplified Prospectus Release")); and were required to be implemented beginning in December 1998.

1933, as amended (the "Securities Act"), the number of filings for each annual registration statement update would double. If the XBRL submissions were also required at that time, the number would at least triple and, if an XBRL submission was required for both the 485(a) filing and any 485(b) filing that was necessary, the number of filings per annual fund update could quadruple.

If the implementation of the Summary Prospectus results in twice the number of EDGAR filings per annual registration statement update, it would add substantially to the complexity and expense of those updates. Requiring one or possibly two XBRL filings in addition to the demands of those Summary Prospectus filings would be burdensome for all funds,⁷ (whether they use outside EDGAR service providers or like OppenheimerFunds handle EDGAR filings in-house) and the additional filings could be particularly daunting for smaller fund families.

Tagging Concerns. Although the XBRL Proposal indicates that only the current risk/return summary information would be required to be tagged, the Summary Prospectus Proposal, if adopted, would make certain changes to that information⁸ that would require revisions to the existing taxonomy. While we recognize that revisions to the disclosure requirements and concomitant taxonomy revisions will occur over time, we suggest that it would be more efficient, and less costly, to implement XBRL tagging only after any changes necessitated by the Summary Prospectus rule have been implemented and the taxonomy has been updated. This would avoid the duplication of effort and expense that would result from tagging under the current requirements and format and then retagging certain items after the disclosure requirements have been revised.

Taxonomy Development. As a participant in the ICI Working Group and as an XBRL filer under the Voluntary Program, OppenheimerFunds is particularly aware of the challenges both of creating and revising the taxonomy and applying the taxonomy to specific information in fund prospectuses. The ICI Working Group spent eight months preparing the initial draft of the current taxonomy, which was then revised after a 45 day comment period and revised again in the process of seeking acknowledgement from the XBRL International Standards Board,⁹ which it received in June 2007. OppenheimerFunds is concerned that any required revisions to the taxonomy are not likely to be finalized and acknowledged in a brief enough time period to allow thorough evaluation and implementation prior to the proposed compliance date.

Taxonomy Testing. Tagging prospectus disclosure is not simply a mechanical process. Only 15 fund families have participated in the voluntary program to date and they have done filings for fewer than 25 funds.¹⁰ We believe that, further time is desirable for thorough testing of the taxonomy and the filing process prior to mandating the use of XBRL tags. OppenheimerFunds is concerned that the limited usage of the taxonomy to date may not have

⁷ In some fund families, the expenses of filing annual registration statement updates are borne by the funds not by the adviser. Additional filing and service provider costs would also be a burden for the shareholders of those funds.

⁸ In addition to the other changes in the Summary Prospectus Proposal, the order of information in the risk/return summary and the information regarding fees and expenses would be revised.

⁹ There are two levels of taxonomy recognition: "acknowledgment" is formal recognition that a taxonomy complies with XBRL specifications, including testing by a defined set of validation tools and "approval" is a formal recognition requiring more detailed quality assurance and testing, including compliance with official XBRL guidelines for the type of taxonomy under review, creation of a number of instance documents, and an open review period after acknowledgement.

¹⁰ From review of the filings posted on the SEC's XBRL viewer website on July 30, 2008.

offered sufficient testing. If mutual funds are required to use the current taxonomy and it is later changed, they will incur unnecessary costs and delays in making changes to update the taxonomy.

Tagging Applications and Services. Although a number of service providers have indicated an interest in developing tools to facilitate XBRL tagging or to offer out-sourced tagging services, to our knowledge none of those applications or services have been finalized or tested. Those applications will also have to be updated for any taxonomy revisions necessitated by the adoption of the Summary Prospectus.

Fund companies will need time to review the various options for compliance with the proposed rule, which would entail comparisons of various software applications, service packages, and the expenses, both internal and external, of the various options. Some fund families may decide to manually tag materials in-house rather than bearing the extra expense of acquiring software applications or using tagging services.

Viewer Development. As in the case of the taxonomy and the tagging application technology, we believe that the SEC's viewer (the Mutual Fund Reader) requires a longer and more extensive test period, particularly prior to a fund's becoming subject to consequences under federal securities laws for the viewer's rendering of the fund's tagged data. In our experience with the Voluntary Program, there were a number of difficulties with downloading the viewer and periods during which the functionality of the viewer on the website was interrupted or delayed.

Different viewers show the same tagged data differently, which may create problems for both fund companies and for investors. One aim of the XBRL Proposal is to allow comparison of information across different funds and fund families. We are concerned, however, that some applications may not adequately preserve the context of information, which could have the effect of distorting that information and could possibly give rise to claims that the information is "misleading."¹¹

For these reasons, OppenheimerFunds would encourage the Commission to delay the proposed implementation date for the XBRL proposal until after the specific provisions of the Summary Prospectus Proposal are finalized. Additionally, we would suggest that the Commission include an 18-month implementation period following the finalization of the Summary Prospectus Proposal provisions to enable fund families to have time to acquire and appropriately test systems to implement the XBRL requirements.

2. Liability and Compliance Concerns

We also have certain concerns with the liability provisions of the XBRL Proposal. In general, we feel that the proposed revisions are unclear on a number of points. The currently untested state of the technology, discussed above, also raises questions concerning the imposition of liability on investment companies under federal securities laws for filings that are essentially at a "beta testing" level. We also have some specific concerns about the proposed regulation.

Liability for Viewer-Rendered Documents. The requirement that the viewer rendering of the data file contain "no more and no less" than the related EDGAR filing¹² is particularly troublesome. In our experience the data tags are rendered in different ways by different viewers.

¹¹ For example, footnotes do not always render along with the associated text or other data.

¹² Proposed rule 405(b)-2 of Regulation S-T.

Although the SEC's viewer will be the "official" viewer for purposes of determining compliance with the disclosure requirements under federal securities laws, we believe that it is not sufficiently developed or tested at this time, and we are skeptical as to whether that viewer can be updated to conform to anticipated taxonomy changes and adequately tested by the compliance date. Even if the viewer were ready by that date, funds would have a limited amount of time to develop and test the reliability of their manual or automated tagging processes prior to that time.

Prohibition on Use of Cautionary Language. The Voluntary Program allowed funds to include cautionary language stating that the filing was not the official filing. This not only helped protect funds from possible liability, but also cautioned investors against relying on information that might be unintentionally incomplete or inaccurate. The XBRL Proposal would prohibit inclusion of such language.¹³ We feel that continuing to allow funds to include cautionary language for at least their first full annual update cycle would allow sufficient time for funds to gain experience with applying the XBRL tags to specific fund data and for the SEC viewer to be sufficiently tested before liability would attach to XBRL submissions.

Clarification of Liability for SEC's Comparative Application. Although the SEC's viewer is the official viewer, the SEC website also offers a tool for comparing different aspects of different funds. It is unclear what, if any, liability would attach with respect to information that rendered correctly in the viewer, but failed to do so in the comparative application. As noted above, certain applications may not include contextual information with selected data. Our review of several voluntary filings in the viewer and in the comparative applications noted some instances in which data that appeared in the viewer rendering was not included in the comparative application. Our concern is whether that failure may in some cases give rise to a claim that material information had been omitted or that the information is "misleading." Therefore, we would request that the Commission specifically clarify that mutual funds would have no liability for how XBRL information is viewed by any comparative applications provided by either the SEC or by any third-party service provider.

Penalties for Non-Compliance. Finally, OppenheimerFunds believes that the proposed penalties for failure to comply with the filing requirements are overly broad and may even be counterproductive. For example, a fund that is part of a series fund may be prevented from filing a post-effective amendment to its registration statement under rule 485(b) if another fund in that series had an issue with an XBRL filing. Such an occurrence would negatively affect shareholders of funds that otherwise complied with applicable rules or regulations.

Similarly, this penalty could have disproportional and counter-productive consequences for the filing fund itself. Preventing a fund from filing an amendment under 485(b) could keep a fund from being able to correct a mistake in a filing that it would be required to make in order to include accurate XBRL information that does not differ from the EDGAR filing. This could result in a mistake that was discovered at the end of the 15-day XBRL filing "window" not being able to be corrected in a timely manner unless the fund was willing to file inaccurate tagged data to preserve its ability to receive immediate effectiveness for a corrected 485 filing. Both investors and funds would be hurt by such a situation. Accordingly, OppenheimerFunds suggests that this provision be removed from the proposed rule.

¹³ See *XBRL Proposal*, *supra* note 2, Section II.C. "Documents and Information Covered by Proposed Rule."

3. Conclusions

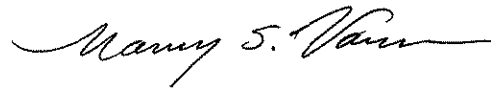
For the reasons discussed above, we feel that the challenges of implementation for the XBRL Proposal, particularly in conjunction with the considerable challenge of implementing the Summary Prospectus Proposal suggest that a more gradual, phased approach would be appropriate. Since the implementation of the Summary Prospectus Proposal would provide immediate benefits for investors and would finalize the anticipated modification of the XBRL taxonomy, we would urge the Commission to give priority to that proposal. This would allow for further development and testing of the XBRL taxonomy, tagging processes, viewers and comparative applications that we feel are needed before the use of XBRL data tags becomes mandatory.

We also believe that the liability considerations and proposed penalties for non-compliance should also be reconsidered and, in some cases, clarified as outlined above in light of the complexity involved with XBRL filings.

* * * * *

OppenheimerFunds, Inc. greatly appreciates the opportunity to comment on the XBRL Proposal and the efforts by the Commission and the Commission staff to find ways to enhance the delivery of mutual fund information to investors.

Sincerely,



Nancy S. Vann
Vice President and Associate Counsel

cc: The Honorable Christopher Cox, Chairman
The Honorable Luis Aguilar
The Honorable Paul S. Atkins
The Honorable Kathleen L. Casey
The Honorable Troy Paredes
The Honorable Elisse B. Walter

Andrew J. Donohue, Director,
Susan Nash, Associate Director,
Ms. Tara R. Buckley, Branch Chief, Office of Disclosure Regulation,
Mr. Alberto Zapata, Senior Counsel, Office of Disclosure Regulation,
Division of Investment Management
Robert G. Zack
John V. Murphy